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Vote NO on JOBS Act

Dear Representative:

On behalf of more than 250,000 Public Citizen members and supporters, we ask you to **VOTE NO** on the misnamed **JOBS Act, H.R. 3606**. The bill is on today's suspension calendar, listed as a vote to concur in the Senate Amendment to H.R. 3606. Despite its name, this bill will serve to foster fraud in our capital markets, discouraging investment, and, as a consequence, detract from job creation. Senator Bernie Sanders aptly labeled it a "con-jobs" bill.

Since the House considered a previous version of the bill:

- SEC Chairman Mary Schapiro warned that the measure would "eliminate important protections for investors in even very large companies, including those with up to \$1 billion in annual revenue."
- The Council of Institutional Investors stated, "While it's not at all clear that the legislation will create jobs, it *will* create greater risks for investors and ultimately could erode confidence in our capital markets."
- Former SEC Chief Accountant Lynn Turner warned the measure "won't create jobs, but it will simplify fraud. This would be better known as the bucket-shop and penny-stock fraud reauthorization act of 2012."
- Former New York Governor and Attorney General Eliot Spitzer said the measure "will remove the critical protections imposed in the [research] analyst settlement a decade ago with respect to companies with revenues of less than \$1 billion per year, allowing them to return to the fraudulent practices of yore."
- Former SEC Chairman Arthur Levitt declared the bill "is the most investor-unfriendly act I've seen in 25 years in that it favors corporate America at the expense of individual investors."
- Professor William Black, a lead investigator of the savings and loan crisis, asserted that criminologists and anti-fraud specialists "would have job security for life if this bill was adopted. It is literally composed of the wish list in regard to fraud-friendly provisions that those intent on cheating have been dreaming about and salivating to achieve for decades."

In addition, advocates for seniors, union pension funds and even IPO experts oppose the measure. We approve of the Senate's improvement in the crowd funding provisions, but the bill overall remains deeply harmful to the capital markets and the broader economy.

The American people are still reeling from the financial crisis and Great Recession, which were caused by deregulation, wild risk-taking, and financial fraud. In this economic

climate, the public will be outraged if the Congress approves legislation that further deregulates Wall Street and facilitates more financial fraud. The House should reject H.R. 3606.

Sincerely,



David Arkush
Director, Public Citizen's Congress Watch



Bartlett Naylor
Financial Policy Advocate, Congress Watch