

**AMENDMENT TO THE RULES COMMITTEE PRINT  
OF H.R. 3606  
OFFERED BY MR. MCHENRY OF NORTH  
CAROLINA**

Page 19, after line 23, insert the following:

1       (c) EXPLANATION OF EXEMPTION.—Section 4 of the  
2 Securities Act of 1933 (15 U.S.C. 77d) is amended—

3           (1) by striking “The provisions of section 5”  
4       and inserting “(a) The provisions of section 5”; and

5           (2) by adding at the end the following:

6       “(b)(1) With respect to securities offered and sold in  
7 compliance with Rule 506 of Regulation D under this Act,  
8 no person who meets the conditions set forth in paragraph  
9 (2) shall be subject to registration as a broker or dealer  
10 pursuant to section 15(a)(1) of this title, solely because—

11           “(A) that person maintains a platform or  
12       mechanism that permits the offer, sale, pur-  
13       chase, or negotiation of or with respect to secu-  
14       rities, or permits general solicitations, general  
15       advertisements, or similar or related activities  
16       by issuers of such securities, whether online, in  
17       person, or through any other means;

1           “(B) that person or any person associated  
2           with that person co-invests in such securities; or

3           “(C) that person or any person associated  
4           with that person provides ancillary services with  
5           respect to such securities.

6           “(2) The exemption provided in paragraph (1) shall  
7           apply to any person described in such paragraph if—

8           “(A) such person and each person associated  
9           with that person receives no compensation in connec-  
10          tion with the purchase or sale of such security;

11          “(B) such person and each person associated  
12          with that person does not have possession of cus-  
13          tomer funds or securities in connection with the pur-  
14          chase or sale of such security; and

15          “(C) such person is not subject to a statutory  
16          disqualification as defined in section 3(a)(39) of this  
17          title and does not have any person associated with  
18          that person subject to such a statutory disqualifica-  
19          tion.

20          “(3) For the purposes of this subsection, the term  
21          ‘ancillary services’ means—

22          “(A) the provision of due diligence services, in  
23          connection with the offer, sale, purchase, or negotia-  
24          tion of such security, so long as such services do not

1 include, for separate compensation, investment ad-  
2 vice or recommendations to issuers or investors; and

3 “(B) the provision of standardized documents  
4 to the issuers and investors, so long as such person  
5 or entity does not negotiate the terms of the  
6 issuance for and on behalf of third parties and  
7 issuers are not required to use the standardized doc-  
8 uments as a condition of using the service.”.

