

S 3258

Modernizing and Strengthening Investor Protection Act of 2010

Congress: 111 (2009–2011, Ended)

Chamber: Senate

Policy Area: Finance and Financial Sector

Introduced: Apr 26, 2010

Current Status: Read twice and referred to the Committee on Banking, Housing, and Urban Affairs. (text of measure as

Latest Action: Read twice and referred to the Committee on Banking, Housing, and Urban Affairs. (text of measure as

introduced: CR S2644-2649) (Apr 26, 2010)

Official Text: <https://www.congress.gov/bill/111th-congress/senate-bill/3258>

Sponsor

Name: Sen. Reed, Jack [D-RI]

Party: Democratic • **State:** RI • **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	Apr 26, 2010

Subjects & Policy Tags

Policy Area:

Finance and Financial Sector

Related Bills

No related bills are listed.

Modernizing and Strengthening Investor Protection Act of 2010 - Amends the following Acts to grant the Securities and Exchange Commission (SEC) nationwide subpoena power and authority to impose civil penalties in cease-and-desist proceedings: (1) the Securities Exchange Act of 1934; (2) the Securities Act of 1933; (3) the Investment Company Act of 1940; and (4) the Investment Advisers Act of 1940.

Amends the Securities Exchange Act of 1934 and the Investment Company Act of 1940 to extend the class of persons subject to SEC censure or removal to those associated with or belonging to specified entities at the time of an alleged violation, abuse, or misconduct.

Amends the Sarbanes-Oxley Act of 2002 to redefine the class of persons associated with a public accounting firm subject to investigative and enforcement authority of either SEC or the Public Company Accounting Oversight Board.

Amends the Securities Act of 1933 and the Securities Exchange Act of 1934 to grant federal district courts extraterritorial jurisdiction with respect to the antifraud provisions of federal securities laws.

Amends the cited Acts to make liable to prosecution persons who aid and abet violations of such Acts.

Amends the Investment Company Act of 1940 and the Investment Advisers Act of 1940 to extend certain requirements for recordkeeping disclosures to persons having custody or use of the securities, deposits, or credits of a registered investment company.

Revises requirements for appointment of candidates to any position of accountant, economist, and securities compliance examiner at the SEC to limit such requirements to positions in the competitive service, especially any such position requiring specialized knowledge of financial and capital market formation or regulation, financial market structures or surveillance, or information technology.

Amends the Securities Investor Protection Act of 1970 to remove the distinction between claims for cash and claims for securities; and (2) prohibit any member of the Securities Investor Protection Corporation (SIPC) that has a customer from entering into an insolvency, receivership, or bankruptcy proceeding without SIPC consent.

Amends the Investment Company Act of 1940 to revise SEC record examination requirements to specify records subject to such examination.

Amends federal criminal law to authorize the court, upon motion of an attorney for the government, to grant the SEC access to grand jury information concerning possible violation of securities laws.

Amends the Securities Exchange Act of 1934, the Investment Company Act of 1940, and the Investment Advisers Act of 1940 to subject specified persons to information and document requests with respect to SEC surveillance or risk assessments of the securities markets.

States that the SEC shall not be compelled to disclose records obtained from registered persons pursuant to its regulatory and oversight activities.

Amends the Sarbanes-Oxley Act of 2002 to: (1) modify requirements for the production of audit work papers by foreign firms that conduct audit work upon which a registered public accounting firm relies; and (2) require a foreign public accounting firm to designate a domestic registered public accounting firm for which it performs work as an agent to

receive service of process, pleadings, or other papers.

Amends the Securities Exchange Act of 1934: (1) with respect to SEC sharing of privileged information with other authorities; and (2) to revise requirements for the composition of the Municipal Securities Rulemaking Board, beneficial ownership reporting, short-swing profit reporting, and application of antifraud provisions.

Directs the SEC to hire an independent consultant to examine: (1) the need for comprehensive SEC reform; and (2) the relationship of the SEC with, and its reliance upon, self-regulatory organizations and other entities relevant to the regulation of securities and the protection of securities investors.

Actions Timeline

- **Apr 26, 2010:** Introduced in Senate
- **Apr 26, 2010:** Sponsor introductory remarks on measure. (CR S2644)
- **Apr 26, 2010:** Read twice and referred to the Committee on Banking, Housing, and Urban Affairs. (text of measure as introduced: CR S2644-2649)