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Opening Statement Rep. Mike Quigley, Subcommittee Ranking Member

Subcommittee on TARP, Financial Services, and Bailouts of Public and Private Programs Hearing on "The JOBS Act in Action: Overseeing Effective Implementation That Can Grow American Jobs"

June 26, 2012

I thank the Chairman for holding this hearing to examine implementation of the JOBS Act.

The JOBS Act was passed with bipartisan support and signed into law by President Obama on April 5, 2012. The Act alters federal securities laws and regulations to make it easier for small business and start-ups to raise capital. For example, the Act will create a unique status for emerging growth companies that would allow these companies greater flexibility in testing the IPO waters.

The Act will also lift restrictions on the ability of these start-up companies to raise capital. Start-ups, if they survive their earliest years, make an outside contribution to sustainable job growth. Under Title III of the JOBS Act, start-ups will now be able to raise the capital they need through crowd-funding.

This is a welcome step forward, and I commend the President, who endorsed the idea in his 2012 State of the Union Address, and the Chairman, who sponsored the original crowdfunding legislation, for working together on this issue.

At the same time, the regulatory restrictions that were rolled back by the JOBS Act were originally put in place for a reason. There are legitimate concerns that exempting this type of activity from securities regulations would open or expand opportunities for fraud. Just as clean water standards keep our water safe to drink, financial regulations protect us against unsafe financial products.

While Congress judged, correctly in my view, that there were *too many* hurdles to raising capital, the SEC's mission is still to protect investors and maintain fair, orderly, and efficient markets.

New rulemaking under the JOBS Act should follow the same process and procedures as in the past. There's no reason the JOBS Act should be prioritized in front of pending *Dodd-Frank*

rulemakings, which have been delayed as a result of intense scrutiny from Congress and the courts.

The same standards should apply equally to all of the SEC's rulemakings that are required by law. I also believe that *Dodd-Frank* and the JOBS Act are two sides of the same coin.

Before and during the financial crisis, our financial regulations were deficient. As banks collapsed and the housing market bottomed out, investors lost their savings, homeowners lost their homes, and millions of Americans lost their jobs. By passing and implementing *Dodd-Frank*, we will ensure that the next generation of Americans is not so vulnerable to financial catastrophe.

At the same time, we can also recognize that not all regulations are necessary, and that some may inhibit job growth more than protect it. This is why I was proud to support the JOBS Act.

Going forward, I am eager to work with the SEC and both sides of the aisle to ensure these two acts of Congress are implemented in a timely and responsible fashion. Thank you Mr. Chairman and I yield back.

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