



NASAA

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NORTH AMERICAN SECURITIES ADMINISTRATORS ASSOCIATION, INC.

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November 15, 2021

The Honorable Maxine Waters  
Chairwoman  
House Committee on Financial Services  
2129 Rayburn House Office Building  
Washington, D.C. 20515

The Honorable Patrick McHenry  
Ranking Member  
House Committee on Financial Services  
2129 Rayburn House Office Building  
Washington, D.C. 20515

Re: NASAA's support for H.R. 2620, the Investor Choice Act of 2021, as amended

Dear Chairwoman Waters and Ranking Member McHenry:

On behalf of the North American Securities Administrators Association, Inc. ("NASAA"),<sup>1</sup> I am writing to express strong support for H.R. 2620, Investor Choice Act of 2021, as amended ("H.R. 2620") and to urge the House Financial Services Committee ("HFSC") to approve this bill during the mark-up scheduled for November 16, 2021.<sup>2</sup> As you know, NASAA called on Congress once again earlier this year to place the interests of investors front-and-center and prioritize measures to protect and empower retail investors.<sup>3</sup> In our view, Congress would be prioritizing and empowering retail investors by enacting legislation that protects their access to the judicial system as a means of dispute resolution.<sup>4</sup>

In short, H.R. 2620 would amend the Securities Exchange Act of 1934, the Securities Act of 1933, and the Investment Advisers Act of 1940 to (A) prohibit issuers of securities from mandating arbitration for a dispute between the issuer and its shareholders in any governing document or contract; and (B) make it "unlawful" for any broker, dealer, funding portal, municipal securities dealer, or investment adviser to mandate arbitration with customers, limit a customer's ability to select or designate a forum, or limit a customer's ability to pursue a claim on an individual or class action basis. In addition, the legislation would (C) apply retroactively to agreements that mandate arbitration, include forum selection clauses, or limit class actions.

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<sup>1</sup> Organized in 1919, NASAA is the oldest international organization devoted to investor protection. NASAA's membership consists of the securities administrators in the 50 states, the District of Columbia, Canada, Mexico, Puerto Rico, and the U.S. Virgin Islands. NASAA is the voice of securities agencies responsible for grassroots investor protection and efficient capital formation.

<sup>2</sup> See [an amendment in the nature of a substitute](#) offered by Rep. Foster.

<sup>3</sup> See [NASAA's Legislative Agenda Calls for Congress to Prioritize Investor Protection](#) (Mar. 8, 2021).

<sup>4</sup> See, e.g., [NASAA Strongly Supports the Investor Choice Act of 2013](#) (Aug. 2, 2013); Melanie Senter Lubin, NASAA Board Member and Maryland Commissioner of Securities, [Written Testimony](#), HFSC Subcommittee on Investor Protection, Entrepreneurship, and Capital Markets hearing entitled, "Putting Investors First: Reviewing Proposals to Hold Executives Accountable." (Apr. 3, 2019);

As a policy matter, H.R. 2620 would be a win for all the students, workers, retirees, and other retail investors who use our securities markets to save and invest with confidence for education, homeownership, and retirement. In particular, the legislation would return to them the right to evaluate their dispute resolution options and then select their preferred type of action and forum for bringing allegations against a company or individual.

Thank you for your consideration of NASAA's comments. Should you have any questions regarding NASAA's support for this important legislation, please do not hesitate to contact me or Kristen Hutchens, NASAA's Deputy Director of Policy and Government Affairs, and Policy Counsel, at [khutchens@nasaa.org](mailto:khutchens@nasaa.org).

Sincerely,

A handwritten signature in cursive script that reads "Melanie Senter Lubin".

Melanie Senter Lubin  
NASAA President  
Maryland Securities Commissioner

CC: The Honorable Bill Foster