

## **Johnson Opening Statement on Investor Protections Hearing**

**WASHINGTON** – Today, Senate Banking Committee Chairman Tim Johnson (D-SD) held a hearing entitled “Enhanced Investor Protection After the Financial Crisis.” The Committee heard from industry experts, regulators and consumer advocates on investor protection provisions in the Dodd-Frank Wall Street Reform and Consumer Protection Act.

*Below is Chairman Johnson’s statement as prepared for delivery:*

“Today, the Committee will examine “Enhanced Investor Protection After the Financial Crisis.” This hearing will survey the investor protection provisions contained in the Dodd Frank Wall Street Reform and Consumer Protection Act as we approach its one year anniversary.

“About one-half of American households are invested in the securities markets, directly or indirectly. During the financial crisis, retail as well as institutional investors suffered financial harm when their retirement and other securities accounts lost value. Some had invested in companies with compensation systems that encouraged executives to take on unmanageable risks. Some had bought asset-backed securities based on inflated credit ratings. Many were victims of the market decline when the public lost confidence in the markets and their regulators.

“This last financial crisis highlighted the need for stronger investor protections to mitigate the negative impact of future crises.

“Congress responded by passing the Wall Street Reform Act, which contains robust investor protection provisions and other new reforms. These provisions sought to strengthen the financial system by improving the accuracy of credit ratings, better aligning the economic interests of securitizers and investors, boosting the effectiveness of the SEC, giving shareholders a greater voice over compensation, regulating municipal advisers and hedge fund advisers and encouraging credible whistleblowers to come forward and report fraud and abuse by providing them enhanced protections and incentives.

“As we approach this one-year anniversary, it is timely for us to survey investor protection provisions in the Wall Street Reform Act, many of which are still in the process of being finalized. While some have criticized reforming Wall Street, I believe we must give these provisions a chance to work to protect investors and American families who depend on our financial system.

“I remember the economic nightmare we lived through three years ago, and am proud that the Senate could act to pass these historic reforms last year. I take my responsibility as Chairman of the Banking Committee to oversee implementation of this new law seriously and look forward to hearing from the witnesses about these investor protections.”