

PROVIDING FOR CONSIDERATION OF THE BILL (H.R. 2201) TO AMEND THE SECURITIES ACT OF 1933 TO EXEMPT CERTAIN MICRO-OFFERINGS FROM THE REGISTRATION REQUIREMENTS OF SUCH ACT, AND FOR OTHER PURPOSES

NOVEMBER 7, 2017.—Referred to the House Calendar and ordered to be printed

Mr. BUCK, from the Committee on Rules,
submitted the following

R E P O R T

[To accompany H. Res. 609]

The Committee on Rules, having had under consideration House Resolution 609, by a record vote of 9 to 4, report the same to the House with the recommendation that the resolution be adopted.

SUMMARY OF PROVISIONS OF THE RESOLUTION

The resolution provides for consideration of H.R. 2201, the Micro Offering Safe Harbor Act, under a structured rule. The resolution provides one hour of debate equally divided and controlled by the chair and ranking minority member of the Committee on Financial Services. The resolution waives all points of order against consideration of the bill. The resolution provides that the bill shall be considered as read. The resolution waives all points of order against provisions in the bill. The resolution makes in order only the amendment printed in this report, if offered by the Member designated in this report, which shall be considered as read, shall be debatable for the time specified in this 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. The resolution waives all points of order against the amendment printed in this report. The resolution provides one motion to recommit with or without instructions.

EXPLANATION OF WAIVERS

Although the resolution waives all points of order against consideration of the bill, the Committee is not aware of any points of order. The waiver is prophylactic in nature.

Although the resolution waives all points of order against provisions in the bill, the Committee is not aware of any points of order. The waiver is prophylactic in nature.

Although the resolution waives all points of order against the amendment printed in this report, the Committee is not aware of any points of order. The waiver is prophylactic in nature.

COMMITTEE VOTES

The results of each record vote on an amendment or motion to report, together with the names of those voting for and against, are printed below:

Rules Committee record vote No. 139

Motion by Mr. Cole to report the rule. Adopted: 9–4

Majority Members	Vote	Minority Members	Vote
Mr. Cole	Yea	Ms. Slaughter	Nay
Mr. Woodall	Yea	Mr. McGovern	Nay
Mr. Burgess	Yea	Mr. Hastings of Florida	Nay
Mr. Collins	Yea	Mr. Polis	Nay
Mr. Byrne	Yea		
Mr. Newhouse	Yea		
Mr. Buck	Yea		
Ms. Cheney	Yea		
Mr. Sessions, Chairman	Yea		

SUMMARY OF THE AMENDMENT MADE IN ORDER

1. Emmer (MN): Amends the bill to not allow the exemption to be available for those who have been disqualified under the “bad actor” disqualification standard of section 230.506(d) of title 17, Code of Federal Regulations, providing an additional layer of investor protection in the bill. (10 minutes)

TEXT OF AMENDMENT MADE IN ORDER

1. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE EMMER OF MINNESOTA OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 3, line 14, strike “The transactions” and insert the following:

“(1) IN GENERAL.—The transactions”.

Page 3, line 19, strike “(1)” and insert “(A)” and adjust the margin 2 ems to the right.

Page 3, line 24, strike “(2)” and insert “(B)” and adjust the margin 2 ems to the right.

Page 4, line 5, strike “(3)” and insert “(C)” and adjust the margin 2 ems to the right.

Page 4, line 10, strike the quotation mark and final period and insert after such line the following:

“(2) DISQUALIFICATION.—

“(A) IN GENERAL.—The exemption provided under subsection (a)(8) shall not be available for a transaction involving a sale of securities if any person described in subparagraph (B) would have triggered disqualification pursuant to section 230.506(d) of title 17, Code of Federal Regulations.

“(B) PERSONS DESCRIBED.—The persons described in this subparagraph are the following:

“(i) The issuer.

“(ii) Any predecessor of the issuer.

- “(iii) Any affiliated issuer.
- “(iv) Any director, executive officer, other officer participating in the offering, general partner, or managing member of the issuer.
- “(v) Any beneficial owner of 20 percent or more of the issuer’s outstanding voting equity securities, calculated on the basis of voting power.
- “(vi) Any promoter connected with the issuer in any capacity at the time of such sale.
- “(vii) Any investment manager of an issuer that is a pooled investment fund.
- “(viii) Any person that has been or will be paid (directly or indirectly) remuneration for solicitation of purchasers in connection with such sale of securities.
- “(ix) Any general partner or managing member of any such investment manager or solicitor.
- “(x) Any director, executive officer, or other officer participating in the offering of any such investment manager or solicitor or general partner or managing member of such investment manager or solicitor.”.