119TH CONGRESS
1st Session

HOUSE OF REPRESENTATIVES

REPORT
119–123

HELPING ANGELS LEAD OUR STARTUPS ACT OF 2025

JUNE 3, 2025.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. HILL of Arkansas, from the Committee on Financial Services, submitted the following

REPORT

[To accompany H.R. 3352]

The Committee on Financial Services, to whom was referred the bill (H.R. 3352) to require the Securities and Exchange Commission to revise rules relating to general solicitation or general advertising to allow for presentations or other communication made by or on behalf of an issuer at certain events, and for other purposes, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

CONTENTS

The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Helping Angels Lead Our Startups Act of 2025" or the "HALOS Act of 2025".

59–006

SEC. 2. CLARIFICATION OF GENERAL SOLICITATION.

(a) DEFINITIONS.—For purposes of this section and the revision of rules required under this section:

(1) ANGEL INVESTOR GROUP.—The term "angel investor group" means any group that—

(A) is composed of accredited investors interested in investing personal capital in early-stage companies;

(B) holds regular meetings and has defined processes and procedures for making investment decisions, either individually or among the membership of the group as a whole; and

(C) is neither associated nor affiliated with brokers, dealers, or investment advisers.

(2) ISSUER.—The term "issuer" means an issuer that is a business, is not in bankruptcy or receivership, is not an investment company, and is not a blank check, blind pool, or shell company.

(b) IN GENERAL.—Not later than 6 months after the date of enactment of this Act, the Securities and Exchange Commission shall revise Regulation D (17 CFR 230.500 et seq.) to require that in carrying out the prohibition against general solicitation or general advertising contained in section 230.502(c) of title 17, Code of Federal Regulations, the prohibition shall not apply to a presentation or other communication made by or on behalf of an issuer which is made at an event—

(1) sponsored by—

(A) the United States or any territory thereof, the District of Columbia, any State, a federally recognized Indian Tribe, a political subdivision of any State, territory, or federally recognized Indian Tribe, or any agency or public instrumentality of any of the foregoing;

(B) a college, university, or other institution of higher education;

(C) a nonprofit organization;

(D) an angel investor group;

(E) an incubator or accelerator;

(F) a venture forum, venture capital association, or trade association, other than an association created solely for the purpose of sponsoring an event described under this subsection; or

(G) any other group, person, or entity as the Securities and Exchange Commission may determine by rule;

(2) that is not held in any facility that is owned or operated by a religious organization, other than an institution of higher education that is accredited and operated primarily for post-secondary education;

(3) where any advertising for the event does not reference any specific offering of securities by the issuer;

(4) the sponsor of which—

(A) does not make investment recommendations or provide investment advice to event attendees;

(B) does not engage in an active role in any investment negotiations between the issuer and investors attending the event;

(C) does not charge event attendees any fees other than reasonable administrative fees;

(D) does not receive any compensation for making introductions between investors attending the event and issuers, or for investment negotiations between such parties;

(E) makes readily available to attendees a disclosure not longer than one page in length, as prescribed by the Securities and Exchange Commission, describing the nature of the event and the risks of investing in the issuers presenting at the event; and

(F) does not receive any compensation with respect to such event that would require registration of the sponsor as a broker or a dealer under the Securities Exchange Act of 1934, or as an investment advisor under the Investment Advisers Act of 1940; and

(5) where no specific information regarding an offering of securities by the issuer is communicated or distributed by or on behalf of the issuer, other than—

(A) that the issuer is in the process of offering securities or planning to offer securities;

(B) the type and amount of securities being offered;

(C) the amount of securities being offered that have already been subscribed for; and

(D) the intended use of proceeds of the offering.

(c) RULE OF CONSTRUCTION.—Subsection (b) may only be construed as requiring the Securities and Exchange Commission to amend the requirements of Regulation

D with respect to presentations and communications, and not with respect to purchases or sales.

(d) NO PRE-EXISTING SUBSTANTIVE RELATIONSHIP BY REASON OF EVENT.—Attendance at an event described under subsection (b) shall not qualify, by itself, as establishing a pre-existing substantive relationship between an issuer and a purchaser, for purposes of Rule 506(b).

PURPOSE AND SUMMARY

H.R. 3352, the *Helping Angels Lead Our Startups (HALOS) Act of 2025*, was introduced on May 13, 2025, by Representative Mike Lawler (NY–17). H.R. 3352 defines an angel investor for purposes of the federal securities laws. The bill also clarifies the definition of general solicitation contained in the *Securities Act of 1933* to ensure that startups can discuss their products and business plans at certain events, known as "demo days," without such discussions being considered an investment offering.

BACKGROUND AND NEED FOR LEGISLATION

Depending on the regulatory pathway a company chooses to raise capital, the company may be limited in how it can connect with potential investors. For example, the most commonly used offering exemption under the federal securities laws—Rule 506(b) of Regulation D—prohibits the use of "general solicitation" to market securities. A solicitation that conditions the market for an offering of securities is viewed as general solicitation. Examples of activities that amount to a general solicitation include newspaper and magazine advertisements, unrestricted public websites, and TV and radio broadcasts.

In implementing the *Jumpstart Our Business Startups (JOBS) Act*, the Securities and Exchange Commission (SEC) classified "demo day" communications (i.e., communications made in connection with an event sponsored by a group or entity that invites issuers to present their businesses to potential investors with the aim of securing investment) as a general solicitation.[1] However, the SEC reversed course when it finalized Rule 148. Under the new rule, an issuer will not be deemed to have engaged in general solicitation if the communications are made in connection with an event sponsored by a college, university, or other institution of higher education; a state or local government or instrumentality thereof; a nonprofit organization; or an angel investor group, incubator, or accelerator, provided certain conditions are satisfied. These conditions include limitations on the sponsor's activities, a requirement that the advertising for the event not reference any specific offering of securities by the issuer, and limits on the information conveyed at the event regarding the offering of securities by or on behalf of the issuer. H.R. 3352 codifies this SEC position to ensure issuers may continue to conduct demo days without violating the securities laws.

COMMITTEE CONSIDERATION

114TH CONGRESS

On February 9, 2016, Representative Steve Chabot (R–OH) introduced H.R. 4498, the *Helping Angels Lead Our Startups Act*, with

[1] Jumpstart Our Business Startups Act, Pub. L. 112–106, 126 Stat. 306 (2012).

Representatives Kyrsten Sinema (D–AZ), Robert Hurt (R–VA), and Mark Takai (D–HI) as original cosponsors. Representatives Carlos Curbelo (R–FL), Ann Wagner (R–MO), Ryan Costello (R–PA), Andy Barr (R–KY), Randy Hultgren (R–IL), John Delaney (D–MD), Pete Sessions (R–TX), Jared Polis (D–CO) were added subsequently as cosponsors. This bill is an earlier iteration of H.R. 3352. The bill was referred solely to the Committee on Financial Services. The Subcommittee on Capital Markets and Government Sponsored Enterprises of the Committee on Financial Services held a hearing to examine matters related to H.R. 4498 on December 2, 2015. On March 2, 2016, the Committee on Financial Services ordered H.R. 4498 to be favorably reported to the House of Representatives by a vote of 44–13. On April 27, 2016, the House passed the bill by a recorded vote of 325–89. It was received in the Senate and referred to the Committee on Banking, Housing, and Urban Affairs.

115TH CONGRESS

On January 3, 2017, Representative Chabot introduced H.R. 79, the *Helping Angels Lead Our Startups Act*, with Representative Sinema as an original cosponsor. Representatives Sessions, Hultgren, Curbelo, Wagner, Barr, Delaney, Polis, Costello, Brad Schneider (D–IL), Scott Peters (D–CA), Amata Coleman Radewagen (R–AS), Bill Posey (R–FL), Roger Williams (R–TX), and Stephen Knight (R–CA) were added subsequently as cosponsors. This bill is an earlier iteration of H.R. 3352. The bill was referred solely to the Committee on Financial Services. On January 10, 2017, the House passed the bill by a recorded vote of 344–73. It was received in the Senate and referred to the Committee on Banking, Housing, and Urban Affairs.

116TH CONGRESS

On March 27, 2019, Representative Chabot introduced H.R. 1909, the *Helping Angels Lead Our Startups Act of 2019*, with Representative Schneider as an original cosponsor. Representatives Radewagen and Daniel Meuser (R–PA) were added subsequently as cosponsors. This bill is an earlier iteration of H.R. 3352. The bill was referred solely to the Committee on Financial Services. In addition, Senator Chris Murphy (D–CT) introduced S. 1063, a companion bill to H.R. 1909, with Senators Patrick Toomey (R–PA), Brian Schatz (D–HI), Thom Tillis (R–NC), Kyrsten Sinema (D–AZ), and John Thune (D–SD) as original cosponsors.

117TH CONGRESS

On December 7, 2022, Representative Ted Budd (R–NC) introduced H.R. 9451, the *Helping Angels Lead Our Startups Act of 2022*. This bill is an earlier iteration of H.R. 3352. This bill was referred solely to the Committee on Financial Services.

118TH CONGRESS

On March 10, 2023, Representative Mike Lawler (R–NY) introduced H.R. 1553, the *Helping Angels Lead Our Startups Act of 2023*, with Representative Josh Gottheimer (D–NJ) as an original cosponsor. Representative Wiley Nickel (D–NC) was added subsequently as a cosponsor. This bill is an earlier iteration of H.R.

3352. This bill was referred solely to the Committee on Financial Services. The Subcommittee on Capital Markets of the Committee on Financial Services held a hearing on February 8, 2023, titled "Empowering Entrepreneurs: Removing Barriers to Capital Access for Small Businesses." On May 24, 2023, the Committee on Financial Services ordered H.R. 1553 to be favorably reported to the House of Representatives by a vote of 35–12. On March 7, 2024, H.R. 1553 was added to H.R. 2799, the *Expanding Access to Capital Act of 2023*. On March 8, 2024, the House passed H.R. 2799 by a recorded vote of 212 yeas and 205 nays. It was received in the Senate and referred to the Committee on Banking, Housing, and Urban Affairs. In addition, Senator Murphy introduced S. 3298, a companion bill to H.R. 155, with Senators Sinema and Tillis as original cosponsors.

119TH CONGRESS

On May 13, 2025, Representative Lawler introduced H.R. 3352, the *Helping Angels Lead Our Startups Act of 2025*, with Representative Gottheimer as an original cosponsor. Representative Maria Salazar (R–FL) was added subsequently as a cosponsor. The bill was referred solely to the Committee on Financial Services. The bill was attached to the February 26, 2025, hearing titled "The Future of American Capital: Strengthening Public and Private Markets by Increasing Investor Access and Facilitating Capital formation" and the March 25, 2025 hearing titled, "Beyond Silicon Valley: Expanding Access to Capital Across America."

On May 20, 2025, the Committee met in open session to consider, among others, H.R. 3352. The Committee ordered H.R. 3352, as amended, to be reported favorably to the House of Representatives.

RELATED HEARINGS

Pursuant to clause 3(c)(6) of rule XIII of the Rules of the House of Representatives, the following hearings were used to develop H.R. 3352:

The Capital Markets Subcommittee of the Committee on Financial Services held a February 26, 2025, hearing titled "The Future of American Capital: Strengthening Public and Private Markets by Increasing Investor Access and Facilitating Capital Formation" and the Full Committee held a March 25, 2025, hearing titled, "Beyond Silicon Valley: Expanding Access to Capital Across America." A discussion draft version of the bill was attached to both hearings. The following witnesses testified at the February 26, 2025, hearing: Mr. Andrew Barnell, CEO and Co-Founder, Geneoscopy; Mr. McKeever Conwell, Founder and Managing Partner, RareBreed Ventures; Ms. Rebecca Kacaba, CEO and Co-Founder, DealMaker; Ms. Anna Pinedo, Partner, Mayer Brown; and Ms. Alexandra Thornton, Senior Director, Financial Regulation, Center for American Progress. The following witnesses testified at the March 25, 2025, hearing: Mr. Steve Case, Chairman and CEO, Revolution LLC; Mr. Bill Newell, Senior Business Advisor & Former CEO, Sutro Biopharma; Ms. Candice Matthews Brackeen, General Partner, Lightship Capital; Mr. Joel Trotter, Partner, Latham & Watkins LLP; and Ms. Amanda Senn, Director of the Alabama Securities Commission.

COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires the Committee Report to include for each record vote on a motion to report the measure or matter and on any amendments offered to the measure or matter the total number of votes for and against and the names of the Members voting for and against.

On May 20, 2025, the Committee ordered H.R. 3352, as amended, to be reported favorably to the House by a recorded vote of 50 yeas and 1 nay, a quorum being present. (Record Vote No. FC–113).

Before the question to report was called, the Committee adopted an amendment in the nature of a substitute, designated LAWLER_054, which clarifies the definition of an issuer and requires event sponsors to make readily available to attendees a one page disclosure that describes the nature of the event and the risks of investing in the issuers presenting at the event, offered by Representative Lawler. The amendment was adopted by voice vote, a quorum being present.

Committee on Financial Services

Markup 4
May 20, 2025

Bill: **H.R. 3352**
Measure: **H.R. 3352 (as amended)**
Amdt.

Record Vote No.
FC-113

Motion: **to report favorably**
Disposition: **AGREED TO (50-1)**

Member	Yea	Nay	Not Voting	Member	Yea	Nay	Not Voting
Chairman Hill	X			Ranking Member Waters	X		
Mr. Lucas	X			Ms. Velázquez	X		
Mr. Sessions	X			Mr. Sherman	X		
Mr. Huizenga	X			Mr. Meeks	X		
Mrs. Wagner	X			Mr. Scott	X		
Mr. Barr	X			Mr. Lynch	X		
Mr. Williams (TX)	X			Mr. Green (TX)	X		
Mr. Emmer	X			Mr. Cleaver			X
Mr. Loudermilk	X			Mr. Himes	X		
Mr. Davidson	X			Mr. Foster	X		
Mr. Rose	X			Mrs. Beatty	X		
Mr. Steil	X			Mr. Vargas	X		
Mr. Timmons	X			Mr. Gottheimer	X		
Mr. Stutzman	X			Mr. Gonzalez	X		
Mr. Norman	X			Mr. Casten	X		
Mr. Meuser	X			Ms. Pressley	X		
Mrs. Kim	X			Ms. Tlaib		X	
Mr. Donalds			X	Mr. Torres (NY)	X		
Mr. Garbarino	X			Ms. Garcia (TX)	X		
Mr. Fitzgerald	X			Ms. Williams of GA	X		
Mr. Flood	X			Ms. Pettersen	X		
Mr. Lawler	X			Mr. Fields	X		
Ms. De La Cruz	X			Ms. Bynum	X		
Mr. Ogles			X	Mr. Liccardo	X		
Mr. Nunn	X						
Mrs. McClain	X						
Ms. Salazar	X						
Mr. Downing	X						
Mr. Haridopolos	X						
Mr. Moore (NC)	X						
	28	**0**	**2**		**22**	**1**	**1**

Committee Totals:	Yeas	Nays	Not Voting
	50	**1**	**3**

COMMITTEE OVERSIGHT FINDINGS

Pursuant to clause 3(c) of rule XIII of the Rules of the House of Representatives, the findings and recommendations of the Committee, based on oversight activities under clause 2(b)(1) of rule X of the Rules of the House of Representatives, are incorporated in the descriptive portions of this report.

PERFORMANCE GOALS AND OBJECTIVES

Pursuant to clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the goal of H.R. 3352 is to provide a definition for an angel investor for purposes of the federal securities laws.

COMMITTEE COST ESTIMATE

Clause 3(d)(1) of rule XIII of the Rules of the House of Representatives requires an estimate and a comparison of the costs that would be incurred in carrying out H.R. 3352. The Committee has requested but not received a cost estimate from the Director of the Congressional Budget Office. However, pursuant to clause 3(d)(1) of rule XIII, the Committee will adopt as its own the cost estimate by the Director of the Congressional Budget Office once it has been prepared.

NEW BUDGET AUTHORITY AND CBO COST ESTIMATE

With respect to the requirements of clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a) of the *Congressional Budget Act of 1974* and with respect to requirements of clause 3(c)(3) of rule XIII and section 402 of the *Congressional Budget Act of 1974*, a cost estimate was not made available to the Committee in time for the filing of this report. The Chairman of the Committee shall cause such estimate to be printed in the Congressional Record upon its receipt by the Committee.

UNFUNDED MANDATES STATEMENT

The Committee has requested but not received from the Director of the Congressional Budget Office an estimate of the Federal mandates pursuant to section 423 of the *Unfunded Mandates Reform Act*. The Committee will adopt the estimate once it has been prepared by the Director.

EARMARK STATEMENT

With respect to clause 9 of rule XXI of the Rules of the House of Representatives, the Committee has carefully reviewed the provisions of the resolution and states that the provisions of the bill do not contain any congressional earmarks, limited tax benefits, or limited tariff benefits within the meaning of the rule.

FEDERAL ADVISORY COMMITTEE ACT STATEMENT

No advisory committees within the meaning of section 5(b) of the *Federal Advisory Committee Act* were created by this legislation.

APPLICABILITY TO THE LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the *Congressional Accountability Act.*

DUPLICATION OF FEDERAL PROGRAMS

Pursuant to clause 3(c)(5) of rule XIII of the Rules of the House of Representatives, the Committee states that no provision of the bill establishes or reauthorizes a program of the Federal Government known to be duplicative of another Federal program, including any program that was included in a report to Congress pursuant to section 21 of the Public Law 111–139 or the most recent Catalog of Federal Domestic Assistance.

SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

Section 1. Short title

This section cites H.R. 3352 as the "*Helping Angels Lead Our Startups Act of 2025*" or the "*HALOS Act of 2025*."

Section 2. Clarification of general solicitation

This section defines an angel investor group as any group that is composed of accredited investors interested in investing personal capital in early-stage companies that hold regular meetings and have defined processes and procedures for making investment decisions and who are neither associated nor affiliated with brokers, dealers, or investment advisors. This section also defines an issuer as a business that is not in bankruptcy or receivership, is not an investment company, and is not a blank check, blind pool, or shell company.

In addition, this section directs the SEC to revise Regulation D of its rules to require that in carrying out the prohibition against general solicitation or general advertising that the prohibition shall not apply to a presentation or other communications made by or on behalf of an issuer which is made at an event sponsored by: (1) the U.S. or any territory thereof, (2) a college, university, or other institution of higher education, (3) a nonprofit organization, (4) an angel investor group, (5) an incubator or accelerator, (6) a venture forum, venture capital association, or trade association, or (7) any other group, person, or entity as the SEC may determine by rule.

This section also notes that the prohibition shall not apply where any advertising for the event does not reference any specific offering by the issuer or where the sponsor of which does not make an investment recommendation or provide investment advice, does not engage in an active role in investment negotiation, does not charge event attendees any fees other than reasonable administrative fees, does not receive any compensation for making introductions between investors and issuers, does not receive any compensation with respect to such event, and makes readily available to attendees a disclosure not longer than one page describing the nature of the event and the risks of investing in the issuers presenting at the event.

Moreover, this section clarifies that the prohibition shall not apply where no specific information regarding an offering of securities by the issuer is communicated or distributed by or on behalf of the issuer, other than the issuer being in the process of offering securities or planning to offer securities, the type and amount of securities being offered, the amount of securities being offered that have already been subscribed for, and the intended use of proceeds of the offering.

This section also covers virtual events where online participation is limited to individuals associated with the sponsor organization, individuals that the sponsor reasonably believes are accredited investors, or individuals who have been invited to the event by the sponsor based on industry experience.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

H.R. 3352 does not repeal or amend any section of a statute. Therefore, the Office of Legislative Counsel did not prepare the report required under clause 3(e) of rule XIII of the Rules of the House of Representatives.

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