

# Meet the SEC nominees: One opposes the DOL fiduciary rule, one is a blank slate

Republican Hester Peirce and Democrat Robert Jackson seek to fill two vacancies on the commission

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By [Mark Schoeff Jr.](#), *InvestmentNews* [subscription required]

One of the Trump administration's Securities and Exchange Commission nominees has doubts about the Labor Department's fiduciary rule and seems to favor disclosure as the best approach to investment advice standards. The other nominee is a blank slate on the issue.

Over the last several weeks, the White House has nominated [Republican Hester Peirce](#) and [Democrat Robert L. Jackson Jr.](#) for the agency's two vacant slots. Ms. Peirce, a senior fellow at the conservative Mercatus Center at George Mason University, has criticized the DOL regulation and says the SEC should take the lead on a fiduciary duty.

"The [DOL] rule is rooted in the belief that investors cannot choose for themselves," Ms. Peirce, 46, wrote in a [May 22 U.S. News & World Report article](#). "The Securities and Exchange Commission should be allowed to take the lead in any rulemaking related to investors' interactions with financial professionals. Its approach to regulation preserves investor choice: Ensure that investors get the information they need to decide for themselves which products and services work for them."

Ms. Peirce, who has served on the SEC Investor Advisory Committee, also has been [critical of the Financial Industry Regulatory Authority Inc.](#)

Mr. Jackson, 40, a law professor at Columbia University, specializes in corporate disclosures. His bio on the school's website says he chaired an effort to petition the SEC to require public companies to reveal their spending on political campaigns. Democratic senators pushed the previous Democratic SEC nominee, Lisa Fairfax, on the issue and expressed displeasure with her answers.

Ms. Peirce was [nominated previously](#) by the Obama administration. She and Ms. Fairfax failed to get a Senate vote before the close of last year's Congress, leaving the SEC shorthanded.

SEC Chairman Jay Clayton issued a [request for comment on fiduciary duty](#) earlier this year in an attempt to help the agency catch up with the DOL. The SEC has failed to propose an investment advice standard that would apply both to investment advisers and brokers, despite being authorized to do so by the Dodd-Frank financial reform law in 2010. The agency has been riven by deep differences on the issue, usually split along party lines with Republicans opposed and Democrats in favor.

"You have to expect [in Ms. Peirce] someone who will line up with Republican ideology," said David Tittsworth, counsel at Ropes & Gray. "The same goes for Jackson" in taking a typical Democratic position.

Karen Barr, president and chief executive of the Investment Adviser Association, said Ms. Peirce has been a champion of cost-benefit analysis and will likely promote a careful approach.

"She'll try to fashion the rules to each type of business model," Ms. Barr said.

Both Ms. Peirce and Mr. Jackson declined to comment. The Senate Banking Committee has not set a date for their confirmation hearing.

The fact that they have been nominated as a bipartisan duo means the Trump administration has followed the tradition of offering the Senate a Republican and Democrat in tandem. There had been speculation earlier this year that only a Republican would be nominated.

"I don't see any significant opposition as long as they're paired," said Niels Holch, executive director of the Coalition for Mutual Fund Investors. "I would expect both nominations to pass."

Both Democrats and Republicans have been frustrated by the slow pace of SEC rulemaking — Democrats because some Dodd-Frank rules haven't been finalized and Republicans because some rules that would ease capital raising haven't been completed.

"It seems that a full slate of commissioners would help move that work along," said Jason Rosenstock, a partner at the consulting firm Thorn Run Partners.

A complete SEC is needed to tackle the complexity of a fiduciary rule, according to Ms. Barr.

"It's pretty clear that [the Trump administration] would like the SEC to take the lead on fiduciary, and a fully functioning commission is critical to that," Ms. Barr said.

Although Mr. Jackson has not delved into investment advice policy, he has done extensive work on using data analytics for enforcement and to give investors more information about broker fraud. He is the founder of the Columbia law school's Data Lab. He also helped develop policies on executive pay as a staff member on the Troubled Asset Relief Program.

At the SEC, Mr. Jackson also may acquire some political experience. Fiduciary advocates hope he and the other Democratic commissioner, Kara Stein, hold the line against the Republican majority, as the Republican minority did during the Obama administration.

"They're going to have to demonstrate the will to make their voices heard," said Micah Hauptman, financial services counsel at the Consumer Federation of America. "They shouldn't be shy in criticizing or trying to stop any SEC action that harms investors."