

**AMENDMENT TO THE AMENDMENT IN THE
NATURE OF A SUBSTITUTE TO H.R. 6541
OFFERED BY M_{S.} Waters**

Strike section 2 and insert the following:

1 SEC. 2. JOBS ACT-RELATED EXEMPTION.

2 Section 3(b) of the Securities Act of 1933 (15 U.S.C.
3 77c(b)) is amended—

4 (1) in paragraph (2)(A), by striking
5 “\$50,000,000” and inserting “\$100,000,000, ad-
6 justed for inflation by the Commission every 2 years
7 to the nearest \$10,000 to reflect the change in the
8 Consumer Price Index for All Urban Consumers
9 published by the Bureau of Labor Statistics”;

10 (2) in paragraph (2), by adding at the end the
11 following:

12 “(H) OPERATING COMPANY REQUIREMENT
13 FOR LARGER OFFERINGS.—

14 “(i) IN GENERAL.—The Commission
15 shall provide, as a condition to the avail-
16 ability of any exemption added in accord-
17 ance with this paragraph, that an issuer
18 may not offer or sell securities in reliance
19 on such exemption in an aggregate offering

1 amount that exceeds \$50,000,000 during
2 any 12-month period, unless the issuer is
3 an operating company and is not an ex-
4 cluded issuer.

1 “(II) an issuer that is a special
2 purpose vehicle, including any issuer
3 formed for the purpose of acquiring,
4 holding, or disposing of one or more
5 specified assets or interests in one or
6 more entities, and that does not have
7 substantial operations other than ac-
8 tivities incidental to such acquisition,
9 holding, or disposition;

10 “(III) an issuer that is a real es-
11 tate holding company, including any
12 issuer that elects to be treated as a
13 real estate investment trust under sec-
14 tion 856 of the Internal Revenue Code
15 of 1986, or any issuer primarily en-
16 gaged in owning or financing real es-
17 tate or interests in real estate for in-
18 vestment;

19 “(IV) an issuer that is a holding
20 company that does not have substan-
21 tial operations other than holding se-
22 curities or other ownership interests
23 in one or more other persons; or

24 “(V) an issuer that is primarily
25 engaged in the business of providing

1 financial services, including banking,
2 lending, insurance, brokerage, dealing,
3 investment advisory services, com-
4 modity pool operations, or similar fi-
5 nancial activities, as determined by
6 the Commission.

15 (3) in paragraph (5)—

16 (A) by striking "such amount as" and in-
17 serting: "such amount, in addition to the ad-
18 justment for inflation provided for under such
19 paragraph (2)(A), as"; and

20 (B) by striking "such amount, it" and in-
21 serting "such amount, in addition to the adjust-
22 ment for inflation provided for under such
23 paragraph (2)(A), it".

1 **SEC. 3. SEC STUDY ON REGULATION A UTILIZATION AND**
2 **MARKET FUNCTIONING.**

3 (a) STUDY.—Not later than 18 months after the date
4 of enactment of this Act, the Securities and Exchange
5 Commission (the “Commission”) shall conduct a study, in
6 close consultation with—

7 (1) State securities regulators (including
8 through the North American Securities Administra-
9 tors Association); and

10 (2) the Office of the Advocate for Small Busi-
11 ness Capital Formation.

12 (b) MATTERS STUDIED.—The study required under
13 subsection (a) shall examine the principal barriers to effec-
14 tive utilization of Regulation A (and rules adopted under
15 section 3(b)(2) of the Securities Act of 1933), including—

16 (1) secondary-market liquidity constraints for
17 Regulation A securities, including the effects of
18 State “blue sky” requirements on secondary trading
19 and quotations;

20 (2) the costs and fixed compliance burdens as-
21 sociated with Regulation A offerings and ongoing re-
22 porting, including the role of audit requirements and
23 scaled disclosure frameworks;

24 (3) “bad actor” disqualification scope, waiver
25 practices, and any related barriers to capital forma-
26 tion while maintaining investor protection;

9 (6) any other structural or market-structure
10 frictions identified by the Commission, State regu-
11 lators, or the Office of the Advocate for Small Busi-
12 ness Capital Formation as contributing to under-
13 utilization.

14 (c) REPORT.—Not later than 24 months after the
15 date of enactment of this Act, the Commission shall sub-
16 mit to the Committee on Financial Services of the House
17 of Representatives and the Committee on Banking, Hous-
18 ing, and Urban Affairs of the Senate a report con-
19 taining—

20 (1) the findings and conclusions of the study re-
21 quired under subsection (a);

22 (2) recommendations for administrative action
23 or rulemaking; and

4 (d) PUBLIC INPUT.—In carrying out this section, the
5 Commission shall provide an opportunity for public com-
6 ment and may convene a public roundtable or similar pro-
7 ceeding.

