

AMENDMENT TO H.R. 2179
OFFERED BY MR. BAKER

Page 24, after line 14, insert the following:

1 (b) NATIONAL BROKER/DEALER STANDARDS.—
2 Paragraph (1) of section 15(h) of the Securities Exchange
3 Act of 1934 (15 U.S.C. 78o(h)(1)) is amended to read
4 as follows:

5 “(1) CAPITAL, MARGIN, BOOKS AND RECORDS,
6 BONDING, DISCLOSURE, AND REPORTS.—

7 “(A) IN GENERAL.—No law, rule, regula-
8 tion, judgment, agreement or order, or other ac-
9 tion of any State or political subdivision thereof
10 shall establish capital, custody, margin, finan-
11 cial responsibility, making and keeping records,
12 bonding, or financial or operational reporting,
13 disclosure, or conflict of interest requirements
14 for brokers, dealers, municipal securities deal-
15 ers, government securities brokers, or govern-
16 ment securities dealers that differ from, or are
17 in addition to, the requirements in those areas
18 established by the Commission or by any na-
19 tional securities exchange or other self-regu-
20 latory organization. The Commission shall con-
21 sult periodically with the securities commissions



1 (or any agency or office performing like func-
 2 tions) of the States concerning the adequacy of
 3 such requirements as established under this
 4 title.

5 “(B) PRESERVATION OF FRAUD AUTHOR-
 6 ITY.—Consistent with this paragraph, and with
 7 section 28(a) of this Act, the securities commis-
 8 sion (or any agency or office performing like
 9 functions) of any State shall retain jurisdiction
 10 under the laws of such State to investigate and
 11 bring enforcement actions with respect to fraud
 12 or deceit in connection with securities or securi-
 13 ties transactions.”.

14 “(C) RULEMAKING AUTHORITY.—The
 15 Commission may promulgate rules setting forth
 16 requirements for brokers or dealers that if es-
 17 tablished by a State or political subdivision of
 18 a State would be exempt from preemption
 19 under this paragraph, to the extent that such
 20 exemptions are necessary or appropriate in the
 21 public interest and consistent with the protec-
 22 tion of investors.”.

Page 24, line 15, strike “(b) ADDITIONAL” and in-
 sert “(c) ADDITIONAL”.

