

Via Hand Delivery

March 9, 2017

The Honorable Paul D. Ryan
United States House of Representatives
Washington, DC 20515

The Honorable Nancy Pelosi
United States House of Representatives
Washington, DC 20515

Re: H.R. 985: Fairness in Class Action Litigation Act of 2017

Dear Mr. Speaker and Minority Leader Pelosi:

I am writing on behalf of the Council of Institutional Investors (CII). CII is a nonprofit, nonpartisan association of public, corporate and union employee benefit funds, and other employee benefit plans, foundations, and endowments with combined assets under management exceeding \$3 trillion. Our member funds include major long-term shareowners with a duty to protect the retirement savings of millions of workers and their families. Our associate members include a range of asset managers with more than \$20 trillion in assets under management.¹ The purpose of this letter is to express our opposition to H.R. 985,² which we understand is likely to be considered today on the floor of the U.S. House of Representatives.

Securities class action litigation helps to deter fraud and recoup investor losses. Institutional investors are America's largest shareholders and have the most to gain from meritorious securities class action litigation and have the most to lose from meritless litigation that depletes shareholder wealth.

We believe the rigorous pleading standards of the Private Securities Litigation Reform Act of 1995, as refined by the Supreme Court of the United States, strike an appropriate balance of curtailing meritless lawsuits while preserving investors' ability to recover on meritorious claims. H.R. 985 would up-end this balance by precluding investors from participating in securities class action litigation simply because the "scope" of their injury is not the "same."³ We believe this unwarranted change would unreasonably preclude many meritorious securities class action

¹ For more information about the Council of Institutional Investors ("CII"), including its members, please visit the CII's website at <http://www.cii.org/members>.

² Fairness in Class Action Litigation Act of 2017, H.R. 985, 115th Cong. (introduced Feb. 9, 2017), <https://www.congress.gov/115/bills/hr985/BILLS-115hr985rh.pdf>.

³ H.R. 985, Sec 3. § 1716 Class action injury allegations.

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lawsuits to the detriment of long-term investors, including retirees and other fund beneficiaries, and the U.S. capital markets generally.

We respectfully request that you oppose the passage of H.R. 985, the Fairness in Class Action Litigation Act of 2017.

Thank you for consideration of our views. If we can answer any questions or provide additional information on this important matter, please do not hesitate to contact me at 202.822.0800 or jeff@cii.org.

Sincerely,

A handwritten signature in cursive script that reads "Jeff Mahoney". The signature is written in black ink and is positioned below the word "Sincerely,".

Jeff Mahoney
General Counsel