

# INTRODUCTION OF "THE SECURITIES LITIGATION EQUITY ACT OF 1995"

**HON. NORMAN Y. MINETA**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, January 25, 1995*

Mr. MINETA. Mr. Speaker, I rise today to introduce the Securities Litigation Equity Act of 1995 for myself and my colleague, ANNA ESHOO.

We do so with the understanding the importance of a securities litigation system that allows private citizens to bring suit for securities fraud. The securities suit, when used properly, protects the integrity of the market and guards individuals against reckless and criminal behavior by people who invest their money. Those investments could be a retirement fund or a child's education fund or a down payment on a home. In any case, the investor deserves the right to legally challenge fraudulent behavior where it truly exists.

However, Mr. Speaker, the system has strayed from that honorable intent. Knee-jerk reaction suits filed by attorneys working with professional plaintiffs have severely constricted the flow of information emerging from technology industry leaders. More importantly, the costs incurred by high-risk industries have gone up. This is extremely disturbing when you consider the high costs these companies face naturally because of the types of services they provide. These costs, in the form of higher insurance premiums, legal fees and out of court settlements, result in less capital for the R&D investments U.S. high-tech companies use to maintain their position at the cutting edge of the world market.

For these reasons, securities litigation reform is a top priority for our Nation's high technology community. Since 1988, 19 of Silicon Valley's 30 largest companies have been hit with securities suits. Even the most hardened cynics cannot believe that nearly two-thirds of Northern California's largest high tech companies are guilty of fraud. Rather, we support the contention of companies in our districts that there exist fundamental flaws in our securities litigation system. These flaws reward abusive and frivolous suits, and cost our Nation's most competitive industries millions of dollars in legal fees and forced settlements every year.

It is for these reasons that we introduce this legislation. The reforms we are proposing include a moderate but substantive package of reforms that will address the systematic incentives for abuse and retain the rights of individuals to bring legal action where appropriate.

Our legislation would address the major problems that currently exist in the system by:

Eliminating liability for companies when a stock broker or analyst distributes inaccurate information not attributed to the company.

Reforming the pleading, burden of proof and discovery processes;

Giving greater control of the litigation to the plaintiffs over the attorneys; and

Eliminating many of the abusive practices currently used by the plaintiff's bar.

It is my hope that as the Commerce Committee marks up legislation for consideration by the whole House, it will accept a substantial number of the provisions in our bill—some of which are new, and many of which have received the benefits of close public scrutiny. Recognizing that a gap currently exists be-

tween offered legislative proposals, we carefully crafted this legislation so that it can be supported by Members from both parties, both bodies of Congress, and the key industries and associations affected by these practices.

## TRIBUTE TO CASEY HEADRICK WILLIAMS

**HON. EDOLPHUS TOWNS**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, January 25, 1995*

Mr. TOWNS. Mr. Speaker, I would like to pay tribute to Mr. Casey Headrick Williams, Sr., born on January 1, 1910, to the late Jim and Betty Williams in Cerro Gordo, NC. As a young teen, Casey gained a reputation for being an excellent baseball player and traveled throughout the State competing in baseball.

In 1925, the Williams family moved to Chadbourn, NC where they immediately became members of the Mount Moriah Baptist Church. Shortly after moving to Chadbourn, Casey, met Lella Lewis, the oldest daughter of Arch and Princess (Pennie) Lewis; and, on March 5, 1929, Casey and Lella were united in holy matrimony. This union was blessed with 16 children.

Mr. Williams is completely dedicated to his family. The family always had breakfast together on Sunday morning at which there was a family prayer and each family member recited a Bible verse. Mr. Williams has always been a dedicated breadwinner for his family—at times holding multiple jobs simultaneously and commuting over 100 miles daily to work. For several years, he successfully managed the local candy store. Mr. Williams also worked as a manager in the manufacturing field. After this schedule became too strenuous, Mr. Williams decided to become a sharecropper and lived in various parts of Columbus County. In addition to love for God, Mr. Williams has always stressed the importance of hard work, discipline, and education, although his formal education did not extend beyond the sixth grade.

Mr. Williams recently celebrated his 85th birthday. In these, his sunset years, he is now able to spend more time with his family and enjoying his hobbies, which include gardening and freezing the vegetables he grows. Recently, Mr. Williams has become a very good fisherman under the tutelage of his nephew, Paul. Mr. Williams has also continued his lifetime involvement in the politics and civic matters of the community and surrounding areas.

Although Mr. Williams does not have enormous tangible richness, he considers himself to be a wealthy man. His wealth is evidenced by the respect that other members of the community have for him, the love of his family, and his place in the Kingdom.

## INTRODUCTION OF THE RECREATIONAL BOATING SAFETY ACT OF 1995

**HON. JACK FIELDS**

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, January 25, 1995*

Mr. FIELDS of Texas. Mr. Speaker, safety is the primary concern of the millions of rec-

reational boaters across this Nation. The bill I am introducing today would increase the level of safety enjoyed by recreational boaters by increasing the penalties for boating while intoxicated [BWI], requiring children to wear personal flotation devices onboard vessels and personal watercraft, and requiring the Coast Guard to develop plans related to mandatory boating education and certification, and boating accident reporting.

Mr. Speaker, during the last Congress, the Merchant Marine and Fisheries Subcommittee on Coast Guard and Navigation conducted an oversight hearing on the National Transportation Safety Board's [NTSB] recreational boating safety study. In that study, NTSB found that alcohol use was involved in at least half of all boating accidents and that 85 percent of those who drown in recreational boating accidents were not wearing personal flotation devices [PFD's].

In their conclusions, NTSB recommended that comprehensive BWI laws be implemented, that minimum recreational boating safety standards be established, and that information about fatal or serious boating accidents be submitted to the U.S. Coast Guard.

I support many of the recommendations of the National Transportation Safety Board and have incorporated some of their suggestions within this legislation.

Mr. Speaker, section 2 of my bill would reduce boating deaths and serious accidents related to alcohol use. Section 2 requires the Coast Guard to develop a program in cooperation with State officials to reduce boating accidents by concentrating enforcement of BWI laws in areas where many boating accidents have occurred. Several States have implemented successful programs of this type, and national cooperative effort would reduce boating accidents across the Nation.

Section 3 and 4 are related to the use of personal flotation devices onboard recreational boats and personal watercraft. Section 3 requires children 12 years of age and younger to wear personal flotation devices, unless they are in enclosed cabins on the boat. Section 4 requires the Coast Guard to submit to Congress a plan to approve full inflationable life jackets for use by certain individuals under appropriate conditions.

According to Texas State boating officials, 71 people drowned in boating accidents in our State last year. Based on their educated analysis, these boating officials believe that more than 50 percent of those Americans would not have lost their lives if they had been wearing personal flotation devices.

Sections 5 and 6 would improve the information that is received by Federal and State boating officials on recreational boating accidents. Section 5 implements a recent suggestion by the National Transportation Safety Board and requires the Coast Guard to implement an information system for boating accident information similar to the one presently