

City of Philadelphia



Council of the City of Philadelphia
Office of the Chief Clerk
Room 402, City Hall
Philadelphia

(Resolution No. 130149)

RESOLUTION

Urging the Securities and Exchange Commission to promulgate regulations regarding crowd-funded investment as mandated by the JOBS Act.

WHEREAS, In April 2012, President Obama and Congress passed the Jumpstart Our Business Startups (JOBS) Act in support of entrepreneurship and small business growth; and

WHEREAS, The JOBS Act received bipartisan support in Congress; and

WHEREAS, The JOBS Act is designed to encourage small business and startup funding by easing federal regulations and allowing individuals to become investors; and

WHEREAS, The JOBS Act modernized regulations that were almost 100 years old by, among other things, allowing for crowdfunding provisions that allow companies to sell securities through open platforms; and

WHEREAS, Since the passing of the JOBS Act, there has been an increase in the usage of crowdfunding platforms that have helped fund startups, the arts, non-profits and small businesses; and

WHEREAS, The crowdfunding industry is expected to double in size in 2013 to \$6 Billion; and

WHEREAS, Crowdfunding platforms, such as Fundrise, enable community members to invest directly in real estate projects in their community; and

WHEREAS, Such investment contributes to the success of those projects, allows communities to influence those projects and allows members of the community to earn income as investors in those projects; and

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WHEREAS, Under current SEC regulations, the process for launching a crowdfunded project can cost tens of thousands of dollars in legal fees per project; and

WHEREAS, The JOBS Act mandates that the SEC issue new regulations, the effect of which would be to greatly reduce fees associated with launching a crowdfunded project; and

WHEREAS, The JOBS Act required the Securities and Exchange Commission to promulgate regulations under Title II of the JOBS Act within 90 days of April 5, 2012, the day the bill was signed; and

WHEREAS, The JOBS Act mandated the SEC to enact regulations under Title III of the JOBS Act by December 31, 2012; and

WHEREAS, The SEC failed to meet that deadline and has not yet promulgated such regulations; now therefore

RESOLVED, BY THE COUNCIL OF THE CITY OF PHILADELPHIA, That it hereby urges the Securities and Exchange Commission to promulgate regulations pursuant to Title II and Title III of the JOBS Act as mandated by the Act.

FURTHER RESOLVED, That copies of this resolution shall be forwarded to the Commissioners of the Securities and Exchange Commission.

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CERTIFICATION: This is a true and correct copy of the original Resolution, Adopted by the Council of the City of Philadelphia on the seventh of March, 2013.

Darrell L. Clarke
PRESIDENT OF THE COUNCIL

Michael A. Decker
CHIEF CLERK OF THE COUNCIL

Introduced by: Councilmember Bass

Sponsored by: Councilmembers Kenney, Goode, Henon, Jones, Oh, Tasco, Johnson, Squilla, O'Neill and Green