



## Consumer and Shareholder Protection Association

### Related Legislation:

#### **Consumer and Shareholder Protection Association Act of 2002**

Introduced by Senator Paul Wellstone (D-MN) in 2002, this bill calls for the establishment of a democratically controlled, self-funded, nationwide membership association of consumers and shareholders to enhance their representation and to effectively combat corporate fraud.

<http://thomas.loc.gov/cgi-bin/query/C?c107:./temp/~c107ynlh5x>

#### **Financial Consumers Associations Act of 1992**

Introduced by Representative Joseph P. Kennedy II (D-MA) in 1992, this bill would provide consumers with a stronger voice in the financial services industry and before government bodies through the establishment of the Financial Consumer Association—a public purpose, democratically controlled, self-funded, nationwide membership association of financial consumers.

<http://thomas.loc.gov/cgi-bin/query/C?c102:./temp/~c102lxQpPD>

### Support for the CSPA:

US PIRG is calling on Congress to enact broad prudential regulatory reforms meant to hold both regulated companies as well as their regulators more accountable. One of the recommended proposals is that consumers be given their own watchdog—a government-chartered, consumer controlled non-profit *Consumer and Shareholder Protection Association* (as introduced by Senator Paul Wellstone in 2002) to protect consumers and investors.

#### ***Critical Reforms to Protect Taxpayers and Homeowners Were Not Included in the Emergency Economic Stabilization Act of 2008.***

Policy Platform of the Main Street Before Wall Street Campaign – USPIRG

<http://www.uspirg.org/uploads/Oh/dt/Ohdt-kwBt8DsF2p-Coy2LA/platformpostvote2.pdf>

Here, Ralph Nader expresses his support for Senator Paul Wellstone's Consumer and Shareholder Protection Act of 2002.

#### ***Nader Lauds Wellstone Legislation***

Tuesday, October 21, 2003

<http://www.nader.org/index.php?/archives/80-Nader-Lauds-Wellstone-Legislation.html>

In this report, Robert Kuttner, co-founder and co-editor of *The American Prospect*, catalogues the abuses which led to the recent financial collapse and recommends several regulatory remedies including strengthening consumer protection.

#### ***Financial Regulation: After the Fall***

Robert Kuttner

[http://www.demos.org/pubs/reg\\_fall.pdf](http://www.demos.org/pubs/reg_fall.pdf)

## S. 3143 – Consumer and Shareholder Protection Act of 2002

### The need for a CSPA:

This article reveals that the SEC failed to prevent the Stanford Group scheme despite repeated instances of securities violations and allegations of fraud.

#### ***S.E.C. Fines Didn't Avert Stanford Group Case***

By Stephen Labaton and Charlie Savage – Published: February 18, 2009

<http://www.nytimes.com/2009/02/19/business/19stanford.html?ref=business>

Here, Washington Post Staff Writer Zachary A. Goldfarb reports that top SEC officials warned that they lack the money and staff for comprehensive oversight.

#### ***SEC Officials Say the Agency Lacks Cash for Full Oversight***

By Zachary A/ Goldfarb – Wednesday, January 28, 2009; Page D02

<http://www.washingtonpost.com/wp-dyn/content/article/2009/01/27/AR2009012703395.html?wpisrc=newsletter&wpisrc=newsletter&wpisrc=newsletter>

Here, CQ columnist John Cranford points to the SEC's repeated failures to root out and prevent fraud in the financial sector, to show that the SEC is overwhelmed; leaving investors with insufficient protection. He doubts whether the SEC can recover from its lax enforcement practices and questions whether a new, adequate financial regulatory regime can be put in place quickly.

#### ***Political Economy: Too Many Balls in the Air***

By John Cranford – CQ Columnist – January 5, 2009

<http://www.cqpolitics.com/wmspage.cfm?docID=weeklyreport-000003002472&cpage=1>

This article describes the controversial and close ties between the Treasury Department and former employees of the major investment bank Goldman Sachs. Ties which lead some to wonder about whose interests—Wall Street's or American taxpayers'—take first priority.

#### ***The Guys From 'Government Sachs'***

By Julie Creswell and Ben White – Published: October 17, 2008

<http://www.nytimes.com/2008/10/19/business/19gold.html?ref=business>

This article reports on the admission by top SEC officials of serious regulatory failures that helped cause the economic crisis and the consequent decision to end the SEC's voluntary supervision program for Wall Street's largest investment banks.

#### ***S.E.C. Concedes Oversight Flaws Fueled Collapse***

By Stephen Labaton – Published: September 26, 2008

[http://www.nytimes.com/2008/09/27/business/27sec.html?\\_r=1&scp=1&sq=sec%20deregulation&st=cse](http://www.nytimes.com/2008/09/27/business/27sec.html?_r=1&scp=1&sq=sec%20deregulation&st=cse)