

**AMENDMENT TO H.R. 3606**  
**OFFERED BY MR. SCHWEIKERT**

Page 12, line 6, strike “Section” and insert “(a)  
DRAFT REGISTRATION STATEMENTS.—Section”.

Page 13, after line 7, insert the following:

1           (b) TICK SIZE.—Section 11A(c) of the Securities Ex-  
2 change Act of 1934 (15 U.S.C. 78k-1(c)) is amended by  
3 adding at the end the following new paragraph:

4                   “(6) TICK SIZE.—

5                           “(A) STUDY AND REPORT.—The Commis-  
6 sion shall conduct a study examining the transi-  
7 tion to trading and quoting securities in one  
8 penny increments, also known as  
9 decimalization. The study shall examine the im-  
10 pact that decimalization has had on the number  
11 of initial public offerings since its implementa-  
12 tion relative to the period before its implemen-  
13 tation. The study shall also examine the impact  
14 that this change has had on liquidity for small  
15 and middle capitalization company securities  
16 and whether there is sufficient economic incen-  
17 tive to support trading operations in these secu-

1           rities in penny increments. Not later than 90  
2           days after the date of enactment of this para-  
3           graph, the Commission shall submit to Con-  
4           gress a report on the findings of the study.

5           “(B) DESIGNATION.—If the Commission  
6           determines that the securities of emerging  
7           growth companies should be quoted and traded  
8           using a minimum increment of greater than  
9           \$0.01, the Commission may, by rule not later  
10          than 180 days after the date of enactment of  
11          this paragraph, designate a minimum increment  
12          for the securities of emerging growth companies  
13          that is greater than \$0.01 but less than \$0.10  
14          for use in all quoting and trading of securities  
15          in any exchange or other execution venue.”.

