

Congress of the United States

House of Representatives

Washington, DC 20515

March 14, 1997

The Honorable William J. Clinton
President of the United States
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear Mr. President:

We are writing on an issue that is of vital concern to our constituents in the high tech and emerging company sectors, and that significantly affects America's economic growth.

In 1995, Congress passed the Private Securities Litigation Reform Act with bipartisan support to end abuses in federal securities class actions. Now there is evidence that the reforms we enacted are being circumvented. Although plaintiffs traditionally have brought securities class actions in federal court under federal law, claims now are being filed at record rates in state courts. In effect, the standards in the federal securities laws, as amended by the Reform Act, are being bypassed.

Last year, you recognized the potential dangers of bypassing this new law and the national character of our securities litigation system when you opposed California Proposition 211. Observing that Proposition 211 had "national implications", you noted that it would "invite the filing of lawsuits in California that otherwise could not be brought under federal law." Leon Panetta reiterated that "[the President] does not believe states should do this on a hit-and-miss basis... [W]hen it comes to securities law, Congress should set the rules." We, too, believe that the remedies available to purchasers and sellers of nationally-traded securities should not vary depending upon the state in which the purchaser or seller resides, but should be uniform for all similarly-situated persons.

To uphold this principle, we would like to work with you to enact legislation establishing uniform standards for private securities class action litigation, based upon the reforms embodied within the PSLRA, to cover nationally marketed securities. This would ensure that the reforms passed in 1995 are not subverted. We emphasize that we do not seek to affect the power of state regulatory agencies to bring enforcement actions, or to limit non-class action lawsuits brought under state law. Instead, we want only to ensure that private

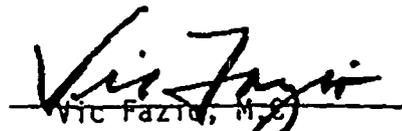
securities class actions are governed by fair and consistent rules that will ensure stability in the legal environment.

This legislation is essential to the vitality of the new venture and high-growth sectors of our economy, which are responsible for a substantial portion of the growth in the country's gross domestic product in recent years.

On behalf of our constituents, and in the interest of promoting economic growth and job creation, we urge you to support uniform standards legislation and work with us to enact this bill this year.

Sincerely,


Anna G. Eshoo, M.C.


Vic Fazio, M.C.


Joseph P. Kennedy, M.C.

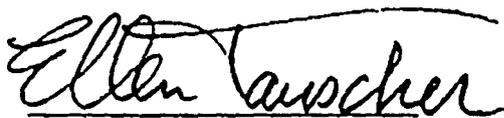

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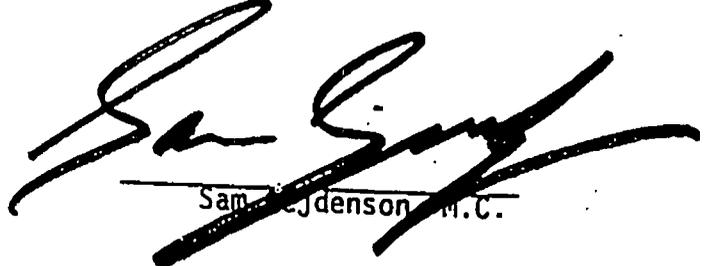

Ellen O. Tauscher, M.C.

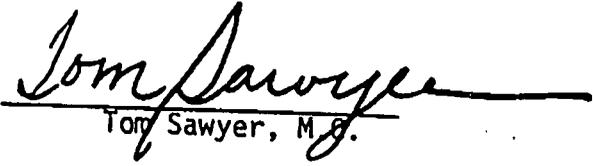

Barbara B. Kennelly, M.C.


Zoe Lofgren, M.C.


Peter Deutsch, M.C.

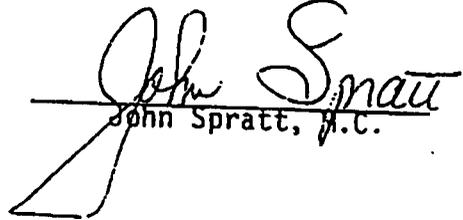

Elizabeth Furse, M.C.

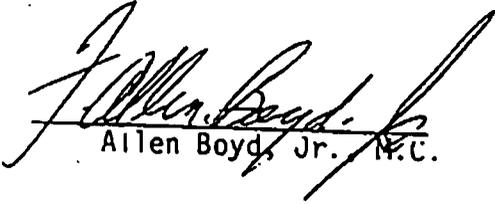

Sam Ejdenson, M.C.

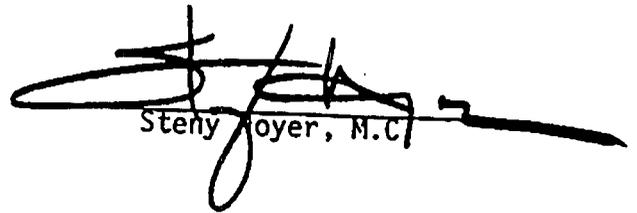

Tom Sawyer, M.C.

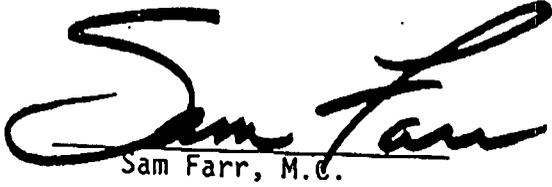

Tim Holden, M.C.

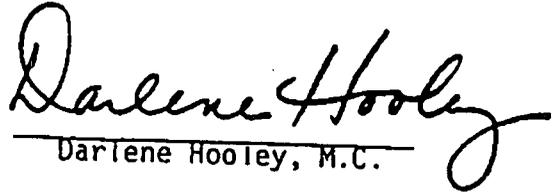

Deborah Stabenow, M.C.

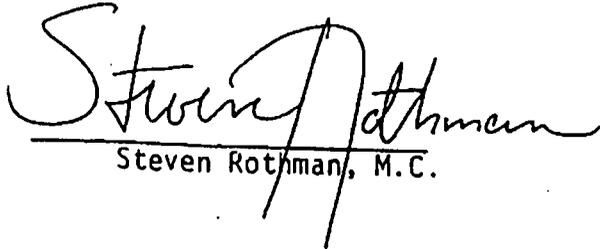

John Spratt, M.C.


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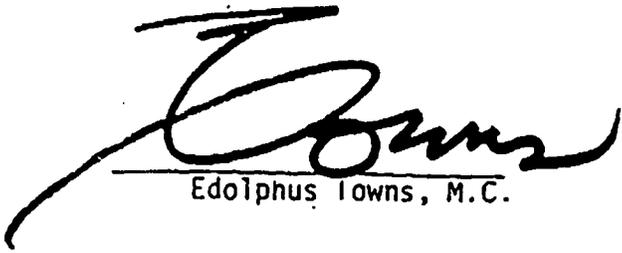

Steny Hoyer, M.C.

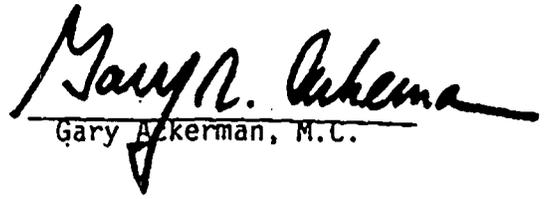

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Steven Rothman, M.C.

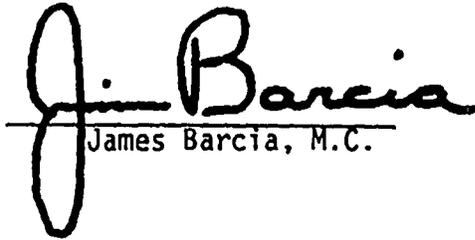

Barney Frank, M.C.


Edolphus Towns, M.C.

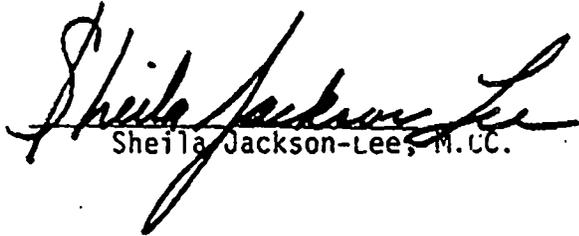

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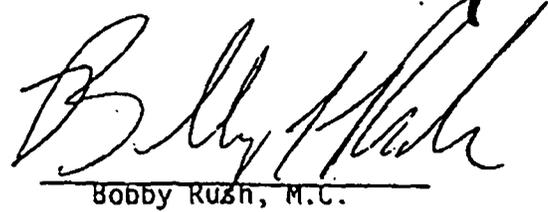

Sheila Jackson-Lee, M.C.


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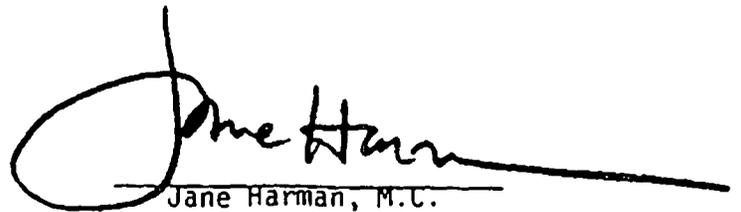

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Sanford Bishop, Jr.

Sanford Bishop, Jr., D.C.

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Peter J. Visclosky, M.C.

William (Bill) Luther

William (Bill) Luther, M.C.

Bob Etneridge

Bob Etneridge, M.C.

Bud Cramer

Robert (Bud) Cramer, M.C.

U.S. Coalition Letter Signatories

March 14, 1997

Tom Allen (ME)	Steny Hoyer (MD)
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Robert Andrews (NJ)	Joe Kennedy (MA)
Scotty Baesler (KY)	Patrick Kennedy (RI)
Jim Barcia (MI)	Barbara Kennelly (CT)
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