

The Federal National Mortgage Association Charter Act, referred to in subsec. (c)(2), is title III of act June 27, 1934, ch. 847, 48 Stat. 1252, which is classified generally to subchapter III (§1716 et seq.) of chapter 13 of Title 12, Banks and Banking. For complete classification of this Act to the Code, see Short Title note set out under section 1716 of Title 12 and Tables.

The Federal Home Loan Mortgage Corporation Act, referred to in subsec. (c)(3), is title III of Pub. L. 91-351, July 24, 1970, 84 Stat. 451, which is classified generally to chapter 11A (§1451 et seq.) of Title 12, Banks and Banking. For complete classification of this Act to the Code, see Short Title and Statement of Purpose note set out under section 1451 of Title 12 and Tables.

#### CODIFICATION

Pub. L. 110-289, which directed amendment of the Securities Exchange Act of 1934 by adding this section at the end, is reflected in the source credit above as adding this section to title I of the Securities Exchange Act of 1934, to reflect the probable intent of Congress.

### § 78pp. Investor Advisory Committee

#### (a) Establishment and purpose

##### (1) Establishment

There is established within the Commission the Investor Advisory Committee (referred to in this section as the “Committee”).

##### (2) Purpose

The Committee shall—

(A) advise and consult with the Commission on—

- (i) regulatory priorities of the Commission;
- (ii) issues relating to the regulation of securities products, trading strategies, and fee structures, and the effectiveness of disclosure;
- (iii) initiatives to protect investor interest; and
- (iv) initiatives to promote investor confidence and the integrity of the securities marketplace; and

(B) submit to the Commission such findings and recommendations as the Committee determines are appropriate, including recommendations for proposed legislative changes.

#### (b) Membership

##### (1) In general

The members of the Committee shall be—

- (A) the Investor Advocate;
- (B) a representative of State securities commissions;
- (C) a representative of the interests of senior citizens; and
- (D) not fewer than 10, and not more than 20, members appointed by the Commission, from among individuals who—
  - (i) represent the interests of individual equity and debt investors, including investors in mutual funds;
  - (ii) represent the interests of institutional investors, including the interests of pension funds and registered investment companies;
  - (iii) are knowledgeable about investment issues and decisions; and
  - (iv) have reputations of integrity.

##### (2) Term

Each member of the Committee appointed under paragraph (1)(B) shall serve for a term of 4 years.

#### (3) Members not Commission employees

Members appointed under paragraph (1)(B) shall not be deemed to be employees or agents of the Commission solely because of membership on the Committee.

#### (c) Chairman; vice chairman; secretary; assistant secretary

##### (1) In general

The members of the Committee shall elect, from among the members of the Committee—

- (A) a chairman, who may not be employed by an issuer;
- (B) a vice chairman, who may not be employed by an issuer;
- (C) a secretary; and
- (D) an assistant secretary.

##### (2) Term

Each member elected under paragraph (1) shall serve for a term of 3 years in the capacity for which the member was elected under paragraph (1).

#### (d) Meetings

##### (1) Frequency of meetings

The Committee shall meet—

- (A) not less frequently than twice annually, at the call of the chairman of the Committee; and
- (B) from time to time, at the call of the Commission.

##### (2) Notice

The chairman of the Committee shall give the members of the Committee written notice of each meeting, not later than 2 weeks before the date of the meeting.

#### (e) Compensation and travel expenses

Each member of the Committee who is not a full-time employee of the United States shall—

(1) be entitled to receive compensation at a rate not to exceed the daily equivalent of the annual rate of basic pay in effect for a position at level V of the Executive Schedule under section 5316 of title 5 for each day during which the member is engaged in the actual performance of the duties of the Committee; and

(2) while away from the home or regular place of business of the member in the performance of services for the Committee, be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703(b)<sup>1</sup> of title 5.

#### (f) Staff

The Commission shall make available to the Committee such staff as the chairman of the Committee determines are necessary to carry out this section.

#### (g) Review by Commission

The Commission shall—

(1) review the findings and recommendations of the Committee; and

<sup>1</sup> So in original. Section 5703 of Title 5 does not contain a subsec. (b).

(2) each time the Committee submits a finding or recommendation to the Commission, promptly issue a public statement—

(A) assessing the finding or recommendation of the Committee; and

(B) disclosing the action, if any, the Commission intends to take with respect to the finding or recommendation.

**(h) Committee findings**

Nothing in this section shall require the Commission to agree to or act upon any finding or recommendation of the Committee.

**(i) Federal Advisory Committee Act**

The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply with respect to the Committee and its activities.

**(j) Authorization of appropriations**

There is authorized to be appropriated to the Commission such sums as are necessary to carry out this section.

(June 6, 1934, ch. 404, title I, §39, as added Pub. L. 111-203, title IX, §911, July 21, 2010, 124 Stat. 1822.)

REFERENCES IN TEXT

The Federal Advisory Committee Act, referred to in subsec. (i), is Pub. L. 92-463, Oct. 6, 1972, 86 Stat. 770, which is set out in the Appendix to Title 5, Government Organization and Employees.

EFFECTIVE DATE

Section effective 1 day after July 21, 2010, except as otherwise provided, see section 4 of Pub. L. 111-203, set out as a note under section 5301 of Title 12, Banks and Banking.

**CHAPTER 2B-1—SECURITIES INVESTOR PROTECTION**

Sec.	
78aaa.	Short title.
78bbb.	Application of Securities Exchange Act of 1934.
78ccc.	Securities Investor Protection Corporation.
78ddd.	SIPC Fund.
78eee.	Protection of customers.
78fff.	General provisions of a liquidation proceeding.
78fff-1.	Powers and duties of a trustee.
78fff-2.	Special provisions of a liquidation proceeding.
78fff-3.	SIPC advances.
78fff-4.	Direct payment procedure.
78ggg.	SEC functions.
78hhh.	Examining authority functions.
78iii.	Functions of self-regulatory organizations.
78jjj.	Prohibited acts.
78kkk.	Miscellaneous provisions.
78lll.	Definitions.

**§ 78aaa. Short title**

This chapter may be cited as the “Securities Investor Protection Act of 1970”.

(Pub. L. 91-598, §1(a), Dec. 30, 1970, 84 Stat. 1636.)

REFERENCES IN TEXT

This chapter, referred to in text, was in the original “This Act”, meaning Pub. L. 91-598, Dec. 30, 1970, 84 Stat. 1636. For complete classification of this Act to the Code, see Tables.

SHORT TITLE OF 1978 AMENDMENT

Pub. L. 95-283, §1, May 21, 1978, 92 Stat. 249, provided that: “This Act [enacting sections 78fff-1 to 78fff-4 of

this title, amending sections 77c, 78c, 78k, and 78ccc to 78lll of this title and enacting provisions set out as a note under section 78k of this title] may be cited as the ‘Securities Investor Protection Act Amendments of 1978.’”

**§ 78bbb. Application of Securities Exchange Act of 1934**

Except as otherwise provided in this chapter, the provisions of the Securities Exchange Act of 1934 [15 U.S.C. 78a et seq.] (hereinafter referred to as the “1934 Act”) apply as if this chapter constituted an amendment to, and was included as a section of, such Act.

(Pub. L. 91-598, §2, Dec. 30, 1970, 84 Stat. 1637.)

REFERENCES IN TEXT

This chapter, referred to in text, was in the original “this Act”, meaning Pub. L. 91-598, Dec. 30, 1970, 84 Stat. 1636. For complete classification of this Act to the Code, see Tables.

The Securities Exchange Act of 1934, referred to in text, is act June 6, 1934, ch. 404, 48 Stat. 881, which is classified principally to chapter 2B (§78a et seq.) of this title. For complete classification of this Act to the Code, see section 78a of this title and Tables.

**§ 78ccc. Securities Investor Protection Corporation**

**(a) Creation and membership**

**(1) Creation**

There is hereby established a body corporate to be known as the “Securities Investor Protection Corporation” (hereafter in this chapter referred to as “SIPC”). SIPC shall be a nonprofit corporation and shall have succession until dissolved by Act of the Congress. SIPC shall—

(A) not be an agency or establishment of the United States Government; and

(B) except as otherwise provided in this chapter, be subject to, and have all the powers conferred upon a nonprofit corporation by, the District of Columbia Nonprofit Corporation Act.

**(2) Membership**

**(A) Members of SIPC**

SIPC shall be a membership corporation the members of which shall be all persons registered as brokers or dealers under section 78o(b) of this title, other than—

(i) persons whose principal business, in the determination of SIPC, taking into account business of affiliated entities, is conducted outside the United States and its territories and possessions;

(ii) persons whose business as a broker or dealer consists exclusively of (I) the distribution of shares of registered open end investment companies or unit investment trusts, (II) the sale of variable annuities, (III) the business of insurance, or (IV) the business of rendering investment advisory services to one or more registered investment companies or insurance company separate accounts; and

(iii) persons who are registered as a broker or dealer pursuant to section 78o(b)(11)(A) of this title.

**(B) Commission review**

SIPC shall file with the Commission a copy of any determination made pursuant to