

# Truth in Testimony Disclosure Form

In accordance with Rule XI, clause 2(g)(5)\* of the *Rules of the House of Representatives*, witnesses are asked to disclose the following information. Please complete this form electronically by filling in the provided blanks.

**Committee:** \_\_\_\_\_

**Subcommittee:** \_\_\_\_\_

**Hearing Date:** \_\_\_\_\_

**Hearing** :

**Witness Name:** \_\_\_\_\_

**Position/Title:** \_\_\_\_\_

**Witness Type:**  Governmental  Non-governmental

**Are you representing yourself or an organization?**  Self  Organization

**If you are representing an organization, please list what entity or entities you are representing:**

## **FOR WITNESSES APPEARING IN A NON-GOVERNMENTAL CAPACITY**

**Please complete the following fields. If necessary, attach additional sheet(s) to provide more information.**

**Are you a fiduciary—including, but not limited to, a director, officer, advisor, or resident agent—of any organization or entity that has an interest in the subject matter of the hearing? If so, please list the name of the organization(s) or entities.**

**Please list any federal grants or contracts (including subgrants or subcontracts) related to the hearing's subject matter that you or the organization(s) you represent have received in the past thirty-six months from the date of the hearing. Include the source and amount of each grant or contract.**

**Please list any contracts, grants, or payments originating with a foreign government and related to the hearing's subject that you or the organization(s) you represent have received in the past thirty-six months from the date of the hearing. Include the amount and country of origin of each contract or payment.**

**Please complete the following fields. If necessary, attach additional sheet(s) to provide more information.**

- I have attached a written statement of proposed testimony.
- I have attached my curriculum vitae or biography.

\* Rule XI, clause 2(g)(5), of the U.S. House of Representatives provides:

(5)(A) Each committee shall, to the greatest extent practicable, require witnesses who appear before it to submit in advance written statements of proposed testimony and to limit their initial presentations to the committee to brief summaries thereof.

(B) In the case of a witness appearing in a non-governmental capacity, a written statement of proposed testimony shall include— (i) a curriculum vitae; (ii) a disclosure of any Federal grants or contracts, or contracts, grants, or payments originating with a foreign government, received during the past 36 months by the witness or by an entity represented by the witness and related to the subject matter of the hearing; and (iii) a disclosure of whether the witness is a fiduciary (including, but not limited to, a director, officer, advisor, or resident agent) of any organization or entity that has an interest in the subject matter of the hearing.

(C) The disclosure referred to in subdivision (B)(ii) shall include— (i) the amount and source of each Federal grant (or subgrant thereof) or contract (or subcontract thereof) related to the subject matter of the hearing; and (ii) the amount and country of origin of any payment or contract related to the subject matter of the hearing originating with a foreign government.

(D) Such statements, with appropriate redactions to protect the privacy or security of the witness, shall be made publicly available in electronic form 24 hours before the witness appears to the extent practicable, but not later than one day after the witness appears.

**False Statements Certification**

Knowingly providing material false information to this committee/subcommittee, or knowingly concealing material information from this committee/subcommittee, is a crime (18 U.S.C. § 1001). This form will be made part of the hearing record.



\_\_\_\_\_  
Witness signature

\_\_\_\_\_  
Date

Attachment to Truth in Testimony Form

Committee: House Financial Services Committee, Subcommittee on Capital Markets

Witness: Robert W. Cook, FINRA

Date: 12/12/23

#

**\*Attached Cont.** *"Please list any federal grants or contracts (including subgrants or subcontracts) related to the hearing's subject matter that you or the organization(s) you represent have received in the past thirty-six months from the date of the hearing. Include the source and amount of each grant or contract."*

Below are contracts that include monetary payments:

In July 2001, NASD Regulation, Inc., a predecessor organization to FINRA, entered into a contract with the Securities and Exchange Commission (SEC) to build and operate the Investment Adviser Registration Depository (IARD). The current contract became effective on January 22, 2020, for a term of one year with an option for nine annual renewals. Three one-year renewals have been executed and the current term is effective through January 21, 2024. The IARD system is currently funded by fees paid by investment advisor system users and not by the SEC. The SEC reserves the right under the contract to fund specific items. No items have been funded by the SEC during the current contract's term.

In March 2020, FINRA entered into a contract with the SEC for the Customer/Client Relationship Summary (CRS) with two objectives: implementation of a customized system that allows Broker-Dealers (other than Broker-Dealers that are also registered as Investment Advisers) that provide services to retail investors to file Form CRS through a system; and procurement of FINRA's services to operate, maintain, and enhance the system. The contract was for a term of less than one year with nine one-year renewal periods. The original term of the contract, with a value of \$922,915, expired in December 2020. The SEC has exercised three one-year renewals (the first with an additional value of \$256,250; the second with an additional value of \$262,675; and the third with an additional value of \$269,250). The current contract is effective through December 31, 2023. Subsequent renewals will be for an additional cost.

FINRA entered into the current BlueSheets contract with the SEC in September 2021, with a total value of approximately \$18.6 million (including all renewal periods), for a term of 3 months (from October 1, 2021 to December 31, 2021) with nine one-year renewal periods. The SEC has exercised two option years. The first option year extended the term to December 31, 2022 and the second option year extended the term to December 31, 2023. BlueSheets are trading records related to the execution of a trade that are maintained by the clearing members.

FINRA entered into a contract with the SEC relating to the eFOCUS system in August 2021, with a total value of approximately \$8.36 million (including all renewal periods). The initial term ended in October 2021 and the contract is subject to nine renewal periods. The current term is effective through December 31, 2023. The eFOCUS system provides firms with the capability to electronically submit their Financial and Operational Combined Uniform Single (FOCUS) Reports to FINRA.

FINRA entered into a services contract with the Board of Governors of the Federal Reserve System in November 2021, with a term of five years. Pursuant to the agreement, FINRA facilitates reporting by non-FINRA member financial institutions subject to the Federal Reserve Board's jurisdiction of transactions in U.S. Treasury securities, Agency Debt securities, and Agency Mortgage-Backed securities to which one or more of such financial institutions is a party. In addition to an implementation fee of \$890,000, an annual fixed fee is assessed that is based on the average trades per trading day/peak messages per second and the number of applicable financial institutions per trading day. For the service period from September 2023 to August 2024, the total estimated annual fee is \$642,685.

In October 2013, FINRA entered into an agreement with State Regulatory Registry LLC (SRR) that includes, among other things, services in support of SRR's contract with the CFPB. FINRA and SRR entered into a new agreement on September 21, 2023. Through this subcontract, FINRA provides outsourced development and maintenance to SRR in support of the Nationwide Multistate Licensing System (NMLS). The system provides registration and licensing support to federally registered loan officers (banks) and state licensed mortgage loan originators and is overseen by CFPB for federal registrants and by the states for licensing loan originators. FINRA does not receive any direct compensation from CFPB.