American Federation of Labor and Congress of Industrial Organizations

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Via Electronic Submission to: rule-comments@sec.gov

Mr. Keith F. Higgins
Director, Division of Corporate Finance
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: ***Comments on Disclosure Effectiveness Initiative***

Dear Mr. Higgins,

I am writing to you today on behalf of the American Federation of Labor and Congress of Industrial Organizations (the "AFL-CIO") to provide comments on the Disclosure Effectiveness initiative launched by the Securities and Exchange Commission (the "Commission" or the "SEC") last year. We appreciate the opportunity to participate in this initiative.

The AFL-CIO is the umbrella federation for U.S. labor unions, including 56 unions, representing 12.5 million union members. Union-sponsored and Taft-Hartley pension plans hold more than $587 billion in assets. Union members also participate in the capital markets as individual investors and as participants in pension plans sponsored by corporate and public-sector employers. Our members, like many American working families whose retirement savings are invested in the financial markets, share deep exposure to U.S. capital markets and accordingly have a serious interest in the form and content of corporate disclosures.

The Securities Act of 1933 and the Securities Exchange Act of 1934 regulate our capital markets in large part by imposing reporting obligations on issuers. This mandatory reporting is the principal tool by which the government is able to monitor and manage market actors, and investors are able to make informed investment decisions. This reporting is also one of the primary sources of liability and enforcement authority. Furthermore, the theoretical underpinnings of our economic system depend on investors receiving and utilizing relevant information when making their investment decisions.

Importantly, the effectiveness of various disclosures does *not* depend on every investor reading every piece of information disclosed. Minutia that may be noticed by only a few analysts may nonetheless enter the public discourse by means of that analyst and their reports or publications. Broad based disclosure also improves transparency and builds public trust, confidence and understanding of capital markets. In this disclosure based regime, quality, quantity and form of disclosure are paramount in establishing its efficacy.

We find some comments submitted to date alarming in their apparent attempt to use this review process as an opportunity to reduce the information available to investors. We are deeply concerned that this review seems intended to limit investors' access to information which undermines the Commission's core purposes of investor protection and facilitation of capital formation.

That agenda is well illustrated by efforts currently underway at the Financial Accounting Standards Board. By changing the definition of "material", the proposal could dramatically limit the amount of information corporations make available to investors. This move drew significant and intense criticism from the agency's own Investor Advisory Committee as it clearly undermines the interests of all investors, from retail to institutional. We will also, separately, be filing comments about FASB's proposal.

We urge the SEC to resist these efforts and to redouble its commitment to the protection of investors and to the efficient and productive operation of our capital markets. For all of these reasons, we respectfully submit the following recommendations.

1. **A discretionary review of the full disclosure regime should not precede congressionally mandated rulemaking.**

The congressional mandate for this review was limited to an analysis of registration requirements for "emerging growth companies" and how those requirements might be modernized and simplified to reduce burdens on that limited subset of companies.[i] The staff expanded this directive into a full review of the entire disclosure regime for every type of issuer subject to Regulation S-K and Regulation S-X.[ii] While we appreciate that there is pressure on the SEC from the issuer community to modify corporate reporting requirements, we seriously question the prudence of prioritizing this initiative ahead of the long overdue rulemaking required by Dodd-Frank.

Nearly five years after the passage of Dodd-Frank, crucial pieces of the legislation remain unimplemented. Not only does the Dodd-Frank mandate predate the limited review called for by the JOBS Act by more than two years, but the Dodd-Frank rulemaking will also directly affect the present initiative by expanding the type of disclosure available to investors.

As of October of this year, many of the rules pertaining to security-based swaps required by Title VII of the Act had still not been finalized, with 11 proposed rules as of yet unadopted.[iii] The Act also required the Commission to adopt rules concerning Nationally Recognized Statistical Rating Organizations ("NRSROs") which are not all fully adopted.[iv] Executive compensation represents another gap in the SEC's work on Dodd-Frank with at least 5 outstanding, unimplemented rules.[v]

The new disclosures required by Dodd-Frank represent an evolution in the substance and form of mandatory disclosures; as such, their implementation may impact the outcome of a "disclosure effectiveness review." We call on the Commission to stop delaying and to aggressively pursue rulemaking for these remaining Dodd-Frank mandated regulations.

2. **Given the shifting investing environment and constantly evolving available scholarship, the SEC should consider areas in which current reporting is deficient.**

The matters that are relevant and important to investors vary from user to user and over time. This fact is amply demonstrated by the suggestions and requests throughout the comments on this subject: there are many areas where investors feel that they are lacking information they need in their investing-decision making process. The Commission should consider which if any of these areas merit clear guidance and uniform rules for reporting.

In many instances, investors have already done much of the work, laying out clearly the information we believe is relevant and why. There are three specific areas where investor demand is clear, the information is necessary to understand the company's financial condition and/or the failure to disclose the information conceals significant risks to investors. These include corporate tax strategies and liabilities at home and abroad, derivatives exposures at reporting companies and political spending by companies.

a. **Tax Strategies**

In order for investors to assess the financial situation of an issuer, it is important to understand its revenue drivers. Corporations are increasingly using tax strategies as opposed to product development or expansion, for example, to drive revenue. This is a short-term strategy that leads to risks for investors. Even minor changes to US or foreign tax policy could lead to major changes in the issuer's financial performance. In addition, it could be indicative of more serious problems at the company in terms of investment in future growth.

Although the corporate income tax rate in the U.S. is 35%, by shopping for favorable jurisdictions some companies pay as little as 9.8% and avoid up to $2.4 billion in US taxes in a single year.[vi] Aside from the very serious policy and governance issues this raises, it also creates substantial risks for investors. Any investor should be able to determine the tax liabilities of a company they are invested in, where those taxes were incurred and what was actually paid. This information is critical for investors to determine the sustainability of the company's reported tax rate.

In some cases, those avoided taxes may be the legitimate result of profits earned offshore from purely offshore operations. In others they may be the result of aggressive tax-sheltering strategies designed to hide profits from the jurisdictions where they were generated. Investors have a substantial interest in understanding how much of the company's annual reported profits came from earnings generated by efficient and productive business operations and how much of those profits are solely a function of aggressive manipulations of where profits are earned. Because of the current lack of disclosure around corporate taxes, investors have no way to know.

An investor should be able to discern, based on a company's filings, what tax liabilities it incurred for the year, what it ultimately paid and where. Industry experts have already considered this question and offer a good starting point for examining what should be disclosed. That included:

> (1) a list of each country of operation and the name of each entity of the issuer group domiciled in each country of operation;
> (2) the number of employees physically working in each country of operation;
> (3) the total pre-tax gross revenues of each member of the issuer group in each country of operation;
> (4) the total amount of payments made to governments by each member of the issuer group in each country of operation, without exception, including, and set forth according to—
>
> > (i) total Federal, regional, local, and other tax assessed against each member of the issuer group with respect to each country of operation during the covered period; and
> > (ii) after any tax deductions, tax credits, tax forgiveness, or other tax benefits or waivers, the total amount of tax paid from the treasury of each member

of the issuer group to the government of each country of operation during the covered period; and

(5) such other financial information as the Commission may determine is necessary or appropriate in the public interest or for the protection of investors."[vii]

b. Swaps exposures

Recent financial markets history is littered with examples of seemingly stable companies that were suddenly sent into turmoil related to their derivatives exposures. This is not a new phenomenon, nor is it limited to financial institutions. In 1994, Procter & Gamble, a consumer product company, suffered a $157 million loss upon liquidating two swap contracts, in total a $102 million loss after taxes on its quarterly profits.[viii] That same year swaps caused major losses for Gibson Greetings, Inc. and caused outright bankruptcy for Orange County resulting in the largest municipal bankruptcy filing in American history to that point.[ix] Yet in spite of these failures and the multiple governmental investigations[x] that ensued swaps continued to play a major role in companies' portfolios until they again wreaked havoc in the collapse of AIG and Lehman Brothers. Enhanced disclosure would not only provide useful information to investors and parties to swaps but would also ensure that issuers, on a regular basis, are analyzing their exposures.

Practitioners, academics, and policy makers alike often cite the function of swaps as a means to reduce risk; however, today swaps more often appear to create and obscure substantial risks rather than actually offset them. For that reason, we call for standardized disclosure of common exposures to swaps.

For example, "credit triggers" – when banks may require companies to fully collateralize credit exposures under certain conditions – can result in extraordinary cash demands in an instant, creating large liquidity risk. Moreover, because banks enjoy bankruptcy priority on collateral in support of swaps, they are incentivized to exercise rights under credit triggers even if doing so puts the counterparty out of business. Credit triggers have famously resulted in massive, swap-induced bankruptcies, from AIG, to Jefferson County, Alabama, to Enron.[xi]

Such risks are highly significant and investors, along with companies and regulators, need to understand them. That understanding is virtually impossible when disclosure surrounding a company's derivatives contracts is so lacking and when there is limited standardization. Comprehensive disclosure would improve the understanding and pricing of derivatives related risks by all stakeholders. Disclosures that are currently available may actually obscure the total amount of potential liability under these contracts.

For these reasons, we call for a standardized disclosure of common exposures to derivatives. The Investor Advisory Committee may provide insight into what information needs to be disclosed and what form that information should take.

c. Political Spending

Investors have been calling for political spending disclosure with substantial evidence of its importance. A rulemaking petition submitted in 2011 by a committee of prominent law professors garnered unprecedented levels of public and investor support, with over 1.2 million comments submitted to date almost entirely supportive of increased disclosure.[xii] Political spending resolutions have been the most frequently submitted type of shareholder proposal for several years and consistently receive substantial support or result in policy negotiations with the company.[xiii]

Not only is investor demand constant and intense, the reasoning is well articulated and well established. As the committee of law professors mentioned above put it, “Absent disclosure, shareholders are unable to hold directors and executives accountable when they spend corporate funds on politics in a way that departs from shareholder interests.”[xiv] The Corporate Reform Coalition, a group of more than 80 organizations including investors, corporate governance experts, civil society organizations, and others, echoed the professors’ concerns writing that corporate political spending can “encourage behavior that poses legal, reputational and operational risks to companies and systemic risks to the economy.”[xv]

Finally, the landmark Supreme Court case *Citizens United vs Federal Election Commission* 558 U.S. 310 (2010), which permitted the flow of unlimited corporate dollars into U.S. elections specifically envisioned a system in which disclosure protected shareholder interests. “The First Amendment protects political speech; and disclosure permits citizens and shareholders to react to the speech of corporate entities in a proper way. This transparency enables the electorate to make informed decisions and give proper weight to different speakers and messages.”[xvi]***

It is incumbent upon the Commission to take action on each of these matters given investors’ clear and resounding calls for disclosure. Furthermore, in the context of this review of the effectiveness of the corporate disclosure system, the Commission’s inability to respond to investor concerns must stand out as a chief weakness. For that reason, we stand with other commenters and demanded disclosure of political spending activity and with the legislators, and investors and organizations calling for transparency around corporate tax strategies and derivatives exposures.

3. The SEC has elected to fulfill one of its founding purposes – investor protection – primarily through corporate reporting and investor access to information; therefore, any proposed removal of information from existing reports must first undergo extensive and thorough review.

In place of stricter controls on companies or greater restrictions on trading the SEC has prioritized disclosure as the mechanism for investor protection. Additionally, the economic theories according to which we organize our economy *and* its regulation depend on investors having access to good information and bringing that information to bear rationally in their investment decisions.

Because of the substantial emphasis put on investor access to information, any proposed reform that would have the effect of reducing the information disclosed by issuers and available to investors should be subject to rigorous analysis and review with opportunity for public comment and feedback.

Additionally, the Commission must recognize that the investor community is diverse and that the Commission's mandate is to protect *all* of them. All testing and review that is conducted should account for this. There may be information that is useful to analysts but not retail investors. Likewise there may be information that is relevant or useful to retail investors but not necessarily to institutional investors. In such circumstances, disclosure of that information must still be required. Each segment of the investor community contributes to the public discourse and improves transparency in the capital markets. Each segment is similarly entitled to have access to all necessary and relevant information.

a. Know Before You Owe: A Model

The "Know Before You Owe" project at the Consumer Financial Protection Bureau (the "CFPB" or the "Bureau") provides an excellent template for a robust disclosure review process. The project launched with a "mortgage disclosure symposium" hosted by the Department of the Treasury, with diverse stakeholders represented. After the symposium the CFPB began experimenting with the design of the disclosure, developing several prototypes that would be tested over the following three years.[xvii] It posted two prototypes online and solicited feedback from consumers and industry, receiving over 27,000 comments over ten months. It also began qualitative testing: examining the prototypes and different graphic design approaches in nine cities around the country.[xviii]

The Bureau issued a proposed rule that generated an additional 3,000 comments, all of which were reviewed by the Bureau.[xix] The Bureau also conducted consumer testing for the Spanish language version of the forms along with additional qualitative testing of modifications to the forms.[xx] The results of this process speak for themselves: “By nearly every measure, the study showed that the new forms offer a statistically significant improvement over the existing forms.”[xxi] The SEC has the ability to conduct a comparably robust review process to achieve “statistically significant” results. And in our view, it must.

Furthermore, it must be noted that the CFPB process was seeking to improve on mortgage documents. Those documents are used by individuals applying for a mortgage. The disclosures at issue here, on the other hand, are published for public consumption, issued regularly over time, and broadcast information which sets the price of securities in the market. Because of the wide variety of actors who rely on corporate disclosures and the crucial importance they play across our entire economy, the SEC’s process in this disclosure review should be even *more* extensive and more deliberative before any disclosures are removed.

b. Focus Groups and Testing

Because of the grave nature of any proposal to remove financial reporting requirements and thereby information available to investors, notice and comment is inadequate. As in the CFPB program, these groups can provide critical insight and feedback to proposed changes and help to develop, modify and improve solutions. Multiple independent focus groups should be assembled to address the various and particular needs of different investor groups, e.g. retail investors, institutional investors, analysts, etc. If any independent group finds a piece of information useful, important or relevant, it must remain within the required reporting – the notion that effective disclosure should only be designed for one subset of investors is not supported by common sense, good policy or the law. Additionally, multiple rounds of focus group testing should be conducted to review and provide feedback on changes made.

Where commenters point to investor confusion or information overload as a justification for reducing reporting, the Commission should establish investor focus groups to seek out the *cause* for any confusion, which may very well be the format or some other curable defect. Filers apparently must be reminded that they have a legal obligation to present their disclosures in plain English. The “Plain English Rule” requires that information disclosed be presented in a “clear, concise and understandable manner”[xxii] which begs the question: what currently required disclosures are filers failing to write in an understandable manner and why would any commenter expect the resulting confusion to justify a removal of the original reporting requirement?

The same applies to all arguments about obsolescence. Focus groups would allow the Commission to examine how investors use information that some commenters claim to be obsolete. We believe the Commission is likely to find that many investors depend on having the information all collected in one central place. In any case, as the end users of corporate reporting, investors' feedback is paramount.

c. Research and Analysis

Independent research into the market impacts of any changes must also be completed before information is removed. Micro- and macro-economic studies are essential before the Commission moves to in any way reduce or eliminate the information available to investors through mandatory corporate reporting.

4. In the course of this review, the SEC should also look beyond Regulation S-K to areas where investors are at greater risk and seriously lack meaningful protection, namely private funds.

Many parties have expressed serious concerns about the transparency of private funds. From the lack of consistency in valuation methods, to the improper shifting of fees and expenses, to the lack of disclosure about derivatives exposure, the risks are real and the stakes are high. Section 406 of the Dodd Frank Consumer Protection Act explicitly provides the Commission, together with the Commodity Futures Trading Commission, the authority to require private fund investment advisors to file reports yet the Commission has still not required meaningful disclosures in this space.[xxiii]

The lack of disclosure by private funds is especially troubling given their expanding marketing rights. A 2003 study by the Commission recommended that only hedge funds selling exclusively to qualified purchasers be allowed to market themselves,[xxiv] yet ten years later, as abuses were being uncovered in precisely these types of firms, the Commission read Section 201(b) of the JOBS Act to allow hedge funds to conduct general solicitation and advertising to a broader and less sophisticated group of investors.[xxv]

As Barbara Roper, Director of Investor Protection at the Consumer Federation of America, and Mercer Bullard, the Butler, Snow, O'Mara, Stevens and Cannada Lecturer and Professor of Law at the University of Mississippi School of Law, observed: "[T]here is good reason for the Commission to act promptly to clean up the industry and require hedge funds to use a standardized performance measure. Instead, the Commission appears to be prepared to unleash a tsunami of false performance data in the public marketplace without even any analysis of the costs of doing so."[xxvi]

The AFL-CIO similarly submitted a letter along with Americans for Financial Reform in 2012 opposing the then proposed rule. There we identified the failures of the rule to fulfill the statutory mandate designed to protect investors from fraud and abuse.[xxvii]

The confluence of expanding marketing permissions, dismal transparency, and growing knowledge of rampant abuse should propel this issue to the top of the Commission's agenda. The current regulatory disclosures are woefully inadequate. We believe that any earnest review of regulatory disclosures must reach these private funds.

The Commission itself has identified substantial and unique risks in private funds, specifically, improper fee shifting, undisclosed conflicts of interest, and complex fee structures. In a speech given over a year ago, then Director of the Office of Compliance, Inspections and Examinations Andrew Bowden reported finding improper or illegal fees in over half of the firms his office inspected.[xxviii] A study by Duke and Oxford Universities found that "hedge funds routinely inflated their performance, apparently for the purpose of enticing new investors."[xxix]

Given the serious abuses and alarming patterns identified by the Commission itself, and the dearth of any reporting that might help investors *or* regulators understand or address those risks, we submit that this is an important area of disclosure in need of review. Required disclosures should include, among other things:

1. Standardized disclosures of fees and returns
2. Standard valuation methodology
3. Disclosure of enforcement actions beyond Form ADV
4. In the case of private equity, identification of portfolio companies, use of leverage in acquisitions, and dividend recapitalizations
5. In the case of hedge fund, counterparty exposures

Presently, disclosure requirements of swaps data within private funds is particularly and alarmingly inadequate. Available data is generally limited to aggregated current accounting values with no explanation of how those values were established. Moreover, the true risks of swaps are intensely dynamic so that a snapshot is wholly inadequate without analysis over time and changing conditions. Investors typically have no access to information on risks and exposures to changes in the market price or to counterparty data or to the rights of counterparties to call for cash collateral. This allows for substantial risks to be undisclosed and in many respects undetectable by investors and regulators alike.

5. **We concur with the broad based support for reducing redundancy and addressing "information overload" in corporate reporting.**

Corporate disclosures to the SEC often use boiler plate language that is repeated throughout the document. This redundancy adds volume to an already cumbersome report but provides little value to investors. We believe, where possible, duplicative information should be eliminated and support the use of cross-referencing where appropriate. Any document referenced, however, should be considered "filed with the SEC" for legal and liability purposes.

Addressing "information overload" importantly does *not* require or even support reducing available information. The "Plain English Rule" discussed above already requires that any information disclosed be presented in a "clear, concise and understandable manner."[xxx] If that requirement was enforced and fulfilled, disclosures would be accessible and not overwhelming to investors.

6. **The review process provides an essential opportunity to address the format, style and structure of the information presented as well as the tools available to access that information.**

The format of corporate reports and the tools available for accessing them are ripe for progress. We support the continued improvement of tagging and coding of all financial reporting. Effective treatment of data on the back end should enable investors to search, sort and compare data within and between companies, industries and sectors over time. Good data management will also support the Commission's ability to aggregate and analyze data. This builds on the recommendations of the 2007 Advisory Committee on Improvements to Financial Reporting.[xxxi]

Furthermore, we believe the Center for Audit Quality's suggestions for improving the search functions on EDGAR would be of great value to investors. [xxxii] Increasing searchability will improve investors' access to information by providing additional avenues for investors to reach that information. Ensuring that investors have the best possible access to relevant information is essential to the proper functioning of our capital markets.

There is much efficiency to be gained through use of the internet and electronic delivery. However, to protect the interests of investors who rely on paper delivery, the SEC should allow for investors to opt-in to e-delivery. This has the potential to save companies money without jeopardizing the interests or access of investors who depend on non-electronic access to information.

While some steps have been taken to facilitate the presentation of interactive data on SEC.gov, there are substantial opportunities to deliver continued improvement. Understanding and incorporating the growing body of scholarship around user experience would dramatically improve the utility of corporate reporting.

As others have noted, some information lends itself well to graphic presentation. Where possible, reporting companies should use graphics to communicate key trends and practices to investors quickly and clearly. All reporting companies should be encouraged to present information in alternative formats to support reaching (and effectively communicating with) the broadest possible set of investors.

Additionally, the potential for technology, properly leveraged, to revolutionize corporate reporting is real. We urge the SEC to embrace this opportunity and seek out new, creative approaches to presenting information. Investors and regulators alike would benefit greatly from real time access to comparable, searchable and sortable data.

Conclusion

Thank you for taking the AFL-CIO's views into consideration regarding this matter. Disclosure is of paramount importance to the SEC's founding purposes: investor protection, formation of capital and the stability of our markets. We believe great care must be taken in the process of this review to ensure that investors retain and build access to relevant information. Further we call on the SEC to consider expanding disclosure requirements to areas where investors are most at risk and disclosures are woefully inadequate: namely, private fund management. If the AFL-CIO can be of further assistance, please contact Corey Klemmer at (202)637-5379 or cklemmer@aflcio.org.

Sincerely,

Heather Slavkin Corzo, Director
Office of Investment

HSC/sdw
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[ii] SEC Staff Report, *Report on Review of Disclosure Requirements in Regulation S-K* (December 2013) p1 available at: http://www.sec.gov/news/studies/2013/reg-sk-disclosure-requirements-review.pdf.

[ii] SEC Staff Report, *Report on Review of Disclosure Requirements in Regulation S-K* (December 2013) p3 available at: http://www.sec.gov/news/studies/2013/reg-sk-disclosure-requirements-review.pdf.
[iii] *Derivatives*, SEC.gov (accessed November 18, 2015) available at: https://www.sec.gov/spotlight/dodd-frank/derivatives.shtml; *Implementing the Dodd-Frank Wall Street Reform and Consumer Protection Act*, SEC.gov (accessed November 18, 2015) available at: https://www.sec.gov/spotlight/dodd-frank.shtml
[iv] *Credit Rating Agencies*, SEC.gov (accessed November 18, 2015) available at: https://www.sec.gov/spotlight/dodd-frank/creditratingagencies.shtml "A small set of references to credit ratings in Commission statutes, rules, and forms remain to be addressed as directed by Sections 939 and 939A."
[v] *Implementing the Dodd-Frank Wall Street Reform and Consumer Protection Act*, SEC.gov (accessed November 18, 2015) available at: http://www.sec.gov/spotlight/dodd-frank.shtml#overview-footnote-1.
[vi] Duhigg and Kocieniewski, *How Apple Sidesteps Billions in Taxes,* New York Times (April 28, 2012) available at: http://www.nytimes.com/2012/04/29/business/apples-tax-strategy-aims-at-low-tax-states-and-nations.html?_r=0.
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[viii] Lawrence Malkin, *Procter & Gamble's Tale of Derivatives Woe,* NY Times (April 14, 1994) available at: http://www.nytimes.com/1994/04/14/business/worldbusiness/14iht-procter.html.
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[xi] Wallace C. Turbeville, *Derivatives Innovation in the Era of Financial Deregulation*, Demos (XX?) p 16 available at: http://www.demos.org/sites/default/files/publications/Innovation%20in%20the%20Era%20of%20Financial%20Deregulation-%20Derivatives%20report.pdf.
[xii] *Comments on Rulemaking Petition: Petition to Require Public Companies to Disclose to Shareholders the Use of Corporate Resources for Political Activities*, available at: https://www.sec.gov/comments/4-637/4-637.shtml.
[xiii] *Political Contributions: A Glass Lewis Issue Report,* Glass Lewis (January 22, 2014) available at: http://www.glasslewis.com/blog/glass-lewis-publishes-political-contributions-glass-lewis-issue-report/.
[xiv] *File No. 4-637, Petition to Require Public Companies to Disclose to Shareholders the Use of Corporate Resources for Political Activities* (August 3, 2011) https://www.sec.gov/rules/petitions/2011/petn4-637.pdf.
[xv] Letter from the Corporate Reform Coalition (July 2, 2014) available at: https://www.sec.gov/comments/disclosure-effectiveness/disclosureeffectiveness-6.pdf.
[xvi] *Citizens United vs Federal Election Commission,* 558 U.S. 310 (2010) at 55.
[xvii] *Know Before You Owe,* CFPB (2015) available at: http://www.consumerfinance.gov/knowbeforeyouowe/#2.
[xviii] *Know Before You Owe,* CFPB (2015) available at: http://www.consumerfinance.gov/knowbeforeyouowe/#24.
[xix] *Know Before You Owe,* CFPB (2015) available at: http://www.consumerfinance.gov/knowbeforeyouowe/#19.
[xx] *Know Before You Owe,* CFPB (2015) available at: http://www.consumerfinance.gov/knowbeforeyouowe/#18.
[xxi] *Know Before You Owe,* CFPB (2015) available at: http://www.consumerfinance.gov/knowbeforeyouowe/#20; see also: *Know Before You Owe: Quantitative Study of the Current and Integrated TILA-RESPA Disclosures,* CFPB (2013) available at: http://files.consumerfinance.gov/f/201311_cfpb_study_tila-respa_disclosure-comparison.pdf.
[xxii] 17 CFR 230.421 - Presentation of information in prospectuses. Available at: https://www.law.cornell.edu/cfr/text/17/230.421.
[xxiii] "Dodd-Frank Wall Street Reform and Consumer Protection Act" §404; 15 U.S.C. 80b–4(b)(1)(A)
[xxiv] *Implications of the Growth of Hedge Funds*, U.S. Securities and Exchange Commission, at n.5 (September 2003) available at http://www.sec.gov/news/studies/hedgefunds0903.pdf.
[xxv] Bullard & Roper letter to SEC, *Re: JOBS Act Rulemaking: File No S7-07-12* (May 15, 2013) p2 available at: http://www.sec.gov/comments/s7-07-12/s70712-253.pdf.
[xxvi] Bullard & Roper letter to SEC, *Re: JOBS Act Rulemaking: File No S7-07-12* (May 15, 2013) p4
[xxvii] Americans for Financial Reform and AFL-CIO letter to SEC, *Re: File Number S7-07-12; Eliminating the Prohibition against General Solicitation and General Advertising in Rule 506 and Rule 144A Offerings* (October 5, 2012) p1 available at: https://www.sec.gov/comments/s7-07-12/s70712-140.pdf
[xxviii] Andrew J. Bowden, *Spreading Sunshine in Private Equity,* Private Equity International (PEI), Private Fund Compliance Forum (May 6, 2014) available at: http://www.sec.gov/news/speech/2014--spch05062014ab.html.

[xxix] Letter from Fund Democracy and Consumer Federation of America, *Re: JOBS Act Rulemaking: File No. S7-07-12* (May 15, 2013) available at: http://www.sec.gov/comments/s7-07-12/s70712-253.pdf; see also Andrew Patton, Tarun Ramadorai and Michael Streatfield, *Change You Can Believe In? Hedge Fund Data Revisions*, (Mar. 22, 2013) available at http://ssrn.com/abstract=1934543.

[xxx] 17 CFR 230.421 - Presentation of information in prospectuses. Available at: https://www.law.cornell.edu/cfr/text/17/230.421.

[xxxi] *Report on Review of Disclosure Requirements in Regulation S-K*, Staff of the U.S. Securities and Exchange Commission (December 2013) p26. Available at: https://www.sec.gov/news/studies/2013/reg-sk-disclosure-requirements-review.pdf.

[xxxii] Center for Audit Quality letter to the SEC, *Re: The SEC's Disclosure Effectiveness Initiative – EDGAR Modernization Suggestions* (May 29, 2015) available at: https://www.sec.gov/comments/disclosure-effectiveness/disclosureeffectiveness-40.pdf.