

# SB-6

Calls upon improvement and amendment of the Financial Stability Act of 2010 and the FSOC to encourage transparency and competition in “shadow banks” and index funds for the free market and consumers. It also ensures the FSOC is in service to the people.

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## IN THE SENATE OF THE AMERICAN LEGION BOYS NATION

Mr. Heaney of Missouri introduced the following bill;

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## A BILL

Calls upon improvement and amendment of the Financial Stability Act of 2010 and the FSOC to encourage transparency and competition in “shadow banks” and index funds for the free market and consumers. It also ensures the FSOC is in service to the people.

*Be it enacted by The American Legion Boys Nation Senate assembled,*

### SECTION 1. SHORT TITLE.

This Act may be cited as the "Consumer's right to choose."

### Section Two: Impacted Entities and Transparency

This bill impacts all economic entities that use consumer money for investments without federal insurance. Some examples could be but are not limited to hedge funds, index funds, money market funds, and investment banks. The Financial Stability Oversight Council (FSOC) will also be amended for sake of transparency and thoroughness.

- 1.) Any above-listed entities with assets worth over \$250 billion must register with the FSOC and are open to research collected by the Office of financial research.
- 2.) Above listed entities can be subjected to council investigation by the board of governors if under suspicion of violation of the Volcker Rule (conflict of interest against investors).
- 3.) Suppose any companies violate the Volcker Rule by the FSOC or the Office of financial research. In that case, the board of governors can present a case to Congress in which Congress can decide how much the penalty for the violation should be. It will then notify the public of that company's violation.

#### Section Three: Amendments of 12 USC 5323

For the development of the FSOC, to improve its effectiveness and consider other potential economic issues.

- 1.) Amending Financial Stability Act of 2010 (12 USC 5323 section) (d) (1) to strike down "no less frequently than annually" and to be rewritten as "minimum of quarterly."
- 2.) To add an addition to "Considerations" in (2) to include (L) that would state that common ownership is in consideration.

#### Section Four: Limiting the authority of the FSOC

Although this bill expands the power to watch for common ownership as a protection to individual economic choice, the FSOC should not be able to hold its own intermediate holding companies and should act as a spotlight for public awareness.

- 1.) The FSOC does not hold jurisdiction to force companies into intermediate holding companies but gives jurisdiction to the department to which the business's field belongs.
- 2.) Any data collected by the FSOC must be made available to the public unless provable by the board of governors to Congress that information would encourage damaging speculative reaction.
- 3.) The FSOC can run economic stress impact tests but cannot demonstrate any tangible danger to the company unless Congress finds said company dangerous to the American economy or participates in common ownership after a hearing.

- 4.) The FSOC must commit to releasing additional details of private meetings within three months (to avoid damaging speculation) of the meeting as done by the FOMC.
- 5.) All voting FSOC members are required to testify to Congress on a bi-annual basis to ensure they are remaining servants of the public.

#### Section Five: Common ownership

This bill seeks to give the FSOC the jurisdiction to require that any of these nonbank financial institutions guilty of common ownership in a way that harms the individual (not having the option to avoid buying from that company) will be subject to antitrust action.

- 1.) For the sake of this bill, common ownership refers to when one entity owns a majority share in every business in a sector, cutting out competition and hindering the free market.
- 2.) If common ownership is detected, the considerations amendment instituted by section three, part two of this bill, the FSOC can issue a hearing. The hearing will be in front of a specialized congressional committee. The entity can make a case for its actions. If the entities are found innocent and encourage positive economic competition, they maintain autonomy and resume practices. If found guilty: congress can decide whether the business must reduce its market shares within any given sector. They could also create an intermediate holding company under the Office of financial research, in conjunction with temporary congressional committee overseers.