

## S 2497

Small Investor Protection Act of 2004

**Congress:** 108 (2003–2005, Ended)

**Chamber:** Senate

**Policy Area:** Finance and Financial Sector

**Introduced:** Jun 3, 2004

**Current Status:** Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.

**Latest Action:** Read twice and referred to the Committee on Banking, Housing, and Urban Affairs. (Jun 3, 2004)

**Official Text:** <https://www.congress.gov/bill/108th-congress/senate-bill/2497>

### Sponsor

**Name:** Sen. Lieberman, Joseph I. [D-CT]

**Party:** Democratic • **State:** CT • **Chamber:** Senate

### Cosponsors

*No cosponsors are listed for this bill.*

### Committee Activity

Committee	Chamber	Activity	Date
Banking, Housing, and Urban Affairs Committee	Senate	Referred To	Jun 3, 2004

### Subjects & Policy Tags

**Policy Area:**

Finance and Financial Sector

### Related Bills

*No related bills are listed.*

Small Investor Protection Act of 2004 - Establishes the Division of the Investor within the Securities and Exchange Commission (SEC) to: (1) serve as advocate for individual investors, including serving as liaison between investor advocacy organizations and the SEC; and (2) assist and educate individual investors by performing the functions previously performed by the Director of the Office of Investor Education and Assistance (previously known as the Office of Consumer Affairs), paying particular attention to the needs and interests of small investors.

Establishes the Office of Risk Assessment within the SEC to: (1) assess industry practices within the jurisdiction of the SEC to identify any risks associated with those practices that could most likely harm investors and the public; and (2) develop strategies to address and mitigate such risks, and prevent or lessen the potential harm to investors and the public.

Requires the Commission, whenever it considers requiring significant disclosures to investors (whether in advertising, on web sites, or in documents required by law or regulation), to consider and give weight to empirical evidence as to: (1) whether the proposed disclosure as a whole is likely to improve meaningfully individual investor understanding to assist investors in making wise financial decisions; and (2) whether alternative disclosures would be more effective in improving investor understanding.

Amends the Investment Company Act of 1940 to declare that it shall be unlawful for an open-end registered investment company to offer its securities for sale, unless, prior to completion of the sale, it provides investors with a summary of relevant characteristics of the investment, including information on expenses, risk, and diversification, and any other information that the SEC determines will assist investors in making wise financial decisions.

---

### **Actions Timeline**

- **Jun 3, 2004:** Introduced in Senate
- **Jun 3, 2004:** Sponsor introductory remarks on measure. (CR S6452-6455)
- **Jun 3, 2004:** Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.