

**SECURITIES LITIGATION
WHITE HOUSE PROCESS OUTLINE**

PARTICIPANTS

White House participants:

Counsel's Office	Bruce Lindsey
NEC	Kathy Wallman
	Ellen Seidman
DPC	Elena Kagan
Legislative Affairs	Dan Tate
	Paul Carey
COS Office	John Podesta
CEA	Jeff Frankel
	Bill English
OMB	Michael Deich
OVP	Don Gips

Cabinet Departments:

Treasury	Mozelle Thompson (designated by Hawke)
Commerce	Jeffrey Hunker
DOJ	John Dwyer
SBA	Ginger Lew

SEC Richard Walker

ACTION FORCING EVENT

The President received a letter signed by over sixty House Democrats saying, "we would like to work with you" on uniform standards legislation. Beyond a pro forma response, we need to know how to respond to these Members and what the Administration's position should be. Legislation has not been introduced yet, but the private sector proponents of the legislation have been working the issue vigorously through the House Commerce Committee.

QUESTION PRESENTED

The issue to be decided is whether we support preemption of state laws and rules that now allow private parties to bring class action suits in state court with respect to securities traded on national markets.

FUNCTION OF INTERAGENCY PROCESS

1. Provide a forum for evaluating studies and other evidence bearing on whether there is a need for national uniform standards.

2. Provide a centralized place where stakeholders can present arguments pro and con to the Administration about the need for national uniform standards (consistent with any restrictions implied by the Federal Advisory Committee Act, if applicable).
3. Provide a forum for framing and refining decisional issues, then elevate them for decision.

TIMELINE

Legislation has not been introduced yet, but it is important that we move as quickly as a thoughtful process will allow to arrive at a position. This will avoid surprise among Members of the House and Senate and among the stakeholders.

A response that commits to engage in a process should be sent before the middle of April to the Members who wrote to the President.

Beyond that, we should aim to have an answer pro or con by mid-June. The end date is not written in stone, but a factor that affects how long we have to think about this is the patience of the stakeholders and the Members of Congress who so far have expressed an interest.

First meeting of the interagency group should occur not later than April 15.