



# BETTER MARKETS

## Fighting to make our financial system work for all Americans again

Better Markets is a public interest 501(c)(3) non-profit based in Washington, DC that advocates for greater transparency, accountability, and oversight in the domestic and global capital and commodity markets, to protect the American Dream of homes, jobs, savings, education, a secure retirement, and a rising standard of living.

### What We Do

Better Markets fights for the economic security, opportunity, and prosperity of the American people by working to enact financial reform to prevent another financial crash and the diversion of trillions of taxpayer dollars to bailing out the financial system.

By serving as a counterweight to Wall Street's biggest financial firms through the policymaking and rulemaking process, Better Markets is supporting pragmatic rules and a strong banking and financial system that enables stability, growth, and broad-based prosperity. Better Markets also fights to refocus finance on the real economy, empower the buy-side and protect investors and consumers.

### How We Make an Impact

**WE EXPOSE** the industry's massive, endless effort to kill financial reform in court, in Congress, and at the regulatory agencies by:

- Conducting extensive research and analysis into the financial markets;
- Publishing research that identifies weak links in the system and offers new ideas to fix them;
- Meeting with policymakers in the US and globally to share and promote our research; and
- Ringing the alarm bell through mainstream and social media every time the mega-banks and their allies try to undercut common-sense financial protection rules.

**WE EXPLAIN** the needlessly complex and arcane world of financial markets, clarifying it for the public, the media, and policymakers by:

- Promoting a "plain English" standard for financial activities;
- Briefing reporters, editors, and policymakers in person, online, and through social media; and
- Shaping the narrative by working with the media to decipher the esoteric language of finance and financial reform.

**WE ENGAGE** in the policymaking, rulemaking, and advocacy cycles to fight for strong, clear rules that protect taxpayers, our treasury, and lives from being ruined from those on Wall Street by:

- Testifying before Congress;
- Advancing pro-consumer and pro-investor positions in court;
- Submitting detailed and substantive comment letters; and
- Meeting with rule-writers and like-minded organizations to provide a critical balance in policymaking.



## OUR MISSION, VISION & VALUES

### MISSION

To fight for the economic security, opportunity and prosperity of the American people, particularly those who are disenfranchised, by working to ensure finance serves society, to enact economic and financial reforms to prevent another financial crash, to avoid the diversion of trillions of taxpayer dollars to bailing out the financial system, and to prevent the financial fraud and abuse that takes an enormous toll on countless hardworking Americans every year.

### VISION

Protecting Americans' jobs, homes, savings, standard of living, and retirements from an unbalanced, fragile economic and financial system that is too often tilted against Main Street families and enriches the already wealthy from high-risk activities with little or no social value.

### VALUES

Better Markets supports pragmatic rules and a balanced banking and financial system that enables stability, growth, and broad-based prosperity for all Americans while reducing inequality and making the American Dream available to all once again.





# MAIN ST

## BETTER MARKETS' THEORY OF CHANGE

### THE PROBLEM

The economy no longer works for the vast majority of Americans because, among other things, the financial system is too often a wealth-extraction mechanism for the few rather than a wealth-creation system for the many. This is because the financial sector uses its economic power to buy political power, which it uses throughout the policymaking process to protect and increase its economic power.

### THE SOLUTION: OUR THEORY OF CHANGE

Using our integrated, comprehensive Arc of Advocacy™, Better Markets' professionals apply their procedural and substantive expertise throughout the policymaking cycle to protect and promote the economic security, opportunity and prosperity of the American people, while holding Wall Street accountable. Change is certain, but progress is not. Change happens when people in power exercise that power, but progress only happens when those people exercise that power to serve the public interest. Progress is what the Arc of Advocacy™ is designed to accomplish.


### THE GOALS

To create and support guardrails, gatekeepers, and guard dogs (the “three Gs”) that ensure the financial sector serves society by supporting the real, productive economy that generates jobs and broad-based economic growth. The “three Gs” can also ensure that the financial system isn't focused on, enriching financiers on Wall Street, destabilizing the financial system, draining public resources for their own benefit, and unleashing predators on consumers and investors.

# ARC OF ADVOCACY™



- 1 PRE-PROPOSAL:** A rule implementing a law is considered for proposal by an agency or department, sometimes with solicitation of public input on possible approaches.
  - Better Markets advocates for a rule or policy change (through meetings, op-eds, speeches, newsletters, etc.).
- 2 PROPOSED RULE:** An agency (or, less often, a group of agencies together) or a department proposes and publishes a rule for public comment.
  - Better Markets reviews the proposal.
  - Better Markets speaks to experts, develops its own ideas, talks with allies, academics and the industry.
  - Better Markets files comment letters on the proposal.



**3 POST-PROPOSAL:** Comment letters are filed during the comment period. Once the comment period is closed, all the comment letters are made public. The agency then considers all the information gathered from the public or otherwise submitted, as required by the Administrative Procedure Act.

- Better Markets reviews filed comment letters.
  - Better Markets meets with key policymakers to advocate our positions and rebut opposing views.
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**4 FINALIZATION OF THE RULE (AS ORIGINALLY PROPOSED OR RE-PROPOSED):** If the agency finalizes the rule, it publishes a final rulemaking addressing comments submitted in response to the initial proposal.

- Better Markets carefully reviews the final rule for compliance with the law and administrative record.
  - Better Markets comments on the final rule and strategizes on further action, if appropriate.
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**5 LITIGATION:** The courts may review a rulemaking and reverse, revise or remand a final rule that is substantively or procedurally flawed. Challenged rules are often stayed pending the outcome of the litigation.

- Better Markets considers litigation.
  - If the new rule is challenged in court, Better Markets evaluates the challenge and, if appropriate, supports the agency and the process via amicus briefs and other advocacy.
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**6 IMPLEMENTATION AND INTERPRETATION:** The agency interprets and provides guidance (and too often exemptions or relief from compliance) relating to the rule.

- Better Markets monitors how the rule is implemented and how the rule is interpreted by staff and agencies.
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**7 ENFORCEMENT:** The agency also must then enforce the rule.

- Better Markets monitors the enforcement of the rule.
  - Better Markets challenges the agency when such enforcement fails to uphold the law or fails to punish and deter lawbreakers.
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**8 ROLLBACK:** Action to repeal, dismantle or otherwise diminish the effect of a law or regulation is taken.

- Better Markets works to defend the rule if the agency rolls it back or if there are attempts by Congress to weaken the rule inappropriately.



# OUR PROGRAM AREAS

## BANKING

### Making the Banking System Work for All Americans and Not Just for a Select Few

Better Markets' banking policy team focuses on three government agencies: the Federal Reserve System ("The Fed"), the Federal Deposit Insurance Corporation ("FDIC"), and the Office of the Comptroller of the Currency ("OCC"). Better Markets works to promote policies that refocus the largest, most dangerous financial institutions away from high-risk, dangerous, and, often, antisocial bonus-driven activities and back to traditional banking activities that promote growth, jobs, and broad-based prosperity. We help shape the financial rules to end "too-big-to-fail" and ensure that U.S. taxpayers and the economy are not held hostage to the performance of the largest banks and other systemically important financial institutions.

## SECURITIES

### The Watchdog Keeping an Eye on the "Cop on the Wall Street Beat"

The Securities and Exchange Commission ("SEC") implements and enforces the nation's laws that govern the securities markets to protect investors, maintain fair and efficient markets, and help businesses raise capital to grow. The SEC is responsible for writing rules to ensure that our trading markets remain stable, fair, and transparent, that investors are protected from fraud and abuse, and that companies disclose all important so-called "material" information to investors. The SEC is also responsible for enforcing securities laws and regulations. Often referred to as the "cop on the Wall Street beat," it is supposed to police the securities markets and, like cops on Main Street, catch lawbreakers, punish them, and deter others from violating the law. Better Markets comments on the full range of SEC rule proposals, including cutting-edge investor protection issues like payment for order flow and high-frequency trading. Better Markets also pushes prosecutors and regulators, including the SEC, to aggressively investigate misconduct and enforce the law whenever and wherever appropriate and without fear or favor.

## DERIVATIVES


### Working to Protect the Public, the Financial System and the Economy

Many ingredients of life's essentials are commodities: the gas you put in your car, the wheat in the cereal you eat for breakfast, and the inputs for plastic in children's toys. However, long before they reach your home, those commodities are subject to lots of market forces and other variables in getting from the oil well or farm to the local store. Commodity derivatives markets were created for producers and purchasers to deal with the risks from those variables, but those markets will not function as intended if there is excessive speculation and a lack of market integrity. The Commodities Futures Trading Commission ("CFTC") is the agency charged with regulating the commodities and related futures, options, and derivatives markets. Better Markets' derivatives policy team focuses on protecting the US and global and financial markets and economies from the risks associated with derivatives. We advocate for strong guardrails through the rulemaking process, monitors the CFTC's enforcement program, and defends against the industry's attacks on the CFTC's authority.

## LEGAL

### Tackling Each Pertinent Court Action Relating to Financial Regulation, One Case at a Time

Better Markets constantly monitors the federal courts to identify cases that affect the financial lives of American investors and the wallets of almost every consumer. Through litigation, "friend of the court" filings, and publication of special reports, we counter industry arguments, advance the public interest, and employ legal arguments to promote the fairness, transparency, and stability of the U.S. financial system. The issues we tackle include how courts interpret financial laws and regulations,



which enforcement tools agencies will have at their disposal, and whether ripped off investors can seek relief from the courts or must bring their claims in biased and secretive arbitration proceedings. We also address the fundamental threshold question of “standing” under the Constitution: Does the investor, consumer, or public interest plaintiff have a sufficient “injury” to allow a federal court to hear and resolve the claim? That critical question—too often answered “no”—determines whether those seeking relief in court will even be heard.

## CONSUMER PROTECTION

### Ensuring the Cops Are on the Consumer Beat to Remedy, Punish and Deter Violations that Harm Consumers

The widespread abuse and exploitation of financial consumers causes massive harm and contributes to economic injustice, as predators often target under-privileged communities. Financial fraud also contributes to financial instability and crisis, as illustrated vividly during the 2008 crash. It served as a key ingredient of the 2008 crisis, as millions of fraudulent mortgages and other investment products provided the fuel for a near-total economic meltdown. While there were many consumer protection laws on the books, they were largely unenforced, neglected, or ignored by the financial regulatory agencies, particularly the Federal Reserve, but also the OCC and others. The Dodd-Frank Act created the Consumer Financial Protection Bureau (“CFPB”) to correct those failures and ensure that protecting consumers from unfair, deceptive, or abusive practices was the only priority for a federal agency. Better Markets fights to ensure financial consumers are protected by analyzing and commenting on the CFPB’s rule proposals—usually to counter fierce opposition from industry—and pushing for strong enforcement. The CFPB has shown what a dedicated regulator can accomplish for consumers by returning more than \$12 billion to more than 27 million Americans ripped off by financial institutions and predators.

## CLIMATE

### Attacking the Climate Change Threat to the Financial System and the Economy

The intersection of climate change and finance has taken on a higher profile over the last few years, and it will be a focal point for regulators and public interest advocates for years to come. As a key component of the Environmental, Social, and Governance (“ESG”) movement, climate-related advocacy in the financial regulatory space needs to be increased, coordinated, comprehensive, and integrated to have a real impact. Better Markets’ Climate Initiative brings this comprehensive, coordinated, and integrated approach to finance, to elevate ESG as a priority across all the agencies and all the markets they regulate.

## RACIAL JUSTICE

### Promoting Racial Justice Throughout Federal Financial Regulatory Agencies, Financial Firms, the Financial System and the Economy

The financial system and the financial industry have played a major role in creating, embedding, perpetuating, and sustaining the structural financial and economic inequalities faced by poor, underprivileged, unrepresented, and disenfranchised communities. Unaddressed, these financial, economic, political, and power imbalances will persist and intensify, increasing inequality and reducing living standards as well as threatening the economic security, opportunity, and prosperity of all other Americans. Better Markets’ Racial Inequality Initiative fights for economic and financial systems that serve society and benefit all Americans—not just the wealthy, connected and powerful.



Better Banks

Better Businesses

Better Jobs

Better Economic Growth

Better Lives

Better Communities™

Better Markets is a non-profit, non-partisan, and independent organization founded in the wake of the 2008 financial crisis to promote the public interest in the financial markets, support the financial reform of Wall Street and make our financial system work for all Americans again. Better Markets works to restore layers of protection between hardworking Americans on Main Street and Wall Street's riskiest activities. We work with allies—including many in finance—to promote pro-market, pro-business and pro-growth policies that help build a stronger, safer financial system that protects and promotes Americans' jobs, savings, retirements and more.

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