



January 23, 2019

Via Electronic Mail

Ms. Maxine Waters, Chairwoman  
U.S. House Committee on Financial Services  
2129 Rayburn House Office Building  
Washington, DC 20515

Mr. Patrick McHenry, Ranking Member  
U.S. House Committee on Financial Services  
2004 Rayburn House Office Building  
Washington, DC 20515

Re: Promoting Transparent Standards for Corporate Insiders Act

Dear Chairwoman Waters and Ranking Member McHenry:

The Healthy Markets Association appreciates the opportunity to offer our support for the *Promoting Transparent Standards for Corporate Insiders Act* (H.R. 624), which you introduced last week.

## **Healthy Markets Association**

The Healthy Markets Association is an investor-focused not-for-profit coalition working to educate market participants and promote data-driven reforms to market structure challenges. Our members, who range from a few billion to hundreds of billions of dollars in assets under management, have come together behind one basic principle: Informed investors and policymakers are essential for healthy capital markets.<sup>1</sup>

## **Promoting Market Integrity**

Healthy Markets is focused on promoting integrity, which is essential for building and maintaining trust in our financial markets. Your bipartisan legislation would do that. In particular, your legislation would direct the Securities and Exchange Commission to explore potential weaknesses in the agency's existing rules regarding insider trading.

While we have no opinion on the legality of past actions by corporate insiders, we nevertheless believe an exploration of 10b5-1 plans and related issues by the SEC would help shed light on potential weaknesses in the existing regulatory regime and offer potential improvements.

Notably, any modifications suggested in the resulting report would have to be considered and implemented by the agency separately, subject to its ordinary regulatory processes. This

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<sup>1</sup> To learn more about Healthy Markets, please see our website at <http://www.healthymarkets.org>.



two-step process should provide market participants and other commenters with ample opportunities to have input on any potential changes to the 10b5-1 plan regime.

We thank you for this effort to promote integrity in our capital markets, and encourage you to consider and pass this legislation without delay.

Sincerely,

A handwritten signature in black ink, appearing to read "Tyler Gellasch". The signature is fluid and cursive, with a long horizontal stroke at the end.

Tyler Gellasch  
Executive Director