



NASAA

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NORTH AMERICAN SECURITIES ADMINISTRATORS ASSOCIATION, INC.

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202-737-0900  
www.nasaa.org

February 1, 2024

The Honorable Sherrod Brown (D-OH)  
Chairman  
U.S. Senate Committee on  
Banking, Housing, and Urban Affairs  
534 Dirksen Senate Office Building  
Washington, D.C. 20510

The Honorable Tim Scott (R-SC)  
Ranking Member  
U.S. Senate Committee on  
Banking, Housing, and Urban Affairs  
534 Dirksen Senate Office Building  
Washington, D.C. 20510

The Honorable Patrick McHenry (R-NC)  
Chairman  
House Committee on Financial Services  
2129 Rayburn House Office Building  
Washington, D.C. 20515

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

Re: NASAA's Support for the Investor Choice Act of 2024

Dear Chairmen Brown and McHenry and Ranking Members Scott and Waters:

On behalf of the North American Securities Administrators Association, Inc. ("NASAA"),<sup>1</sup> I am writing to express strong support for H.R. 7168, the Investor Choice Act of 2024 and S. 3715, the Investor Choice Act of 2024. As you know, NASAA has called on Congress many times to place the interests of investors front-and-center and prioritize measures to protect and empower retail investors. 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>2</sup>

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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, the U.S. Virgin Islands, and Guam. NASAA is the voice of securities agencies responsible for grassroots investor protection and responsible capital formation.

<sup>2</sup> State securities regulators have testified numerous times, engaged with peers at the SEC, FINRA, and the CFPB, and continued to advocate for legislative action that returns investor choice to dispute resolution. *See, e.g.,* [NASAA Responses to SBC Questions for the Record Regarding July 28, 2022 Hearing, "Protecting Investors and Savers: Understanding Scams and Risks in Crypto and Securities Markets"](#) (Sept. 14, 2022); [NASAA Letter to SBC Leadership Regarding Promoting Trust in Our Capital Markets](#) (Apr. 5, 2022); [NASAA Letter to SBC Leadership Regarding Mandatory Arbitration Agreements in Our Capital Markets](#) (Mar. 8, 2022); [NASAA Letter to HFSC Leadership Regarding the Investor Choice Act of 2021](#) (Nov. 15, 2021).

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President: Claire McHenry (Nebraska)  
President-Elect: Leslie Van Buskirk (Wisconsin)  
Past-President: Andrew Hartnett (Iowa)  
Executive Director: Joseph Brady

Secretary: Diane Young-Spitzer (Massachusetts)  
Treasurer: Tom Cotter (Alberta)

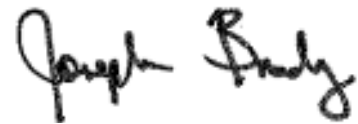
Directors: Stephen Bouchard (District of Columbia)  
Elizabeth Bowling (Tennessee)  
Marni Rock Gibson (Kentucky)  
Andrea Seidt (Ohio)

In short, this bicameral legislation 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.

As a policy matter, this legislation 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 Director of Policy and Government Affairs, and Policy Counsel, at [khutchens@nasaa.org](mailto:khutchens@nasaa.org).

Sincerely,

A handwritten signature in black ink that reads "Joseph Brady". The signature is written in a cursive, slightly slanted style.

Joseph Brady  
NASAA Executive Director

CC: The Honorable Bill Foster (D-IL)  
The Honorable Jeff Merkley (D-OR)