

MEMORANDUM

To: Members of the Committee on Financial Services

From: FSC Majority Staff

Date: May 18, 2018

Subject: May 23, 2018 Subcommittee on Capital Markets, Securities, and Investment Hearing Entitled “Legislative Proposals to Help Fuel Capital and Growth on Main Street”

The Subcommittee on Capital Markets, Securities, and Investment will hold a hearing entitled “Legislative Proposals to Help Fuel Capital and Growth on Main Street” on Wednesday, May 23 at 10:00 a.m. in Room 2128 of the Rayburn House Office Building.

The hearing is one panel with the following witnesses:

- Brett Paschke, Managing Director and Head of Capital Markets, William Blair, on behalf of the Securities Industry and Financial Markets Association
- Edward Knight, Executive Vice President and General Counsel, NASDAQ OMX
- John C. Coffee Jr., Adolf A. Berle Professor of Law, Columbia University Law School
- Brian Hahn, Chief Financial Officer, GlycoMimetics, Inc., on behalf of the Biotechnology Innovation Organization
- Barry Eggers, Founding Partner, Lightspeed Venture Partners, on behalf of the National Venture Capital Association
- Tyler Gellasch, Executive Director, Healthy Markets Association
- Thomas Quaadman, Vice President, Center for Capital Markets Competitiveness, U.S. Chamber of Commerce.

The purpose of this hearing is to examine eleven bills or discussion drafts of legislation to eliminate regulatory hurdles that harm the ability of “Main Street” businesses, early-stage companies, smaller companies and emerging growth companies to access capital, innovate, grow and create jobs.

The legislative proposals include:

- H.R. 5054, the “Small Company Disclosure Simplification Act of 2018,” to provide an exemption for emerging growth companies and other smaller companies from the requirements to use Extensible Business Reporting Language (xBRL) for financial statements and other periodic reporting.
- H.R. 5756, To require the Securities and Exchange Commission to adjust certain resubmission thresholds for shareholder proposals.
- H.R. 5877, the “Main Street Growth Act,” to amend the Securities Exchange Act of 1934 to allow for the registration of venture exchanges.
- H.R. ____, To direct the Securities and Exchange Commission to revise section 230.163 of title 17, United States Code, to apply the exemption offered in such section to communications made by underwriters and dealers acting by or on behalf of a well-known seasoned issuer.
- H.R. ____, To direct the Securities and Exchange Commission to increase and align the smaller reporting company definition and nonaccelerated filer financial thresholds.
- H.R. ____, To direct the Securities and Exchange Commission to conduct a study with respect to research coverage of small issuers before their initial public offerings.
- H.R. ____, To remove the limitation on large accelerated filers qualifying as an emerging growth company.
- H.R. ____, To provide a five year extension of certain exemptions and reduced disclosure requirements for companies that were emerging growth companies and would continue to be emerging growth companies but for the five-year restriction on emerging growth companies.
- H.R. ____, the “Streamlining Disclosure Options to Reduce Redundant Disclosures to Investors Act,” to require the Securities and Exchange Commission to implement rules simplifying the quarterly financial reporting regime.
- H.R. ____, To allow purchases of EGC shares to be qualifying investments for purposes of RIA exemption.
- H.R. ____, To increase the threshold for mutual funds before triggering diversified fund limits from ten percent of voting shares to fifteen percent.