

113TH CONGRESS
2D SESSION

H. R. 4570

To direct the Securities and Exchange Commission to revise Regulation D relating to exemptions from registration requirements for certain sales of securities.

IN THE HOUSE OF REPRESENTATIVES

MAY 6, 2014

Mr. GARRETT (for himself and Mr. MCHENRY) introduced the following bill;
which was referred to the Committee on Financial Services

A BILL

To direct the Securities and Exchange Commission to revise Regulation D relating to exemptions from registration requirements for certain sales of securities.

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 Placement Im-
5 provement Act of 2014”.

6 **SEC. 2. REVISIONS TO SEC REGULATION D.**

7 Not later than 45 days following the date of the en-
8 actment of this Act, the Securities and Exchange Commis-

1 sion shall revise Regulation D (17 C.F.R. 501 et seq.) in
2 accordance with the following:

3 (1) The Commission shall revise Form D filing
4 requirements to require an issuer offering or selling
5 securities in reliance on an exemption provided
6 under Rule 506 of Regulation D to file with the
7 Commission a single notice of sales containing the
8 information required by Form D for each new offer-
9 ing of securities no earlier than the date of first sale
10 of securities in the offering. The Commission shall
11 not require such an issuer to file any notice of sales
12 containing the information required by Form D ex-
13 cept for the single notice described in the previous
14 sentence.

15 (2) The Commission shall make the information
16 contained in each Form D filing available to the se-
17 curities commission (or any agency or office per-
18 forming like functions) of each State and territory of
19 the United States and the District of Columbia.

20 (3) The Commission shall not condition the
21 availability of any exemption for an issuer under
22 Rule 506 of Regulation D (17 C.F.R. 230.506) on
23 the issuer's or any other person's filing with the
24 Commission of a Form D or any similar report.

1 (4) The Commission shall not require issuers to
2 submit written general solicitation materials to the
3 Commission in connection with a Rule 506(c) offer-
4 ing, except when the Commission requests such ma-
5 terials pursuant to the Commission’s authority
6 under section 8A or section 20 of the Securities Act
7 of 1933 (15 U.S.C. 77h–1 or 77t) or section 9,
8 10(b), 21A, 21B, or 21C of the Securities Exchange
9 Act of 1934 (15 U.S.C. 78i, 78j(b), 78u–1, 78u–2,
10 or 78u–3).

11 (5) The Commission shall not extend the re-
12 quirements contained in Rule 156 to private funds.

13 (6) The Commission shall revise Rule 501(a) of
14 Regulation D to provide that a person who is a
15 “knowledgeable employee” of a private fund or the
16 fund’s investment adviser, as defined in Rule 3c–
17 5(a)(4) (17 C.F.R. 270.3c–5(a)(4)), shall be an ac-
18 credited investor for purposes of a Rule 506 offering
19 of a private fund with respect to which the person
20 is a knowledgeable employee.

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