



**Legislative Bulletin.....November 3, 2011**

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**Amendments to H.R. 2930 – Entrepreneur Access to  
Capital Act (McHenry, R-NC)**

**Order of Business:** The legislation is scheduled to be considered on Thursday, November 3, 2011, under a structured rule that makes in order the amendments described below. The rule provides each measure one hour of general debate equally divided and controlled by the chairs and ranking minority members of the Committee on Financial Services. Lastly the rule provides each measure a motion to recommit with or without instructions.

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**AMENDMENTS MADE IN ORDER**

1. **Rep. Barrow (D-GA)** – The amendment requires the commission to establish a website that provides the public with safety tips for investing in the securities described in section 4(6). The amendment also requires the intermediary in the transaction involving the securities described under section 4(6) or, in the case of such transaction not involving an intermediary, the issuer, to place a link to the website in a prominent location on the page of the website of the intermediary or issuer that is used to facilitate the transaction.
2. **Rep. Fincher (R-TN) and Rep. Sherman (D-CA)** – The amendment requires the SEC to adjust the \$1 million and \$2 million annual aggregate amount raised through the issue of the securities to reflect the annual change in inflation. The amendment would further require that this index to inflation be measured by the annual change the Consumer Price Index for all urban consumers published by the Bureau of Labor Statistics.
3. **Rep. McHenry (R-NC)** – The amendment makes technical corrections and requires the issuer to state a target offering amount and a deadline to reach the

target offering amount. The amendment also requires that the SEC is provided a notice upon completion of the offering, which includes the aggregate offering amount and the number of purchasers. The amendment makes clear the disqualification provision to ensure that both issuers and intermediaries, as well as their predecessors, affiliates, officers, directors, or persons fulfilling similar roles, are disqualified from the exemption established in this bill should they have a history of committing securities fraud.

4. **Rep. Perlmutter (D-CO) and Rep. McHenry (R-NC)** – The amendment revises section 4 of the bill which pertains to the preemption state laws, and by striking the word “section” and replacing the text with language that clarifies the preservation of state enforcement authority. The new language further clarifies that the preemption laws shall have no effect on the limitation on other state authority to take enforcement action with regard to an issue, intermediary, or any other person or entity using the exemption from registration provided by section 4(6). Lastly the new language preserves a state's right to enforce securities laws with respect to fraud, deceit or unlawful conduct.
5. **Rep. Quayle (R-AZ)** – The amendment require the SEC to index the \$10,000 individual investment cap to inflation by requiring the cap to reflect the annual change in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics.
6. **Rep. Velazquez (D-NY)** – The amendment adds language to the bill’s requirement, that the issuer's website have a method of communication that permits the issuer and investors to communicate with one another, to also disclose to potential investors the intermediary’s compensation structure for participation in the security offering.

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## **Amendments to H.R. 2940 – Access to Capital for Job Creators Act (McCarthy, R-CA)**

**Order of Business:** The legislation is scheduled to be considered on Thursday, November 3, 2011, under a structured rule that makes in order the amendment described below. The rule provides each measure one hour of general debate equally divided and controlled by the chairs and ranking minority members of the Committee on Financial Services. Lastly the rule provides each measure a motion to recommit with or without instructions.

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### **AMENDMENT MADE IN ORDER**

1. **Rep. Miller (D-NC)** – The amendment adds language to the modification of the rules section of the bill and it requires the person offering or selling the securities

to disclose the offering or selling of any bonus compensation structures and “golden parachute” severance packages that may be provided to executive officers, directors, or other principals in any advertising materials connected with the exempted offering.