

117TH CONGRESS  
2D SESSION

# H. R. 7923

To amend the Securities Exchange Act of 1934 to establish a grant program to fund qualified investor advocacy clinics, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 31, 2022

Mr. QUIGLEY introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

To amend the Securities Exchange Act of 1934 to establish a grant program to fund qualified investor advocacy clinics, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Investor Justice Act  
5       of 2022”.

6       **SEC. 2. GRANTS TO QUALIFIED INVESTOR ADVOCACY CLIN-**  
7       **ICS.**

8       Section 4(g) of the Securities Exchange Act of 1934  
9       (15 U.S.C. 78d(g)) is amended by adding at the end the  
10      following new paragraph:

1           “(9) GRANTS TO QUALIFIED INVESTOR ADVOCACY CLINICS.—

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3           “(A) GRANT AUTHORITY.—The Commission, acting through the Investor Advocate, may  
4           make grants, on a competitive basis, to qualified investor advocacy clinics in accordance with  
5           this paragraph.  
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8           “(B) APPLICATIONS.—To be eligible for a grant under subparagraph (A), a qualified investor advocacy clinic shall submit to the Commission an application at such time, in such  
9           form, and containing such information as the Commission may require, including information  
10          with respect to—  
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12           “(i) the number of investors in the geographical area served by the clinic;  
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14           “(ii) other similar entities serving the same population;  
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16           “(iii) the quality of the program offered by the clinic, including—  
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18           “(I) the qualifications of the administrators and qualified representatives of the clinic; and  
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20           “(II) the record of the clinic, if any, in providing legal and edu-  
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1 cational services to investors with low  
2 dollar value claims in arbitrations and  
3 mediations; and

4 “(iv) funding sources available to the  
5 clinic, including—

6 “(I) amounts received from other  
7 grants and contributions; and

8 “(II) the endowment and re-  
9 sources of any institution sponsoring  
10 the clinic.

11 “(C) GRANT USES.—A qualified investor  
12 advocacy clinic awarded a grant under subpara-  
13 graph (A) may only use grant funds for the de-  
14 velopment, expansion, or continuation of the  
15 qualified investor advocacy clinic.

16 “(D) DETAIL OF EXECUTIVE AGENCY EM-  
17 PLOYEES.—Upon the request of the Commis-  
18 sion, the head of any Federal agency may de-  
19 tail, on a reimbursable basis, any of the per-  
20 sonnel of that Federal agency to the Commis-  
21 sion to assist it in carrying out its functions  
22 under this section. The detail of any such per-  
23 sonnel shall be without interruption or loss of  
24 civil service status or privilege.

1           “(E) TRANSPARENCY.—A qualified inves-  
2           tor advocacy clinic awarded a grant under sub-  
3           paragraph (A) shall submit to the Commission  
4           a detailed accounting of the use of grant funds  
5           at such time, in such form, and containing such  
6           information as the Commission may require.

7           “(F) LIMITATIONS.—

8           “(i) AGGREGATE LIMITATION.—The  
9           aggregate amount of grants made under  
10          subparagraph (A) during a fiscal year may  
11          not exceed \$5,000,000 (as such amount is  
12          annually adjusted by the Investor Advocate  
13          to reflect the percentage change in the  
14          Consumer Price Index for All Urban Con-  
15          sumers published by the Bureau of Labor  
16          Statistics of the Department of Labor).

17          “(ii) SINGLE CLINIC LIMITATION.—In  
18          making grants under subparagraph (A),  
19          the Commission may not award, during a  
20          fiscal year, more than \$150,000 (as such  
21          amount is annually adjusted to reflect the  
22          percentage change in the Consumer Price  
23          Index for All Urban Consumers published  
24          by the Bureau of Labor Statistics of the

1 Department of Labor) to any single quali-  
2 fied investor advocacy clinic.

3 “(iii) FEDERAL SHARE.—The Federal  
4 share of the cost of activities carried out  
5 using grant funds made available under  
6 subparagraph (A) may not exceed 50 per-  
7 cent.

8 “(iv) MULTI-YEAR GRANTS.—

9 “(I) IN GENERAL.—In making  
10 grants under subparagraph (A), the  
11 Commission may award multi-year  
12 grants.

13 “(II) LIMITATION.—Multi-year  
14 grants awarded under this clause may  
15 not be made for a period exceeding  
16 three years.

17 “(G) AUTHORIZATION OF APPROPRIA-  
18 TIONS.—There are authorized to be appro-  
19 priated such sums as may be necessary to carry  
20 out this paragraph.

21 “(H) DEFINITIONS.—In this paragraph:

22 “(i) QUALIFIED INVESTOR ADVOCACY  
23 CLINIC.—The term ‘qualified investor ad-  
24 vocacy clinic’ means an entity—

1 “(I) that provides or will provide  
2 free representation to investors with  
3 claims of less than \$100,000 (as such  
4 amount is annually adjusted by the  
5 Investor Advocate to reflect the per-  
6 centage change in the Consumer Price  
7 Index for All Urban Consumers pub-  
8 lished by the Bureau of Labor Statis-  
9 tics of the Department of Labor) in  
10 securities arbitrations and mediations  
11 before a registered national securities  
12 association (with exceptions to the re-  
13 quirements of this subclause author-  
14 ized to be made by the Investor Advo-  
15 cate on a case-by-case basis); and

16 “(II) that is or will be sponsored,  
17 offered, or run by—

18 “(aa) a clinical program at  
19 or partnering with an American  
20 Bar Association accredited law  
21 school; or

22 “(bb) an organization de-  
23 scribed in section 501(c) of the  
24 Internal Revenue Code of 1986

1 and exempt from tax under sec-  
2 tion 501(a) of such Code.

3 “(ii) QUALIFIED REPRESENTATIVE.—  
4 The term ‘qualified representative’ means  
5 any individual authorized to represent in-  
6 vestors before a registered national securi-  
7 ties association.”.

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