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Congress of the United States
House of Representatives
Washington, DC 20515-0801

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The Honorable Barney Frank
Chairman
House Financial Service Committee
U.S. House of Representatives
Washington, D.C. 20515

Dear Chairman Frank:

We appreciate your efforts to provide members of the Financial Services Committee with opportunities to question witnesses on the issue of regulatory reform. As the Committee continues its work to reform and regulate our markets, we believe hedge funds must be a part of the conversation and request additional hearings on this industry.

Hedge funds are approximately a \$1.5 trillion industry, made up of thousands of high-risk and fairly unregulated investment pools. We believe the magnitude of this industry and these investments warrant systemic risk regulation. This Congress, we have sponsored a package of bills: H.R. 711, H.R. 712, and H.R. 713 that would assist us in better understanding this industry while increasing transparency and regulation. We are also aware that a proposal has been introduced in the Senate that would take a different approach to requiring more disclosure of hedge funds. Additionally, we were pleased to see that the plan proposed by Secretary Geithner in his March 26 testimony recommends that all advisers to hedge funds, who meet certain thresholds, be required to register with the Securities and Exchange Commission (SEC). We respectfully request that the Committee consider these proposals to bring this industry under more rigorous scrutiny.

We are aware that you have expressed the importance of examining greater transparency in the hedge fund industry, and we thank you for your attention to this matter.

Sincerely,


Michael E. Capuano
Member of Congress


Michael N. Castle
Member of Congress