

Union Calendar No. 509

115TH CONGRESS
2^D SESSION

H. R. 4738

[Report No. 115–662, Part I]

To amend the Investment Company Act of 1940 to provide complaint and burden of proof requirements for certain actions for breach of fiduciary duty.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 8, 2018

Mr. EMMER introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

MAY 7, 2018

Reported from the Committee on Financial Services

MAY 7, 2018

The Committee on the Judiciary discharged; committed to the Committee of the Whole House on the State of the Union and ordered to be printed

A BILL

To amend the Investment Company Act of 1940 to provide complaint and burden of proof requirements for certain actions for breach of fiduciary duty.

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 “Mutual Fund Litiga-
5 tion Reform Act”.

6 **SEC. 2. COMPLAINT AND BURDEN OF PROOF REQUIRE-**
7 **MENTS FOR CERTAIN ACTIONS FOR BREACH**
8 **OF FIDUCIARY DUTY.**

9 Section 36(b) of the Investment Company Act of
10 1940 (15 U.S.C. 80a–35(b)) is amended by adding at the
11 end the following:

12 “(7) In any such action brought by a security
13 holder of a registered investment company on behalf
14 of such company—

15 “(A) the complaint shall state with par-
16 ticularity all facts establishing a breach of fidu-
17 ciary duty, and, if an allegation of any such
18 facts is based on information and belief, the
19 complaint shall state with particularity all facts
20 on which that belief is formed; and

21 “(B) such security holder shall have the
22 burden of proving a breach of fiduciary duty by
23 clear and convincing evidence.”.

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