

MEMORANDUM

TO: Members of the Committee on Financial Services

FROM: Committee Majority Staff

DATE: April 10, 2026

SUBJECT: April 15, 2026, Subcommittee on Capital Markets Hearing: “Safeguarding Main Street: Combatting Fraud and Exploitation in Our Capital Markets.”

On Wednesday, April 15, 2026, at 10:00 a.m., the Subcommittee on Capital Markets will hold a hearing in Room 2128 of the Rayburn House Office Building, entitled “Safeguarding Main Street: Combatting Fraud and Exploitation in Our Capital Markets.” The following witnesses will testify:

- **Mr. Bryan Smith**, Senior Vice President of Complex Investigations and Intelligence, FINRA
- **Ms. Jilene Gunther**, National Director of BankSafe Initiative, AARP
- **Mr. Matthew Michel**, Founder and Managing Partner, InvestorLink Capital Markets LLC
- **Mr. Andrew Verstein**, Professor of Law and Vice Dean for Curricular and Academic Affairs, UCLA School of Law

This hearing will examine the growing scope of fraud, manipulation, and financial exploitation affecting U.S. capital markets, with a focus on risks facing retail investors and seniors. The Subcommittee will assess how technological changes have increased the scale and sophistication of modern schemes and evaluate whether existing enforcement, oversight, and investor education tools are keeping pace with these developments.

Legislation Noticed

1. **H.R. 2478, the *Financial Exploitation Prevention Act of 2025 (Wagner)***: This bill allows investment companies to postpone redemptions if they reasonably believe a transaction involves the financial exploitation of a specified adult (age 65+ or impaired). During this period, the company must conduct an internal review, maintain the proceeds in a demand deposit account, and satisfy notification requirements to the SEC and relevant parties.
2. **H.R. 6161, the *SEC Data Protection Act (Scott)***: This bill requires the SEC to adopt policies to protect sensitive, nonpublic proprietary information received from investment advisers. The SEC must establish procedures to limit staff access, safeguard sensitive data, and prevent unlawful disclosure.
3. **H.R. _____, the *Honesty in Your Promotions and Endorsements of Equities (HYPE) Act of 2025 (Foster)***: This discussion draft amends federal securities laws to require “influencers” to provide standardized disclosures regarding their compensation, ownership stakes, and intent to sell securities. Additionally, it establishes a Financial Influencer Task Force to oversee social media investment advice.