

## H. Res. \_\_\_

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### H.R. 3606 - Reopening American Capital Markets to Emerging Growth Companies Act of 2011

1. Structured rule.
2. Provides one hour of general debate equally divided and controlled by the chair and ranking minority member of the Committee on Financial Services.
3. Waives all points of order against consideration of the bill.
4. Provides that an amendment in the nature of a substitute consisting of the text of Rules Committee Print 112-17 shall be considered as adopted and the bill, as amended, shall be considered as original text for the purpose of amendment and shall be considered as read.
5. Waives all points of order against provisions in the bill, as amended.
6. Makes in order only those further amendments printed in the Rules Committee report. Each such amendment may be offered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question.
7. Waives all points of order against the amendments printed in the report.
8. Provides one motion to recommit with or without instructions.

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### RESOLUTION

*Resolved*, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 3606) to increase American job creation and economic growth by improving

access to the public capital markets for emerging growth companies. The first reading of the bill shall be dispensed with. All points of order against consideration of the bill are waived. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chair and ranking minority member of the Committee on Financial Services. After general debate the bill shall be considered for amendment under the five-minute rule. In lieu of the amendment in the nature of a substitute recommended by the Committee on Financial Services now printed in the bill, an amendment in the nature of a substitute consisting of the text of the Rules Committee Print 112-17 shall be considered as adopted in the House and in the Committee of the Whole. The bill, as amended, shall be considered as the original bill for the purpose of further amendment under the five-minute rule and shall be considered as read. All points of order against provisions in the bill, as amended, are waived. No further amendment to the bill, as amended, shall be in order except those printed in the report of the Committee on Rules accompanying this resolution. Each such further amendment may be offered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. All points of order against such further amendments are waived. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill, as amended, to the House with such further amendments as may have been adopted. The previous question shall be considered as ordered on the bill, as amended, and any further amendment thereto to final passage without intervening motion except one motion to recommit with or without instructions.

## SUMMARY OF AMENDMENTS PROPOSED TO BE MADE IN ORDER

(summaries derived from information provided by sponsors)

Sponsor	# Description	Debate Time
<b>1. Fincher (TN), Carney (DE)</b>	#5 <b>MANAGER'S AMENDMENT</b> Would make technical changes to the underlying bill.	(10 minutes)
<b>2. McIntyre (NC)</b>	#25 <b>(LATE)</b> Would adjust the Emerging Growth Company definition for inflation, resulting in providing more flexibility for businesses.	(10 minutes)
<b>3. Himes (CT), Capuano (MA)</b>	#1 Would lower the gross annual revenue cap from \$1,000,000,000 to \$750,000,000 for emerging growth companies to remain eligible for the regulatory on-ramp and strike the public float requirement for the on-ramp.	(10 minutes)
<b>4. Jackson Lee</b>	#19 <b>(LATE)</b> Would add a requirement that a company not be	(10 minutes)

- (TX) considered an “emerging growth company” if it has issued more than \$1 billion in non-convertible debt over the prior three years.
- 5. Ellison (MN), Capuano (MA), Lynch (MA)** #6 Would require Emerging Growth Companies to fully comply with say-on-pay and golden parachute shareholder votes. (10 minutes)
- 6. Waters (CA), Capuano (MA)** #12 Would provide that if a broker or dealer is underwriting an initial public offering (IPO) for an emerging growth company (EGC) and providing research to the public about such IPO, those research reports need to be filed with the SEC, and the broker or dealer shall be held to stricter liability for their comments. Would also provide that if EGCs are communicating, either orally or in writing, with potential investors before or following an offering, they need to file those communications with the SEC. (10 minutes)
- 7. Jackson Lee (TX)** #21 **(LATE)** Would strike language that allows an emerging growth company or its underwriter to communicate with “institutions that are accredited investors.” (10 minutes)
- 8. Jackson Lee (TX)** #18 **(LATE) (REVISED)** Would establish new filing fee for Reg S-K Forms to discourage frivolous filings. (10 minutes)
- 9. Connolly (VA)** #7 **(REVISED)** Would require the Securities and Exchange Commission to perform a study, in consultation with the Commodities Futures Trading Commission, of the effects on emerging growth companies of financial speculation on domestic oil and gasoline prices and to forward the results of that study to Congress. (10 minutes)
- 10. McCarthy, Kevin (CA)** #22 **(LATE) (REVISED)** Would clarify that general advertising under this provision should only apply to Regulation D rule 506 offerings, allow for general solicitation in the secondary sale of these securities so long as only qualified institutional buyers purchase the securities, and provide consistency in interpretation that general advertising should not cause these offerings to be considered public offerings. (10 minutes)
- 11. McHenry (NC)** #24 **(LATE)** Would, for Rule 506 of Regulation D, provide an exemption from registration as a broker or dealer for trading platforms that do not charge a fee in connection with the purchase or sale of the security or permit general solicitations, general advertisements, or similar or related activities by issuers of such securities. Would also enable the marketing of private shares to accredited investors through platforms. (10 minutes)
- 12. Miller, Brad** #9 Would increase the total number of investors and limit the (10 minutes)

<b>(NC), Schweikert (AZ)</b>	number of non-accredited investors allowed to be holders of record before registration is required.	
<b>13. Schweikert (AZ)</b>	#3 Would authorize the Securities and Exchange Commission to study whether or not it has the authority to enforce anti-evasion provisions associated with the shareholder threshold.	(10 minutes)
<b>14. Capuano (MA)</b>	#15 Would require the SEC to conduct a study to address anti-evasion concerns and determine if the term "held of record" should mean beneficial owner of the security.	(10 minutes)
<b>15. Peters (MI)</b>	#4 <b>(REVISED)</b> Would require publicly traded companies to disclose on an annual basis the total number of employees they have in each country and the percentage increase or decrease in employment in each country.	(10 minutes)
<b>16. Capps (CA)</b>	#16 Would require the Securities and Exchange Commission to issue a report to the Congress one year after enactment on the increase in initial public offerings that resulted from the act, including specific increases in filings by manufacturing and high-technology companies.	(10 minutes)
<b>17. Loeb sack (IA)</b>	#17 <b>(LATE) (REVISED)</b> Would require information to be made available online, and outreach to be conducted to small and medium-sized businesses, women-owned businesses, veteran-owned businesses, and minority-owned businesses to inform them about changes put in place by this legislation.	(10 minutes)