



OFFICE OF
THE CHAIRMAN

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

September 28, 1988

The Honorable John Dingell
Chairman
Committee on Energy and Commerce
2125 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Dingell:

The Securities and Exchange Commission is pleased to transmit the enclosed legislative proposal, entitled the "Securities Law Enforcement Remedies Act of 1988," along with a Memorandum in Support of the legislation, and a section-by-section analysis. If enacted, the proposal would amend the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Company Act of 1940, and the Investment Advisers Act of 1940 to authorize new types of enforcement remedies.

These amendments would permit assessment of new civil money penalties in administrative and civil proceedings under these acts, would permit the Commission and courts to suspend or bar violators of these acts from service as an officer or director of any company that files reports with the Commission, and would add violations of Section 16(a) of the Securities Exchange Act to the bases for instituting administrative proceedings under Section 15(c)(4) of that Act. This additional sanctioning authority would enhance the Commission's enforcement capabilities and enable it to tailor enforcement remedies more precisely to particular facts.

The Commission believes that enactment of the Securities Law Enforcement Remedies Act of 1988 would significantly assist the Commission in carrying out its mission to enforce the federal securities laws. The Commission therefore urges the Congress to enact this proposed legislation.

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The views expressed here and in the accompanying material are those of the Commission and do not necessarily express the views of the President. These materials are being submitted simultaneously to the Office of Management and Budget. We will inform you of any advice received from OMB concerning the relationship of these materials to the program of the Administration.

Sincerely yours,



David S. Ruder
Chairman

Enclosures: A. Proposed Legislation
B. Memorandum in Support
C. Section-by-Section Analysis

Letters sent to: The Honorable George Bush
 The Honorable James C. Wright
 The Honorable William Proxmire
 The Honorable John Dingell
 The Honorable Donald W. Riegle, Jr.
 The Honorable Jake Garn
 The Honorable William Armstrong
 The Honorable Edward J. Markey
 The Honorable Norman J. Lent
 The Honorable Matthew Rinaldo