

COMMITTEE PRINT

SHOWING THE TEXT OF H.R. 2167 AS FORWARDED BY THE SUBCOMMITTEE
ON CAPITAL MARKETS, OCTOBER 5, 2011

112TH CONGRESS
1ST SESSION

H. R. 2167

To amend the Securities Exchange Act of 1934 to change the threshold
number of shareholders for required registration under that Act.

IN THE HOUSE OF REPRESENTATIVES

JUNE 14, 2011

Mr. SCHWEIKERT (for himself, Mr. HIMES, Mr. CANSECO, Mr. QUIGLEY, Mr.
JONES, Mr. PERLMUTTER, Mrs. BIGGERT, and Mr. ISSA) introduced the
following bill; which was referred to the Committee on Financial Services

A BILL

To amend the Securities Exchange Act of 1934 to change
the threshold number of shareholders for required reg-
istration under that Act.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Private Company
5 Flexibility and Growth Act”.

1 SEC. 2. THRESHOLD FOR REGISTRATION.

2 Section 12(g)(1)(B) of the Securities Exchange Act
3 of 1934 (15 U.S.C. 78l(g)(1)(B)) is amended by striking
4 “shall—” and all that follows through “register” and in-
5 sert “shall, within 120 days after the last day of its first
6 fiscal year ended on which the issuer has total assets ex-
7 ceeding \$10,000,000 and a class of equity security (other
8 than an exempted security) held of record by 1,000 per-
9 sons, register”.

10 SEC. 3. EMPLOYEES.

11 Section 12(g)(5) of the Securities Exchange Act of
12 1934 (15 U.S.C. 78l(g)(5)) is amended by adding at the
13 end the following: “For purposes of determining whether
14 an issuer is required to register a security with the Com-
15 mission pursuant to paragraph (1), the definition of ‘held
16 of record’ shall not include securities held by persons who
17 received the securities pursuant to an employee compensa-
18 tion plan in transactions exempted from the registration
19 requirements of section 5 of the Securities Act of 1933.”.

20 SEC. 4. COMMISSION RULEMAKING.

21 The Securities and Exchange Commission shall revise
22 the definition of “held of record” pursuant to section
23 12(g)(5) of the Securities Exchange Act of 1934 (15
24 U.S.C. 78l(g)(5)) to implement the amendment made by
25 section 2. The Commission shall also adopt safe harbor
26 provisions that issuers can follow when determining that

1 holders of their securities received the securities pursuant
2 to an employee compensation plan in transactions that
3 were exempt from the registration requirements of section
4 5 of the Securities Act of 1933.