

JERRY MORAN
KANSAS

ES152530

COMMITTEES:
APPROPRIATIONS

361A RUSSELL SENATE OFFICE BUILDING
WASHINGTON, DC 20510-1606
P: (202) 224-6521
F: (202) 228-6966
moran.senate.gov

United States Senate

BANKING, HOUSING, AND
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VETERANS' AFFAIRS

October 3, 2014

The Honorable Mary Jo White
Chairwoman, Securities and Exchange Commission
100 F Street Northeast
Washington, D.C. 20549

Dear Chairwoman White,

As a *leading advocate for entrepreneurship and innovation* in the United States Senate, I strongly urge the Securities and Exchange Commission (SEC) to complete its work to implement the key components of the Jumpstart Our Business Startups (JOBS) Act of 2012 pertaining to regulation crowdfunding.

During my time in Congress, I have visited with dozens of businesses eager to expand and create new jobs for Americans. These young and innovative companies consistently tell me access to capital is one of the biggest barriers to growth. Access to capital is particularly a barrier in areas outside the major financial hubs, including the Silicon Prairie in my home state of Kansas.

As you are aware, the JOBS Act passed both houses of Congress with broad bipartisan support and was signed into law by President Obama on April 5, 2012 (P.L. 112-106). One key feature of the JOBS Act was Title III, which was included by Congress to offer American businesses new methods of raising capital from more modest investors and also to provide consumers the ability to invest in businesses they support. The SEC was required by law to promulgate rules relating to these crowdfunding provisions by the end of 2012. The SEC has now missed that deadline by nearly 550 days.

Following the passage of the JOBS Act, dozens of companies across the country built platforms, raised funds from investors, and anxiously awaited the final crowdfunding rulemaking from the SEC. Nearly two years later, those companies are still waiting. In some cases, these companies have been forced to pivot to new business models or worse, they no longer exist because of the lack of a finalized federal rulemaking.

You have stated publicly that Title III is a high priority to the Commission and that you intend to finalize the rulemaking this year. Your staff has acted appropriately in promulgating the draft rules and in balancing investor protection with the need for the efficient formation of capital for these innovative new businesses. There has been considerable public comment that can and should be considered. The comment period closed in February, and I am unaware of any meaningful opposition to the proposed rules. Now is the time to advance the rulemaking.

I encourage the SEC to complete the rulemaking process in the timeliest manner possible to provide startups, investors, expanding businesses, and their stakeholders with the framework they need to raise capital, expand, and create vital economic growth and competition.

Very truly yours,

Jerry Moran

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HAYS OFFICE
1200 MAIN STREET
SUITE 402
HAYS, KS 67601

MANHATTAN OFFICE
923 WESTPORT PLACE
SUITE 210
MANHATTAN, KS 66502

OLATHE OFFICE
23600 COLLEGE BOULEVARD
SUITE 201
OLATHE, KS 66061

PITTSBURG OFFICE
306 N. BROADWAY STREET
SUITE 125
PITTSBURG, KS 66762

WICHITA OFFICE
3450 N. ROCK ROAD, BLDG 200
SUITE 209
WICHITA, KS 67226