

MEETING MINUTES

Securities and Exchange Commission Investor Advisory Committee Minutes of the Meeting of December 2, 2021

The Investor Advisory Committee (IAC) met on December 2, 2021, in a public meeting held remotely online at <https://www.sec.gov>. The meeting convened at 10:00 am¹ and was broadcast live by webcast. Part 1 of the webcast archive can be found on the IAC web page at https://www.sec.gov/video/webcast-archive-player.shtml?document_id=iac120221-1. Part 2 can be found at https://www.sec.gov/video/webcast-archive-player.shtml?document_id=iac120221-2.

The following persons participated in the meeting:

Commissioners of the Securities and Exchange Commission (SEC)

Gary Gensler, Chair
Hester Peirce, Commissioner
Elad Roisman, Commissioner
Allison Lee, Commissioner
Caroline Crenshaw, Commissioner

Members of the Investor Advisory Committee

Jennifer Marietta-Westberg, Chair
Christopher Mirabile Chair-Elect
Jamila Abston
Cambria Allen-Ratzlaff
Cien Asoera
Theodore Daniels
Rick Fleming
Elissa Germaine
Brian Hellmer
Nancy LeaMond
Lori Lucas
Paul Mahoney
Sandy Peters
Paul Sommerstad
Heidi Stam
Alice Stinebaugh
Leslie Van Buskirk
JW Verret
Joanne Yoo

Panelists

¹ All times listed are for the local Washington, DC time.

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Angela Dalton
Ali Emdad, PhD.
Timothy Massad
Tyrone Ross
Alexis Goldstein
Kristin Smith
Aaron Wright
Sydney Schaub
Paul Greenwood
Ronald Long
Christine Lazaro
Kristen Standifer
Kathy Stokes

SEC Staff

Adam Anicich
Marc Sharma

Opening

Chair Marietta-Westberg called the meeting to order at 10:00 am and a roll call of members was taken.

Initial Business

Ms. Marietta-Westberg announced that this was the final IAC meeting for her and Heidi Stam, as their terms were expiring. Ms. Marietta-Westberg announced that Christopher Mirabile was elected chair, Leslie Van Buskirk was elected vice chair, Brian Hellmer was elected Assistant Secretary, and Ted Daniels will continue as Secretary. Ms. Marietta-Westberg also announced that the IAC elected to form a fourth subcommittee focused on disclosure topics.

The Chair and Commissioners were recognized and provided welcome remarks to the IAC Members and panelists.

Approval of Minutes

A motion was put forward and seconded to approve the minutes of the IAC meeting held in September 2021. The minutes were approved and subsequently posted to the [IAC webpage](#).

Panel Discussion Regarding Crypto and Digital Assets

Regulatory, Academic and Investor Protection Perspective

Chair Marietta-Westberg turned over the floor to Mr. Daniels to introduce the panel topic and moderate. Mr. Daniels introduced the panel followed by remarks from each panelist in the order listed below:

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- **Aaron Wright**, Associate Clinical Professor of Law, and Founder/ Director, Tech Startup Clinic, Benjamin N. Cardozo School of Law, Yeshiva University
- **Timothy Massad**, Senior Fellow, Kennedy School of Government, Harvard University, Adjunct Professor of Law, Georgetown University Law Center, and Former Chairman of the Commodity Futures Trading Commission (CFTC)
- **Ali Emdad**, Professor and Associate Dean, Earl G. Graves School of Business and Management at Morgan State University, and Founding Director of the Center for the Study of Blockchain and Financial Technology
- **Tyrone Ross**, CEO, Onramp Invest
- **Angela Dalton**, Founder and CEO, Signum Growth Capital

Mr. Wright provided some information on blockchain technology, beginning with an overview of some of the core concepts and terminology. His presentation included information on decentralized finance, NFTs (Non-Fungible Tokens), and DAOs (Decentralized Autonomous Organizations).

Mr. Massad provided comments on how digital assets did not fit neatly within the existing regulatory framework of the U.S. He then suggested some ways the SEC can use its resources to ensure investor protection and market integrity while allowing for healthy innovation. Primarily, Mr. Massad asserted that the SEC should use its authority to regulate stablecoins as payment mechanisms and offered paths the SEC might take to better regulate crypto exchanges.

Dr. Emdad began by discussing organizations dedicated to education and information services. He then turned to the work of the National Center for the Study of Blockchain and Financial Technology at Morgan State University specifically. He closed by commenting on the importance of similar organizations to progress in racial, social, and economic equity.

Mr. Ross opened by advocating for better financial education programs and infrastructure. He then advocated for the creation of a real-time payment system in the United States and for increased resource allocation towards financial education. Finally, he asserted that clear guidance from regulators is important to investors and the financial services industry more broadly.

Ms. Dalton commented on the benefits of “common sense regulation” for decentralized technologies. She indicated such regulation would push more market players to truly decentralize and become more transparent. She then discussed the structure and benefits of DAOs.

A Q&A session between panelists and Committee members occurred, moderated by Ms. Allen-Ratzlaff.

Industry, Trading & Policy Perspectives

Ms. Allen-Ratzlaff introduced the panelists and turned the floor over to Ms. Smith to open the Industry, Trading & Policy Perspectives portion of the panel, followed by remarks from each panelist in the order listed below:

- **Kristin Smith**, Executive Director, The Blockchain Association
- **Alexis Goldstein**, Director, Financial Policy, Open Markets Institute
- **Sydney Schaub**, Chief Legal Officer, General Counsel and Corporate Secretary, Gemini

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Ms. Smith commented on the efficiency, security, and democratic nature of crypto infrastructure compared to that of traditional finance. She commented that crypto assets should not be held to the same standards as securities contemplated under traditional finance regulations. Instead, she supports a tailored approach to the regulation of crypto assets.

Ms. Goldstein commented by noting the gap in investor protections between crypto-asset market places and equities markets. She commented on individual investors' ability to make informed choices regarding crypto-asset markets. She ended by discussing different market and information asymmetries between large and small investors and commenting that investor protections should be as robust for crypto assets as they are for equities.

Ms. Schaub began by commenting on the potential she sees in crypto, and appealing for appropriate regulation. She then commented on what information should be given to investors in digital assets that are not securities that would allow them to make informed decisions. She provided commentary that a regulatory scheme appropriately tailored to each individual asset would best protect investors.

A Q&A session between panelists and Committee members occurred, moderated by Ms. Allen-Ratzlaff.

Recess

Chair Marietta-Westberg took the Meeting into recess at 12:45 pm.

Afternoon Session

Chair Marietta-Westberg called the afternoon session to order at 2:51 pm and asked Ms. Lucas to introduce the panelists for the afternoon session.

Panel Discussion on the SEC's Potential Role in Addressing Elder Financial Abuse

Ms. Lucas introduced each panelist followed by remarks from each panelist in the order listed below:

- **Paul Greenwood**, Former Deputy District Attorney and Head of Elder Abuse Team, San Diego County District Attorney's Office
- **Ronald Long**, Head, Aging Client Services Center of Excellence, Wells Fargo
- **Christine Lazaro**, Professor of Clinical Legal Education, Director, Securities Arbitration Clinic, St. John's University School of Law; Past President of the Public Investors Arbitration Bar Association (PIABA)
- **Kristen Standifer**, State of Washington Department of Financial Institutions, Division of Securities; Chair, NASAA's Committee on Senior Issues and Diminished Capacity
- **Kathy Stokes**, Director, Fraud Prevention Programs, AARP

Mr. Greenwood provided commentary on the value of creating multidisciplinary teams to combat securities fraud crimes against the elderly. He discussed the difficulty police seem to have in addressing or even appropriately characterizing such crimes. Finally, he suggested that more emphasis be placed on getting such cases to trial.

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Mr. Long provided remarks highlighting that the current data on elder financial abuse is sparse. He suggested that a uniform means for financial institutions to submit data on elder financial abuse would go a long way in addressing this problem. He then offered some specifics for creating such a program.

Ms. Lazaro provide commentary on elder financial abuse performed by a trusted financial advisor. She discussed situations in which some brokers used misrepresentations of complex investment vehicles to coax uninformed investors into purchasing assets with unnecessarily high fees and associated risk. She then remarked on the need for funding more [securities arbitration] clinics to assist elders who have been exposed to this type of financial abuse.

Ms. Standifer began by reviewing some key legislation covering elder financial abuse. She then recommended increased employee training, encouraging designation of trusted third-party contacts, increasing regulators' ability to report and access information, adding additional protections from broker-dealers who do not comply with best interest regulation, and supporting legislation that will allow regulators to work more collaboratively.

Ms. Stokes opened by emphasizing the need to stop blaming victims of financial crimes for experiencing victimization. She followed with an appeal to the IAC and SEC to help foster broader understanding that criminals are committing these crimes and that they are not the fault of the victim. She ended by touching on some of the benefits of changing the existing stigma surrounding many kinds of financial crime.

A Q&A session between panelists and Committee members occurred, moderated by Ms. Lucas.

Discussion of the Recommendation Regarding Individual Retirement Accounts

Chair Marietta-Westberg asked Ms. Abston to present the proposed recommendation regarding individual retirement accounts. Following Ms. Abston's presentation, she opened up the discussion to additional comments from IAC members.

A motion was put forward and seconded to move for the adoption of the recommendation. A roll-call vote was taken with the majority of the members in attendance voting in the affirmative to approve the recommendation.²

Subcommittee Reports

Chair Marietta-Westberg called upon Mr. Verret to report on matters of the Market Structure Subcommittee. Chair Marietta-Westberg next called upon Mr. Asoera to report on the matters of the Investor-as-Purchaser Subcommittee. Chair Marietta-Westberg then called upon Mr. Mirabile to deliver the report on the matters of the Investor-as-Owner Subcommittee.

Adjournment

Chair Marietta-Westberg adjourned the meeting at 3:43 pm.

² Ms. Peters was not in attendance for the vote. Ms. LeaMond and Mr. Verret abstained.