



PUBLIC STARTUP COMPANY, INC.

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July 26, 2014

To: Mary Jo White, Chair
Elizabeth M. Murphy, Secretary
Charles Kwon, Office of Chief Counsel,
Division of Corporation Finance
Securities and Exchange Commission
100 F Street, NE, Washington, DC 20549-1090

From: Jason Coombs, Co-Founder and CEO
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CC: rule-comments@sec.gov

Re: File No. S7-11-13, <http://www.gpo.gov/fdsys/pkg/FR-2014-01-23/pdf/2013-30508.pdf>

JOBS Act legislation URL <http://www.gpo.gov/fdsys/pkg/BILLS-112hr3606enr/pdf/BILLS-112hr3606enr.pdf>

Title IV of the JOBS Act must preempt state securities regulation, and it must restore the basic human freedom to communicate publicly and to form equity investment relationships between any productive, honest member of society and any other productive, honest member of society.

The SEC has been the political [jackbooted thug](#) of Congress ever since [its inception in 1934](#).

It is time for jackbooted thugs to defend the rights of the people instead of taking rights from us.

At the very beginning of the global financial crisis Congress formed a Joint Economic Committee which met on [November 8, 2007 to hear testimony from Federal Reserve Chair Ben Bernanke](#).

“First, as we have warned, and as you acknowledge in your testimony, we face a wave of foreclosures in the next years, that threaten millions of American homeowners and [their] neighbors. The housing boom has busted, and we see trillions of dollars in lost home values across the Nation.” – Senator Charles Schumer

See: <http://www.gpo.gov/fdsys/pkg/CHRG-110shrg40283/html/CHRG-110shrg40283.htm>

Congress instructed the bankers not to foreclose. They did it anyway.

Who benefited? Who got bailed out? The banksters had nothing to lose: it wasn't their money!

“The overall numbers – for those who cannot see it – for the third quarter of 2007 to the third quarter of 2009, loss of home value, loss in neighboring property value, loss in property tax value, the overall number based upon this research can be summarized this way: Seventy-one billion dollars in housing wealth directly destroyed because of the foreclosures reducing the value of the home. Thirty-two billion dollars in housing wealth indirectly destroyed.”

The formation of indirect, irrational, securitized “banking” relationships on a massive scale is the antithesis of common sense and the opposite of equity relationship. No equity investment, such as the purchase of a home, should ever be financed through a banker's securitized credit facility.

What the SEC must do, in passing the final Rule for Title IV of the JOBS Act, to create a viable direct investment marketplace for Regulation A+ debt and equity securities, is deeply consider whether distance from the problem has ever been a good thing in the banking industry. Distance from the problem created profits for banksters and then the banksters got bailed out while their victims were foreclosed upon, mistreated, punished, harmed and abused.

The public record of the events leading up to and causing the global financial crisis make it very clear that banksters, faced with the temporary decline in price of houses across the United States, and slowing growth of housing prices in other nations, were s far away from the problem due to the creation of their mass market for securitized lending to be capable of doing anything about it other than mindlessly, irrationally and counter-productively foreclose on borrowers – in many of these foreclosures the problem was not a failure to pay, but a failure of the borrower to qualify for a new loan to replace the securitized lending product they had been sold by the banksters who were denying the borrower the replacement loan after their initial loan term expired.

Many banks attempted to force borrowers into new loans linked to LIBOR, telling borrowers that this was the only way they could qualify for a new loan because the borrower was not worthy of credit and because the value of their property was no longer sufficient. In hindsight we know that there was a criminal conspiracy to manipulate LIBOR, and this was known at the time in the finance industry. This entire situation looked to finance industry insiders as if the banksters were intentionally causing economic, psychological and emotional harm to billions of people for profit.

Hundreds of millions of people suffered criminal threats, extortion and insults. This is the legacy of the Securities and Exchange Commission and banking regulators: the complicity of passively supporting or actively facilitating the single largest distributed criminal enterprise in the history of the world, in which artifices such as “securitized loans” were used to deceive and to defraud hundreds of millions of innocent victims. The SEC must accept part of the blame for all of this.

See: https://en.wikipedia.org/wiki/Libor_scandal

The only reason this was possible in the first place was that old securities regulations prohibited people from forming capital with each other in common sense ways, funneling everything into the hands of the Wall Street banksters instead who became “too big to fail” because they had become the proxy substitute replacement for the more reasonable form of equity investment relationship.

Most people would grossly under-estimate the future “value” (inflation-adjusted price) of their homes if offered an equity co-investment relationship by a bankster. From 1971 to the present, the price of gold has increased from \$35 to \$1300 – a thirty-seven-fold increase in 43 years. If the same rate of price inflation recurs over the next 43 years, and if homes just hold their value in constant currency to other prices, [median home prices](#) in the year 2057 will exceed \$8 million!

Regulation A+ will be used by people seeking to buy homes, and by investors who wish to form equity investment relationships around home ownership. It is impossible for this to be stopped, and the Commission is well aware that it has recently started qualifying Regulation A securities Offerings for this precise purpose in many states. When it comes to local investments of this sort it is obviously necessary for state securities regulators to remain involved in qualifying offerings but there is no reason for the SEC not to preempt state review for startups that do real business across state lines. In my opinion, the Commission never even had the constitutional authority to interfere in such equity relationships around startups that are engage in inter-state commerce. It is time for the SEC to stop the banks' systemic harm and to declare everyone to be equity-worthy.

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During testimony it was discussed AT LEAST \$100 billion of household wealth would be destroyed across America if banks foreclosed on homes.
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US Government was warning banks not to foreclose because doing so would CAUSE this destruction of household wealth. Bankers had alternatives
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Bankers were told not to foreclose. They did it anyway. Who benefited? And who got bailed out? @federalreserve #banksters #fraud #corruption
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See: <https://twitter.com/JasonCoombsCEO/status/493203058424176641>

The SEC has a duty to the constitution and to the American people. The SEC was instructed by Congress to enact JOBS Act Rules by the Fourth of July, 2012. It is now July 26, 2014 and still there are no JOBS Act Rules as mandated by Congress. When I attempted to make use of the only JOBS Act Rule to partially go into effect thus far, Regulation D Rule 506(c), the Commission promptly delivered a federal subpoena and conducted a full formal investigation of my activities. This resulted in finding of fact that I have not sold 506(c) securities to ANYBODY. What's next?

See: <http://www.otcmartets.com/edgar/GetFilingPdf?FilingID=9681669>

See also: <http://www.otcmartets.com/edgar/GetFilingHtml?FilingID=9681669>