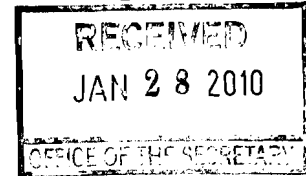


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4-593



January 22, 2010

Elizabeth M. Murphy, Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549 – 0609

Re: Petition for Rulemaking in reaction to *Citizens United v. Federal Election Commission*

Dear Securities and Exchange Commission (“Commission” or “you”):

I own several shares of common stock in AT&T and several other corporations. I am also considering investing in common stock as a part of my individual retirement planning. I am a 27-year old, self-employed attorney, specializing in criminal defense. I am not representing anyone but myself in writing this letter to you.

It has come to my attention that “*the Supreme Court on Thursday gave big corporations a green light to spend more money on political campaigns.*”¹ As it now appears that publicly-traded corporations now have the right to buy and sell members of Congress,² I demand that the Securities and Exchange Commission protect my right as an investor to know how those corporate investments are paying off.³

The Commission may object that the Congress has already assigned this task to the Federal Election Commission, which is tasked with enforcing the Federal Elections Campaign Act⁴ as well as the

1 “Citizens United: What the Supreme Court's decision on campaign money means for you”, *Christian Science Monitor*, January 22, 2010, at <http://www.csmonitor.com/Money/new-economy/2010/0121/Citizens-United-What-the-Supreme-Court-s-decision-on-campaign-money-means-for-you> (last visited January 22, 2010).

2 “The Government may regulate corporate political speech through disclaimer and disclosure requirements, but it may not suppress that speech altogether.” *Citizens United v. FEC*, 558 U.S. ___, No. 08-205 (January 21, 2010) at *1-2.

3 “Ultimately shareholders may decide, through the procedures of corporate democracy, whether their corporation should engage in debate on public issues. Acting through their power to elect the board of directors or to insist upon protective provisions in the corporation's charter, shareholders normally are presumed competent to protect their own interests. In addition to intracorporate remedies, minority shareholders generally have access to the judicial remedy of a derivative suit to challenge corporate disbursements alleged to have been made for improper corporate purposes or merely to further the personal interests of management.” *First National Bank of Boston v. Bellotti*, 435 U.S. 765, 794-95 (1978) (citations omitted).

4 P.L. 92-225 (1971).

Bipartisan Campaign Reform Act of 2002 (BCRA).⁵ However, I would note that Congress did not intend the disclosure requirement of Section 201 of BCRA to apply to corporations, publicly-traded or otherwise, because Section 203 flatly prohibited corporate expenditures on electioneering (and the law had long done so).⁶

Congress has, however, plainly placed within the Commission's jurisdiction the power to regulate publicly-traded corporations and require that they provide information "as necessary or appropriate for the proper protection of investors and to insure fair dealing...."⁷ Because your jurisdiction is more specific than the FEC's (Section 201 of BCRA refers to "every person"⁸), I believe you are the agency with correct jurisdiction to handle this issue.

I write to you today to ask that the Commission amend, by rule, Regulation S-K and/or Form 10-K as necessary to require that securities issuers disclose to their investors all electioneering expenditures, placing them in the appropriate business context, and stating in plain English the effect on the political process intended by the expenditure and a performance report tracking the effectiveness of each expenditure. Specifically, I propose that the Commission amend 17 C.F.R. ch. 229 by adding, as a new section 101.4, entitled "Political Influence," a rule to this effect:

"§ 229.104 (Item 104) Political Influence.

Describe briefly any material efforts to influence an election campaign, at the state or federal level, either currently pending or since the last reporting. Please state the exact amount and date of the expenditure and the manner in which it was spent. Additionally, state the intended effect, in plain English, on the political system, of the expenditure. Also state a reasoned opinion as to the effect that prior material efforts to influence an election campaign have had on the political system of the United States, and how such effects have affected your business."

This rule will no doubt benefit investors, by enabling us to keep track of directors whose partisan attitudes may run counter to the material benefits of shareholders. It will also benefit the public at large by providing a qualitative metric of political honesty.⁹

Please consider this letter as a formal Petition for Rulemaking under the Administrative Procedure Act.¹⁰

5 P.L. 107-255.

6 *Id.* "The majority's approach to corporate electioneering marks a dramatic break from our past. Congress has placed special limitations on campaign spending by corporations ever since the passage of the Tillman Act in 1907. We have unanimously concluded that this 'reflects a permissible assessment of the dangers posed by those entities to the electoral process' and have accepted the 'legislative judgment that the special characteristics of the corporate structure require particularly careful regulation.' The Court today rejects a century of history when it treats the distinction between corporate and individual campaigns pending as an invidious novelty born of *Austin v. Michigan Chamber of Commerce*, 494 U. S. 652 (1990)." *Citizens United*, Stevens, J., dissenting at * 2-3 (citations omitted).

7 Securities and Exchange Act of 1934 § 13, 15 U.S.C. § 78m(a).

8 BCRA § 201.

9 Because, as the late Senator Simon Cameron said, "an honest politician is one who, when he is bought, stays bought."

10 5 U.S.C. § 553(e).

Thank you for your consideration, and I look forward to your prompt and reasoned response to my request, and a strong Commission focus on this pressing matter.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Dallas" with a stylized flourish.

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