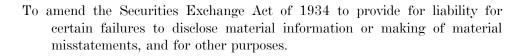
## [DISCUSSION DRAFT]

H.R.

119TH CONGRESS 1ST SESSION



## IN THE HOUSE OF REPRESENTATIVES

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

## A BILL

- To amend the Securities Exchange Act of 1934 to provide for liability for certain failures to disclose material information or making of material misstatements, 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,

 $\mathbf{2}$ 

## 1SECTION 1. LIABILITY FOR CERTAIN FAILURES TO DIS-2CLOSE MATERIAL INFORMATION OR MAKING3OF 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 fol6 lowing:

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