

# Bachus Op-Ed Reignites SRO Debate

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Just when advisers thought Sen. Bachus had backed off his SRO bill, Jack's back out of the box. The House Financial Services Committee Chairman recently wrote an [opinion piece for the \*Wall Street Journal\*](#) to support his bill.

"The federal regulators whose job is to enforce the law and protect investors from bad actors often had no clue or took no notice of what was going on right under their noses until it was too late," Mr. Bachus wrote. "A bipartisan bill moving through Congress could prevent such losses in the future by giving financial advisers a mandate to regulate themselves."

The op-ed also suggested that advisers are against any type of new regulation. "Understandably, many investment advisers are not excited about increased oversight, so their lobbying organizations have come out against our bipartisan bill," the article states. Bachus also cited the Madoff scandal as an example of the SEC's shortcomings, arguing, "The SEC failed to protect investors and detect fraud even though evidence about the Madoff and [Allen] Stanford Ponzi schemes was handed to them by insider informants on a silver platter."

I have not heard from any adviser that she (he) is opposed to increased oversight to protect investors from bad actors, but any new solution needs to make sense. And how about acknowledging that FINRA had oversight over vast portions of the Madoff Empire? Well, as I said before, we probably won't have finality during this legislative session. We will keep you posted.

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