

**AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 2374
OFFERED BY MR. CONYERS OF MICHIGAN**

Strike all after the enacting clause and insert the following:

1 SEC. 1. REPORTS ON THE IMPACT OF PRACTICES OF PER-
2 SONS WHO PROVIDE INVESTMENT ADVICE.

3 (a) IN GENERAL.—Not later than 90 days after the
4 date of the enactment of this Act, the Secretary of Labor
5 shall report to Congress on certain practices of persons
6 who provide investment advice and the effect of such prac-
7 tices on the standard of care such persons exercise in rela-
8 tion to investors.

9 (b) REPORT REQUIREMENTS.—Such report shall—

10 (1) describe the structure of compensation for
11 persons who provide investment advice and the effect
12 of such compensation on the standard of care exer-
13 cised by such persons, including—

14 (A) practices involving fees paid from in-
15 vestment vehicles to such persons; and

16 (B) other forms of compensation paid to
17 such persons that are not dependent upon the
18 investor's return;

- 1 (2) compare the standards of care exercised by
2 persons who provide investment advice to low-income
3 and middle-class investors with the standards of care
4 exercised by persons who provide investment advice
5 to high-income investors, and the effect such stand-
6 ards of care have on the investment vehicles selected
7 by investors; and
- 8 (3) evaluate the extent to which the standard of
9 care used by persons who provide investment advice
10 affects the adequacy of investment returns to pro-
11 vide for retirement for investors.

Amend the title so as to read: “An Act to require the Secretary of Labor to report to Congress on certain practices of persons who provide investment advice and the effect of such practices on the standard of care such persons exercise in relation to investors.”.

