1. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE MCHENRY OF NORTH CAROLINA OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

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AMENDMENT TO H.R. 2930, AS REPORTED

OFFERED BY MR. MCHENRY OF NORTH CAROLINA

Page 5, line 5, strike "issuance" and insert "offer or sale".

Page 5, line 6, strike "for which" and insert "by an issuer, provided that".

Page 5, beginning on line 7, strike "annual amount raised through the issue of the securities" and insert "amount sold within the previous 12-month period in reliance upon this exemption".

Page 5, beginning on line 13, strike "individual investments in the securities are limited to an aggregate annual amount equal to" and insert "the aggregate amount sold to any investor in reliance on this exemption within the previous 12-month period does not exceed".

Page 5, line 17, strike "the" and insert "such".

Page 6, line 8, strike "issuance" and insert "offer or sale".

Page 6, line 12, after "website" insert "used for the offer and sale of such securities".

Page 6, line 24, strike "person" and insert "intermediary".

Page 7, line 4, strike "competency in".

Page 7, line 5, strike "recognition" and insert "an understanding".

Page 7, line 8, before "risk" insert "an understanding of the".

Page 7, line 10, before the semicolon insert "by rule or regulation".

Page 7, strike lines 11 through 15 and insert the following:

1 "(7) requires the issuer to state a target offer-
2 ing amount and a deadline to reach the target offer-
3 ing amount and ensure the third party custodian de-
4 scribed under paragraph (10) withholds offering pro-
5 ceeds until aggregate capital raised from investors
6 other than the issuer is no less than 60 percent of
7 the target offering amount;".

Page 7, line 18, strike "with basic" and insert "and potential investors with".

Page 7, beginning on line 19, strike "funds are solicited from" and insert "securities are offered to".

Page 8, line 2, strike "capital formation funds" and insert "proceeds of the offering".

Page 8, line 4, before the semicolon insert "and the deadline to reach the target offering amount".

Page 8, beginning on line 6, strike "traditional broker or dealer or" and insert "broker or dealer registered under section 15(b)(1) of the Securities Exchange Act of 1934 or an".

Page 8, line 13, strike "and" and insert after such line the following:

1 "(13) provides the Commission with a notice
2 upon completion of the offering, which shall include
3 the aggregate offering amount and the number of
4 purchasers; and".

Page 8, line 14, strike "(13)" and insert "(14)".

Page 8, line 17, before "securities" insert "or sells".

Page 9, line 13, strike "competency in".

Page 9, line 14, strike "recognition" and insert "an understanding".

Page 9, line 17, before "risk" insert "an understanding of the".

Page 9, line 19, before the semicolon insert "by rule or regulation".

Page 9, beginning on line 20, strike "withholds capital formation" and insert "ensures that the third party custodian described under paragraph (9) withholds offering".

Page 10, line 1, strike "basic".

Page 10, beginning on line 2, strike "funds are solicited from" and insert "securities are offered to".

Page 10, line 5, strike "capital formation funds" and insert "proceeds of the offering".

Page 10, line 7, before the semicolon insert "and the deadline to reach the target offering amount".

Page 10, beginning on line 9, strike "traditional broker or dealer or" and insert "broker or dealer registered under section 15(b)(1) of the Securities Exchange Act of 1934 or an".

Page 10, line 16, strike "and" and insert after such line the following:

1 "(13) provides the Commission with a notice
2 upon completion of the offering, which shall include

1 the aggregate offering amount and the number of
2 purchasers; and".

Page 10, line 17, strike "(13)" and insert "(14)".

Page 10, line 22, strike "provided by an investor" and insert "as to annual income provided by the person to whom the securities are sold".

Page 11, line 1, strike "(a)(9) and (b)(8)" and insert "(a)(9), (a)(13), (b)(8), and (b)(13)".

Page 11, line 5, strike "an investor may not sell" and insert "a purchaser may not transfer".

Page 11, strike lines 11 through 15 and insert the following:

3 "(1) NO REGISTRATION AS BROKER.—With re-
4 spect to a transaction described under section 4(6)
5 involving an intermediary, such intermediary shall
6 not be required to register as a broker under section
7 15(a)(1) of the Securities Exchange Act of 1934
8 solely by reason of participation in such trans-
9 action.".

Page 11, line 21, strike "90" and insert "180".

Page 12, beginning on line 1, strike "carry out the cost-benefit analysis required under section 2(b) of such

Act" and insert "consider the costs and benefits of the action".

Page 12, line 3, strike "90" and insert "180".

Page 12, line 6, strike "a person" and insert "an issuer".

Page 12, beginning on line 8, strike "or to participate in the affairs of an intermediary facilitating the use of that exemption." and insert "based on the disciplinary history of the issuer or its predecessors, affiliates, officers, directors, or persons fulfilling similar roles. The Commission shall also establish disqualification provisions under which an intermediary shall not be eligible to act as an intermediary in connection with an offering utilizing the exemption under section 4(6) of the Securities Act of 1933 based on the disciplinary history of the intermediary or its predecessors, affiliates, officers, directors, or persons fulfilling similar roles.".

Page 13, beginning on line 1, strike "the term 'held of record' shall not include holders of securities issued pursuant to transactions described under section 4(6) of the Securities Act of 1933." and insert "securities held by persons who purchase such securities in transactions

described under section 4(6) of the Securities Act of 1933 shall not be deemed to be 'held of record'.".