

Johnson Opening Statement on SEC and SIPC Nominees

WASHINGTON – Today, Senate Banking Committee Chairman Tim Johnson (D-SD) held a hearing to consider the nominations of Mr. Luis Aguilar and Mr. Daniel Gallagher to be members of the Securities and Exchange Commission, and Mr. Anthony Frank D’Agostino and Mr. Gregory Karawan to be directors of the Securities Investor Protection Corporation.

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

“Today we consider four individuals nominated to serve in positions on the Securities and Exchange Commission and the Securities Investor Protection Corporation. Both of these agencies play key roles in our securities markets.

“Trillions of dollars of stocks, options, bonds and other securities trade hands in our markets. About half of American families invest in these markets as they save for retirement, college tuition, and other important purposes. And companies of all sizes rely on these markets to raise capital to help them grow and create jobs.

“The SEC maintains order in the securities markets, roots out fraud and abuse, and protects investors. The SIPC also protects securities investors whose brokerages have failed – since its inception in 1970 it has helped recover over \$100 billion for investors.

“The securities markets are emerging from a difficult period. They have suffered economic loss and an erosion in public confidence, brought on by a wide range of problems including failed mortgage-backed securities, unreliable credit ratings, fraudulent investment schemes, and more.

“In response to the financial crisis, Congress passed the Dodd-Frank Wall Street Reform and Consumer Protection Act. The SEC is now implementing Dodd-Frank through roughly 100 rulemakings and 20 studies. These deal with many areas, from securitization to credit ratings, municipal securities, corporate governance, investor protection, enforcement, whistleblowers, executive pay and regulatory management. And at the same time, the SEC is dealing with a strained budget.

“The SIPC is busy as well, managing claims from investors defrauded by the likes of Bernie Madoff and Allen Stanford.

“We need strong leadership at all our financial regulators, and I am glad the President has sent us four well qualified individuals to fill these openings. I hope the Senate can consider their nominations in a timely manner.

The Honorable Luis A. Aguilar is currently serving as a Democratic Commissioner at the SEC. He is renominated for a term expiring June 5, 2015. Prior to his appointment to the SEC, Commissioner Aguilar was a partner with the international law firm of McKenna Long & Aldridge, specializing in securities law.

Daniel M. Gallagher, Jr. is a Republican nominee to be a Commissioner for a term expiring June 5, 2016. He is a partner in the Securities Department of the law firm Wilmer Hale. Prior to joining the firm, Mr. Gallagher was at the SEC, where he served as Co-Acting Director of the Division of Trading and Markets and as Counsel to Chairman Christopher Cox and to Commissioner Paul Atkins.

Tony D'Agostino is a Managing Director and Chief Operating Officer of the Global Quantitative Analytics group at UBS Investment Bank. From 2000 to 2009, Mr. D'Agostino worked at Wachovia Securities, and prior to 2000, Mr. D'Agostino was an officer in the US Navy where he served on active duty for 24 years.

Mr. Gregory Karawan is Senior Vice President and General Counsel of Retirement and Protection at Genworth Financial. Prior to joining Genworth, Mr. Karawan was a partner at the law firm of Sonnenschein Nath and Rosenthal.

"I look forward to hearing all their testimony."