

August 20, 2013

Mary Jo White, Chairman
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Dear Chairman White,

We write to you as small business owners and leaders in small business networks in our states. On behalf of our networks and the independent small business owners we represent, we are writing to urge the Securities and Exchange Commission to move forward with adoption of a rule on disclosure of political spending.

Secrecy in corporate political spending infringes on shareholder rights and undermines market transparency. It also flies in the face of basic governance principles. With these considerations in mind, a new rule ending this secrecy and promoting full disclosure is not only roundly needed – it also fits squarely within the SEC's mission of protecting investors and ensuring transparent, well-functioning markets.

From our vantage point as small business owners, the management case for this rule is obvious. Consider this: as owners of small businesses, if money from our business accounts is used for political spending, we'd better well know about it. Indeed, it would be a sign of dangerously poor management on our part if we did not. And yet under current practice corporate funds can be spent in exactly this way, without the owners' knowledge, at many of the largest publicly-traded companies in America.

When we invest in a publicly-traded company, when we purchase shares, we become part-owners of that company. But under current rules, money from the general treasury of a publicly-traded company can be disbursed to fund political activities without the owners (the shareholders) having any way to know about it. Just as in a small business, this should be considered dangerously poor management. It leaves the door open to abuse, secret back-room politicking, and distorted market outcomes influenced by pay-to-play politics. We believe the SEC must take action to address this problem.

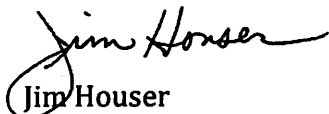
Small business owners aren't the only ones who support this transparency rule – many bigger business executives do, too. While small business interests and big business interests often diverge, in confidential surveying support for transparency crosses the Main Street-Wall Street divide. It also crosses the political aisle. Indeed, in a recent survey of U.S. business executives commissioned by the Committee for Economic Development, more than four out of five business executives (including 79 percent of surveyed Republican executives and almost all surveyed Democratic executives) support this type of transparency rule.¹

¹ <http://www.bloomberg.com/news/2013-07-24/business-executives-call-political-giving-pay-to-play-.html>

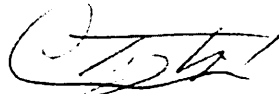
We recognize that the SEC faces pressure to drop this rule, particularly from third-party groups that trade on secret political spending and have baked pay-to-play politics into their organizational funding models. We assure you, these groups do not speak for local, independent small business owners across America or, for that matter, for the many corporate executives who believe success in business should have nothing to do with pay-to-play politics.

We sincerely hope you will not allow pressure from groups that benefit from maintaining a regime of secrecy to deter you from moving forward with a rule that allows the SEC to better fulfill its mission and responsibilities to protect investors and ensure market transparency. We urge the SEC to adopt a rule on political spending disclosure as soon as possible.

Sincerely, on behalf of our networks,

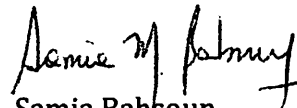


Jim Houser
President, Hawthorne Auto Clinic, Inc
Portland, Oregon
Main Street Alliance of Oregon



Freddy Castiblanco
Owner, Terraza 7 Live Music
Elmhurst, New York
Small Business United New York

Aimee McQuilkin
Owner, Betty's Divine
Missoula, Montana
Montana Small Business Alliance



Samia Bahsoun
Founder, S2 Associates International
Holmdel, New Jersey
New Jersey Main Street Alliance

Sharon Peralta
Owner, Custom Computer Services &
More, LLC
Sanford, Maine
Maine Small Business Coalition

Jerry Waxman
Owner, Scihigh
Orlando, Florida
Community Business Association of
Central Florida

ReShonda Young
Corporate VP, Alpha Express, Inc
Waterloo, Iowa
Iowa Main Street Alliance

Jared Burbank
Owner, J&J Coins
Pueblo, Colorado
Colorado Main Street Alliance

Don Orange
Owner, Hoesly ECO Auto & Tire
Vancouver, Washington
Main Street Alliance of Washington

David Borris
Owner, Hel's Kitchen Catering
Northbrook, Illinois
Illinois Main Street Alliance

Santiago, Awilda

From: Sam Blair <[REDACTED]> on behalf of Sam Blair
<[REDACTED]>
Sent: Tuesday, August 20, 2013 8:59 AM
To: CHAIRMANOFFICE; Choi, Sarah
Subject: small business letter to SEC Chair White re rule on political spending disclosure
Attachments: Small business letter to SEC Chair MJ White re political spending disclosure rule - Aug 20 2013.pdf

Attn: Mary Jo White, SEC Chair

Please find attached a letter to Chair White from leaders of 10 state and regional small business networks urging the SEC to move forward with the proposed rule-making on political spending disclosure.

Please feel free to contact me with any questions.

Sincerely,
Sam Blair

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Sam Blair | The Main Street Alliance
Network Director

[REDACTED] | 603-831-1835

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