

XSTONWDC

Thanks for contacting me regarding H.R. 417, the Securities Private Enforcement Reform Act, sponsored by Rep. Billy Tauzin of Louisiana. It's good to hear from you.

This bill was introduced on January 5, 1993, and referred to House Committee on Energy and Commerce, which referred it, in turn, to its subcommittee on telecommunications and finance. It has 55 cosponsors.

As you know, the bill amends the Securities Exchange Act of 1934 to declare that a defendant may be liable jointly and severally for damages only if the defendant engaged in securities fraud knowingly. If the defendant did not engage in knowing fraud, the bill sets forth a liability allocation scheme to determine the percentage of responsibility among the defendants. It also sets a statute of limitations on such actions and regulates the size of awards and fees going to the prevailing party.

While I have not cosponsored Rep. Tauzin's bill, I support the goal of updating our securities and exchange laws to protect the rights of investors in a freer and more efficient marketplace. I will keep your support of this bill in mind as I study this issue.

Again, thanks for contacting me. If there is anything I can do for you in the future, please don't hesitate to call.

Respectfully yours,

DICK ARMEY
Member of Congress