

## Opening Statement of Gregory S. Karawan

Nominee to be a Director of the Securities Investor Protection Corporation

Chairman Johnson, Ranking Member Shelby, and Members of the Committee, it's a great honor to appear before you as you consider my nomination to be a director of the Securities Investor Protection Corporation.

As a boy growing up in Sheepshead Bay Brooklyn, I never considered that I might someday have the privilege of being before a United States Senate Committee with an opportunity to serve the public in such an important role. I can attribute my good fortune to a primary cause, and she's sitting behind me today, my mother Devorah Einbinder. From my earliest memories, she stressed the importance of education, instilled in me the work ethic and values that I carry with me today, and propelled me to be part of the first generation of our family to attend college. I want to acknowledge and thank her for her love and support, and for traveling up from Florida to be here today.

For the past 23 years, I have served as a lawyer responsible for handling complex commercial litigation, transactions and regulatory issues. For the first 12 years, I was in private practice, becoming partner in the litigation group of the firm where I practiced. I represented a variety of financial sector clients in financial, securities, and other types of disputes. For the past 11 years I have been in-house counsel for a large financial services corporation. In that capacity I have had litigation management responsibility for the entire company, including insurance, broker/dealer, and wealth management operations.

And for the most recent 4 of those years, I have also served as General Counsel of the business segment that includes broker/dealer and investment advisor operations, with overall legal responsibility for those businesses. Throughout my 23 years of practice, I have counseled boards of directors on many issues.

Members of the Committee, today's environment is challenging. Financial markets are global and in flux, and are recovering from a devastating crisis. Financial frauds are growing ever more complex and sophisticated. Technology ... and the good, and bad, uses to which it can be put ... is advancing at a lightning pace. The types of securities in which customers invest are constantly evolving. An experienced, dedicated, proactive and forward-thinking SIPC Board is crucial to dealing with these challenges. As a result of my extensive experience dealing with financial services companies, I believe I am well equipped to serve as a SIPC director and confront these challenges head on.

My commitment, if confirmed, is to bring my experience to bear in my role as a SIPC director, to be unbiased, to be guided but not ruled by my instincts, to exercise sound judgment with an absence of hubris, and, most importantly, to always have an open mind, to hear and value all points of view, and, ultimately, to do the right thing. Being a passionate advocate for investor protection will be one of my primary roles.

Mr. Chairman and Members of the Committee, thank you again for your consideration of my nomination, and I am happy to answer any questions you may have.