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## United States Senate

WASHINGTON, DC 20510

March 28, 2014

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Ms. Sharon Bowen  
Acting Chairman  
Securities Investor Protection Corporation  
805 Fifteenth Street, NW, Suite 800  
Washington, DC 20005-2215

Dear Ms. Bowen:

Thank you for your response to my January 17, 2014 letter regarding the Securities Industry and Financial Markets Association's (SIMFA) "counsel" to vote against complying with the Security and Exchange Commission's (SEC) directive. Twice now you have dismissed the idea of re-voting, even with the new evidence documented in my letter. In light of this unjustifiable decision, and your pending nomination to lead the Commodities Futures Trade Commission (CFTC), I ask that you please respond to the following ten questions by Friday of next week:

1. Are you aware of the Securities Investor Protection Corporation (SIPC) Board of Directors' mandate under the Securities Investor Protection Act of 1970 (SIPA) to represent the public's interest in guiding SIPC's operations, and are you aware of why that mandate was created? Please explain the intent of the mandate and your duty to fulfill it.
2. Do you believe victims should be first in line for protection, as it seems that SIPC continues to prioritize protecting its Wall Street members by hiring lawyers to fight the SEC in court rather than protect investors?
3. You've stated in response to my Jan. 17, 2014, letter asking for a re-vote by the SIPC Board on the Stanford Group Company matter that you felt the SIPC Board fulfilled its mandate in representing the public's interest when the Board voted to deny the SEC's request for SIPC to discharge its obligations under SIPA by initiating a liquidation of Stanford Group Company (SGC) and allowing SGC customers to have a judicial review of their claims. The Board's unanimous decision not to comply with the SEC's directive was an unprecedented action. How did you determine that it was the public's interest for SIPC not to comply with the SEC's directive, especially given the SEC has plenary authority over SIPC and millions of dollars in taxpayer funds would be used to carry out the SEC's enforcement action against SIPC? Would you agree that you represented the financial industry's interests rather than the public's interests?
4. Who advised the SIPC Board of Directors prior to its vote on how to respond to the SEC's directive to SIPC to discharge its obligation under SIPA? Please provide an exhaustive list of everyone who advised the SIPC Board on the Stanford issue. Was SIPC's and/or SIFMA's staff involved in the Board's discussions? If so, please describe

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that involvement. What about the SEC and/or any Stanford victims? If so, please describe that involvement.

5. Did you receive guidance by SIPC or SIFMA employees or any other industry organization in any way during the SIPC Board's discussions about whether or not SIPC was required to comply with the SEC's directive? If so, did this guidance discuss the financial impact on SIPC's fund? If so, how were those points in any way relevant to determining SIPC's response to the SEC? If guidance was provided, please include all emails, scheduling details, and meeting notices between SIPC or SIFMA employees and any financial industry organization.
6. Approximately how much time did you personally spend reviewing Stanford case documents prior to casting your vote to deny the SEC's order to SIPC to discharge its obligations of SIPA?
7. If your leadership of SIPC resulted in denying the federal government's authority over SIPC and causing protracted litigation with the federal government for more than 2 years now, do you anticipate you would also defy Congress' authority over the CFTC? If your answer is no, please explain how you would differentiate between the two.
8. Has SIPC received any outside funding for its legal defense in the SEC vs. SIPC case? If so, please detail who provided the financial gifts and the amount.
9. Have you received any gifts during your time spent as a SIPC Board Member and now Chairwoman? If so, please describe.
10. How much money has SIPC spent on litigation expenses in the SEC vs SIPC case and where has this money come from?

Thank you for your attention to these questions, and I look forward to a prompt response.

Sincerely,



David Vitter  
United States Senate