

[118H4590]

**[DISCUSSION DRAFT]**119TH CONGRESS  
1ST SESSION**H. R.** \_\_\_\_\_

To amend the Securities Exchange Act of 1934 to provide for liability for certain failures to disclose material information in connection with proxy voting advice, and for other purposes.

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**IN THE HOUSE OF REPRESENTATIVES**

Mr. STEIL introduced the following bill; which was referred to the Committee  
on \_\_\_\_\_

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**A BILL**

To amend the Securities Exchange Act of 1934 to provide for liability for certain failures to disclose material information in connection with proxy voting advice, and for other purposes.

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

1 **SECTION 1. LIABILITY FOR CERTAIN FAILURES TO DIS-**  
2 **CLOSE MATERIAL INFORMATION OR MAKING**  
3 **OF MATERIAL MISSTATEMENTS.**

4 Section 14 of the Securities Exchange Act of 1934  
5 (15 U.S.C. 78n) is amended by adding at the end the fol-  
6 lowing:

7 “(1) FALSE OR MISLEADING STATEMENTS.—For  
8 purposes of section 18, the failure to disclose material in-  
9 formation (such as a proxy voting advice business’s meth-  
10 odology, sources of information, or conflicts of interest)  
11 or the making of a material misstatement regarding proxy  
12 voting advice that makes a recommendation to a security  
13 holder as to the security holder’s vote, consent, or author-  
14 ization on a specific matter for which security holder ap-  
15 proval is solicited, and that is furnished by a person that  
16 markets the person’s expertise as a provider of such proxy  
17 voting advice separately from other forms of investment  
18 advice, and sells such proxy voting advice for a fee, shall  
19 be considered to be false or misleading with respect to a  
20 material fact.”.