

May 17, 2019

Dear Members of the House Financial Services Committee:

I write in strong opposition to H.R. 2364, the Investor Choice Against Gun Proliferation Act. This legislation has nothing to do with investor protection or the Securities and Exchange Commission's mission, but instead would create a database for activists to leverage and pressure all publicly listed companies to terminate their relationship with the firearms industry.

It is no secret that banking and financial regulators in the past have been weaponized to target, disrupt and eliminate the ability of completely legal businesses to have a relationship with financial service providers. Known as "Operation Choke Point," the operation fixated on industries including "firearms and ammunition sales, adult entertainment, check cashing, and short-term lending," according to a [report](#) from the House Oversight and Government Reform Committee. There is nothing secret about this legislation as all publicly listed companies would be subject to additional requirements associated with their annual reporting overseen by the SEC.

This legislation is troublesome for several reasons; all of which would improperly use SEC staff and resources to monitor compliance with this legislation, instead of appropriately using staff to oversee financial markets and protect against fraud. In the past, some members of Congress have used the disguise of "investor protection" to force the independent Commission to take an activist role in policing the disclosure of industries those in Congress find unsavory. Taxpayers and shareholders have observed this activist overreach through the enactment of Dodd-Frank's "Miscellaneous Provisions," or Title XV.

Additionally, H.R. 2364 would allow Congress to abdicate its legislative responsibility over social policy by forcing a financial regulator to carry out the social agenda of some members. forcing all publicly listed companies to disclose any "substantial financial relationship" with firearms and ammunition manufactures, retailers and distributors, would create a public database sure to be weaponized by firearms crusaders to force non-firearms related companies from working with other completely legal businesses.

Disclosing this information is best determined by shareholders, instead of putting the government between private enterprises and its supporters. I believe this bill would open the door for future legislation to compel the SEC, or any other government agency, to engage in social oversight and force businesses to alter how they conduct their operations.

I am concerned this legislation provides a model for future bills that effectively delegate Congress's legislative duty to agencies by placing them in charge of enacting some member's social priorities. For these reasons, I urge members of this Committee to vote against H.R. 2364 and I encourage all members of Congress to oppose this legislation.

Sincerely,



James Setterlund
Executive Director, Shareholder Advocacy Forum