



NEWS RELEASE

OFFICE OF ATTORNEY GENERAL ALAN WILSON
STATE OF SOUTH CAROLINA

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Contact: J. Mark Powell
(803) 734-3670
mpowell@scag.gov

South Carolina Attorney General Challenges Dodd-Frank

COLUMBIA, SC - Our challenge to Dodd-Frank was filed on September 20, 2012, in federal district court.

Friends,

Dodd-Frank is to the financial sector what the Affordable Care Act is to the health care industry. It increases the size and power of the government in Washington at the expense of the States, our taxpayers and the Constitution. It seeks to replace the rule of law with the rule of politics.

Dodd-Frank's sponsors say they want to regulate financial companies. Yet the 2,319 pages of red tape do not contain a single provision regulating Fannie Mae or Freddie Mac, the two entities that helped cause the financial collapse of 2008. Instead, Dodd-Frank empowers un-elected federal bureaucrats to pick winners and losers, liquidate entire companies, and decide which contracts are kept and which are broken, without Congressional oversight or proper judicial review.

However, Dodd-Frank blatantly ignores the Constitution. It undercuts the rule of law, halts judicial review and violates the separation of powers.

Article I, Section 8, Clause 4 of the Constitution enumerates powers to Congress to establish "uniform Laws on the subject of Bankruptcies throughout the United States." Title II of Dodd-Frank, the Orderly Liquidation Authority, retroactively undoes the guarantees afforded to states and other creditors by reducing our ability to defend our rights in court and subjecting us to the whims of government bureaucrats and their arbitrary standards.

These new regulations do not stabilize the nation's economy, they create greater uncertainty. As a result, States cannot allow our taxpayers, our investments or the Constitution to be subject to such financial risk. That is why we joined this lawsuit and why we believe we will prevail.

