

WILLIAMS & JENSEN, PLLC

CONGRESSIONAL MARKUP REPORT

DATE OF MARKUP: April 4, 2017

SUBJECT: “Nomination of Jay Clayton to be a Chairman of the Securities and Exchange Commission”

COMMITTEE: Senate Banking, Housing and Urban Affairs

STAFF MEMBER COVERING MARKUP: Jackson McLendon

Overview

On April 4, the Senate Banking Committee held a [markup](#) and approved the nomination of Jay Clayton to be Chairman of the Securities and Exchange Commission (SEC) by a roll call vote of 15 to 8.

It is noted that Senator Jon Tester (D-MT), Senator Mark Warner (D-VA), and Senator Heidi Heitkamp (D-ND) voted against party lines to vote to approve the nomination.

Member Statements

Chairman Mike Crapo (R-ID) stated Jay Clayton is highly qualified to lead the SEC and has his support. He stated that his experience and expertise in the nation’s financial markets will benefit the public. **Crapo** said Clayton will make capital markets more attractive, and increase investment in the U.S. He stated Clayton will show no favoritism, and will act ethically.

Ranking Member Sherrod Brown (D-OH) said that Clayton’s “deep ties to Wall Street will leave him hopelessly conflicted in the SEC’s most high profile enforcement actions”. **Brown** stated that one of Wall Street’s own will not be able to hold large banks accountable. He continued to state that 17 of the largest banks have been involved in 122 enforcement actions from 2005 to 2015. He said 248 waivers from disqualifications were triggered by those enforcement actions. He said Clayton’s recusals from past involvement with Wall Street will accumulate over time. **Brown** said that during the confirmation hearing, Clayton expressed knowledge about the SEC investor protection mandate, but utterly failed to describe how the SEC can improve investor protection. **Brown** said that the Committee should focus on strengthening penalties as a deterrent, and Brown expressed his support for a bipartisan bill introduced by Senator Jack Reed (D-RI) that performs said action. **Brown** suggested that the SEC needs to be led by an independent chair. He said he is unable to support Clayton’s nomination.