

JOBS ACT

JUMPSTART OUR BUSINESS STARTUPS

The JOBS (Jumpstart Our Business Startups) Act is a legislative package designed to jumpstart our economy and restore opportunities for America's primary job creators: our small businesses, startups and entrepreneurs. These bipartisan measures will increase capital formation, spur the growth of startups and small businesses and pave the way for more small-scale businesses to go public and create more jobs. The JOBS Act represents an opportunity for both parties to work together and deliver results on areas of common ground that boost small businesses, startups and entrepreneurs. These measures have broad bipartisan support from Congress, President Obama and successful entrepreneurs like Steve Case, the former Chair and Founder of AOL and a member of the President's Council on Jobs and Economic Competitiveness.

H.R. 3606 REOPENING AMERICAN CAPITAL MARKETS TO EMERGING GROWTH COMPANIES ACT

Approved by Financial Services Committee 54-1

H.R. 3606, introduced by Representative Stephen Fincher, reduces the costs of going public by providing companies with a temporary reprieve from Securities and Exchange Commission (SEC) regulations by phasing in certain regulations over a five-year period. This allows smaller companies to go public sooner, which directly leads to more job creation within the company. The bill creates a new category of issuers called an "Emerging Growth Company" (EGC), which would retain its status for five years or until it exceeds \$1 billion in annual gross revenue or becomes a large accelerated filer. H.R. 3606 ensures investors are protected by requiring the EGCs to provide audited financial statements as well as establishing and maintaining internal controls over financial reporting.

H.R. 2940 THE ACCESS TO CAPITAL FOR JOB CREATORS ACT

Approved by the House 413-11

H.R. 2940, introduced by Majority Whip Kevin McCarthy, removes an SEC regulatory ban preventing small businesses from using advertisements to solicit investors. The bill was approved by the Financial Services Committee and passed the House by a bipartisan vote of 413-11 last November. H.R. 2940 allows small companies offering securities under Regulation D to utilize advertisements or solicitation to reach investors and obtain capital. The SEC's ban on solicitation, first adopted in 1982, limits the pool of potential investors and severely hampers the ability of small companies to raise capital and create jobs.

H.R. 2930 THE ENTREPRENEUR ACCESS TO CAPITAL ACT

Approved by the House 407-17

H.R. 2930, introduced by Representative Patrick McHenry, removes SEC restrictions that prevent "crowdfunding" so entrepreneurs can raise equity capital from a large pool of small investors who may or may not be considered "accredited" by the SEC. H.R. 2930 allows companies to pool up to \$1 million from investors without registering with the SEC, or up to \$2 million if the company provides investors with audited financial statements. Individual contributions are limited to \$10,000 or 10 percent of the investor's annual income, whichever is less. The bill was approved by the Financial Services Committee and passed the House by a bipartisan vote of 407-17 last November.

H.R. 1070 THE SMALL COMPANY CAPITAL FORMATION ACT

Approved by the House 421-1

H.R. 1070, introduced by Representative David Schweikert, makes it easier for small businesses to go public by increasing the offering threshold for companies exempted from SEC registration from \$5 million to \$50 million. The SEC has the authority to raise this threshold but has not done so for almost two decades. H.R. 1070 was approved by the Financial Services Committee and passed the House by a bipartisan vote of 421-1 last November. Amending Regulation A to make it a viable channel for small companies to access capital will permit greater investment in these companies, resulting in economic growth and jobs.

H.R. 2167 THE PRIVATE COMPANY FLEXIBILITY AND GROWTH ACT

Approved by Financial Services Committee Voice Vote

H.R. 2167, introduced by Representative David Schweikert, removes barriers to capital formation for small companies by raising the shareholder registration requirement threshold from 500 to 1,000 shareholders. Many small businesses are forced to file as a public company because of an obscure regulation that requires companies with 499 shareholders and \$10 million in assets to file with the SEC. This current shareholder threshold rule was originally adopted in 1964 and has not been modernized since. This regulation causes undue pressure on our markets because it restricts the number of shareholders and assets these companies can have. In turn, this severely limits the growth stages for companies, which need time and flexibility to develop. Without regulatory relief, these small businesses will not grow or they will be acquired by larger firms. Both of these outcomes lead to fewer jobs and less innovation.

H.R. 4088 THE CAPITAL EXPANSION ACT

House Version of S. 1941, Referred to Financial Services Committee

H.R. 4088, introduced by Representative Ben Quayle, increases the number of shareholders permitted to invest in a community bank from 500 to 2,000. This bill would enable banks to better deploy their capital to make loans and create jobs rather than comply with burdensome SEC requirements.