



INVESTMENT
BANKING AND BROKERAGE

May 20, 2015

Senate Committee on Workforce

Chair Michael Dembrow
Senator Sara Gelser
Senator Tim Knopp
Senate Majority Leader Diane Rosenbaum
Senator Kim Thatcher

RE: HB 3025

Dear Cahir Dembrow, Majority Leader Rosenbaum, Committee Members,

I represent JW Millegan Inc, a small locally owned and operated securities investment firm currently based in Sheridan, west of McMinnville. My employer, JW Millegan, is concerned about the recent bill which passed the house and is currently making its way through the Senate, commonly known as the "Ban the Box" Bill. We believe there are major problems with this bill which would need to be addressed before it is passed. Our employer, due to the delicate nature of practicing in the Securities Industry as well as the regulatory bodies which oversee our business, will never hire someone with a criminal history. If someone does apply we will be forced to reject them regardless of their merit or this bill, should it pass. We are concerned that this bill does nothing for persons with convictions looking to enter our industry and that securities businesses will be sued because of it.

We have reviewed HB 3025, and while we applaud the amendment to allow employers to inquire about prior convictions in an interview as opposed to post-hire, we are still very concerned that the bill would open up a lot of legitimate businesses to lawsuits. As we have said before to our Representatives in the House, the Securities Industry is subject to more stringent regulations than most businesses. While it is technically possible that we could hire someone with a prior conviction, in practice the Financial Industry Regulatory Authority (FINRA) would force us to place them under "heightened supervision". This would entail costly changes to our business structure and sustained increased costs, not to mention additional interference from FINRA itself and potential loss of clients. For us, this means that a criminal conviction is a deal breaker for reasons beyond our control. Unfortunately this conflicts with the wording of Section 2, Paragraph 8 of the bill:

"When the commissioner or the Attorney General has reasonable cause to believe that a person or group of persons is engaged in a pattern or practice of resistance to the rights protected [...] the commissioner or the Attorney General may file a civil action on behalf of the aggrieved persons in the same manner as a person or group of persons may file a civil action under this section."

Our business would certainly qualify under "a pattern or practice of resistance" as we consistently refuse to consider applicants with criminal history.

In addition, because FINRA, the agency which regulates us, is a not-for-profit non-governmental regulatory agency authorized by Congress to regulate the Securities Industry, we worry that we would not be covered under the proposed exemption under Section 1, Subsection 2 for "if federal, state, or local law requires the consideration of an applicant's criminal history". As far as we can tell, there is still no

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provision for businesses who would be restricted from hiring applicants with a criminal history because of legitimate impacts it would have on their business. In fact, those with criminal backgrounds seem to be lumped in with current laws on at-risk individuals, making them a *protected class* as a result of this bill. Because of this, we here at JW Millegan Inc are also confused as to what we could do in the event that one of our employees commits a crime and is convicted. Do we open up ourselves to the possibility of a lawsuit if we fires them based on this conviction?

JW Millegan Inc. believes that this is a broken bill which overburdens businesses by making them vulnerable to lawsuits, and that this should not be allowed to pass the Senate in its current form. I hope that this clears up the concerns which we have with this bill and thank you for taking the time to consider our point of view.

Respectfully Submitted,



JW Millegan
President
JW Millegan Inc.

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