

Union Calendar No.

112TH CONGRESS
1ST SESSION

H. R. 1965

[Report No. 112-]

To amend the securities laws to establish certain thresholds for shareholder registration, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 24, 2011

Mr. HIMES (for himself and Mr. WOMACK) introduced the following bill; which was referred to the Committee on Financial Services

OCTOBER --, 2011

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

[For text of introduced bill, see copy of bill as introduced on May 24, 2011]

A BILL

To amend the securities laws to establish certain thresholds
for shareholder registration, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHAREHOLDER REGISTRATION THRESHOLD.**

4 *(a) AMENDMENTS TO SECTION 12 OF THE SECURITIES*
5 *EXCHANGE ACT OF 1934.—Section 12(g) of the Securities*
6 *Exchange Act of 1934 (15 U.S.C. 78l (g)) is amended—*

7 *(1) in paragraph (1)—*

8 *(A) by striking “\$1,000,000” both places it*
9 *appears and inserting “\$10,000,000”;*

10 *(B) in subparagraph (A), by striking “;*
11 *and” and inserting a semicolon;*

12 *(C) in subparagraph (B), by striking the*
13 *comma at the end and inserting “; and”;* and

14 *(D) by inserting after subparagraph (B) the*
15 *following:*

16 *“(C) in the case of an issuer that is a bank,*
17 *as such term is defined in section 3(a)(6) of this*
18 *title, or a bank holding company, as such term*
19 *is defined in section 2 of the Bank Holding Com-*
20 *pany Act of 1956 (12 U.S.C. 1841), not later*
21 *than 120 days after the last day of its first fiscal*
22 *year ended after the effective date of this sub-*
23 *section, on which the issuer has total assets ex-*
24 *ceeding \$10,000,000 and a class of equity secu-*

1 (2) *COSTS AND BENEFITS.*—*The cost-benefit*
2 *analysis under paragraph (1) shall take into ac-*
3 *count—*

4 (A) *the incremental costs and benefits to in-*
5 *vestors of the increased disclosure that results*
6 *from registration;*

7 (B) *the incremental costs and benefits to*
8 *issuers associated with registration and report-*
9 *ing requirements; and*

10 (C) *the incremental administrative costs to*
11 *the Commission associated with different thresh-*
12 *olds.*

13 (3) *THRESHOLDS.*—*The cost-benefit analysis*
14 *under paragraph (1) shall evaluate whether it is ad-*
15 *visable to—*

16 (A) *increase the asset threshold;*

17 (B) *index the asset threshold to a measure*
18 *of inflation;*

19 (C) *increase the shareholder threshold;*

20 (D) *change the shareholder threshold to be*
21 *based on the number of beneficial owners; and*

22 (E) *create new thresholds based on other*
23 *criteria.*

24 (b) *REPORT.*—*Not later than 2 years after the date*
25 *of enactment of this Act, the Chief Economist and the Direc-*

1 *tor of the Division of Corporation Finance of the Commis-*
2 *sion shall jointly submit to the Committee on Banking,*
3 *Housing, and Urban Affairs of the Senate and the Com-*
4 *mittee on Financial Services of the House of Representa-*
5 *tives a report that includes—*

6 (1) *the findings of the study required under sub-*
7 *section (a); and*

8 (2) *recommendations for statutory changes to*
9 *improve the shareholder registration thresholds.*

10 **SEC. 3. RULEMAKING.**

11 *Not later than one year after the date of enactment*
12 *of this Act, the Commission shall issue final regulations to*
13 *implement this Act and the amendments made by this Act.*