



UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

THE CHAIRMAN

June 30, 2011

[REDACTED]

Section 915 of the Dodd-Frank Wall Street Reform and Consumer Protection Act added Section 4(g) to the Securities Exchange Act of 1934 to establish within the Securities and Exchange Commission an Office of the Investor Advocate. The Investor Advocate is designated as the head of the Office and is required by statute to report on the Office's objectives for the following fiscal year not later than June 30 of each year after 2010.

As you may know, the creation of a new office within the SEC requires that we obtain prior reprogramming approval from the Committees on Appropriations of the House of Representatives and the Senate. We submitted a request for reprogramming approval for the Office of the Investor Advocate, but we have not yet received such approval. In the absence of an Investor Advocate, the report cannot be provided. Nevertheless, we are writing to inform you of how other divisions and offices of the SEC are performing many of the functions that are contemplated to be performed by the Office of the Investor Advocate.

For example, the SEC's Office of Investor Education and Advocacy (OIEA) assists retail investors in resolving significant problems these investors may have with the SEC or with self-regulatory organizations (SROs). That Office handles complaints and questions from retail investors on a daily basis. During FY 2010, OIEA performed 87,222 investor assistance activities related to complaints, questions, and other contacts received from investors. When an investor raises a significant issue about the SEC's actions or the staff's handling of a matter, a referral is made to the SEC's Office of the Inspector General. If an investor raises a significant issue about an SRO, a referral is made to the SEC's Division of Trading and Markets. In addition, the Division of Trading and Markets directly receives communications from the public about problems investors may have with SROs.

Generally speaking, the federal securities laws require the SEC to consider the protection of investors and the public interest in its regulatory actions. The divisions and offices support the SEC in fulfilling this requirement. For example, the Office of Investor Education and Advocacy often provides input into SEC rule proposals as they are being developed and drafted. The main focus of that Office's review is to help ensure that the interests of retail investors are reflected in the rulemaking. The Office of Investor Education and Advocacy also is conducting investor

testing on SEC-required disclosure documents with the goal of improving the content, format, and delivery of that information for particular investment products.

The SEC also solicits comment from the public on its rulemakings and regularly receives comments from investors. The SEC recently posted an open solicitation for suggestions on modifying its current rules in a number of areas. In addition, the Investor Advisory Committee contemplated under Section 911 of Dodd-Frank will advise and consult with the Commission on the SEC's regulatory priorities from the perspective of investors. Finally, with respect to SRO rulemakings, the Division of Trading and Markets regularly reviews these rules through the SRO rulemaking process and considers any comments received from investors.

In conclusion, the SEC currently engages in a number of activities to support the goals of investor protection. Until the status of the Office of Investor Advocate is resolved, we will continue to seek to fulfill the functions of the Office through the work of the Office of Investor Education and Advocacy and other divisions and offices. If you have any questions, please do not hesitate to contact me at (202) 551-2100 or have your staff contact Eric Spitler, Director of Legislative and Intergovernmental Affairs, at (202) 551-2010.

Sincerely,

  
Mary L. Schapiro  
Chairman