

2. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE HINOJOSA OF TEXAS OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

**AMENDMENT TO  
RULES COMMITTEE PRINT 114-62  
OFFERED BY MR. HINOJOSA OF TEXAS**

Page 3, strike lines 4 through 10, and insert the following:

1                   “(B) LIMITATIONS ON NON-ACCREDITED  
2                   INVESTORS.—With respect to non-accredited in-  
3                   vestors—  
4                   “(i) there are no more than 35, or the  
5                   issuer reasonably believes that there are no  
6                   more than 35, non-accredited investor pur-  
7                   chasers of securities from the issuer that  
8                   are sold in reliance on the exemption pro-  
9                   vided under subsection (a)(8) during the  
10                   12-month period preceding such trans-  
11                   action; and  
12                   “(ii) the amount that any non-accred-  
13                   ited investor purchases of such securities  
14                   does not exceed \$5,000.”.

Page 5, line 8, strike the quotation marks and following period and insert after such line the following:

15                   “(3) DISCLOSURE REQUIREMENT.—

1           “(A) IN GENERAL.—With respect to any  
2           actual or potential purchasers of a security sold  
3           in reliance on the exemption provided under  
4           subsection (a)(8), the issuer of such security  
5           shall provide such purchasers with a disclosure  
6           document containing the material elements of  
7           the offering.

8           “(B) UPDATE REQUIREMENT.—An issuer  
9           shall update the disclosure document described  
10          under subparagraph (A), and provide such up-  
11          dated disclosure document to purchasers, if a  
12          material change occurs before the purchase is  
13          completed or the offering ends.

14          “(C) TREATMENT OF FINANCIAL STATE-  
15          MENTS OR PROJECTIONS.—An issuer shall not  
16          be required to provide financial statements or  
17          projections in the disclosure document described  
18          under subparagraph (A), but, if the issuer pro-  
19          vides any financial statement or projection to  
20          any actual or potential purchaser, the issuer  
21          shall provide such financial statement or projec-  
22          tion to all actual or potential purchasers.

23          “(4) TREATMENT AS RESTRICTED SECURI-  
24          TIES.—Securities sold in reliance on the exemption  
25          under subsection (a)(8) shall be deemed to be re-

1       stricted securities within the meaning of Rule 144  
2       (17 C.F.R. 230.144).

3           “(5) FORM D REQUIREMENT.—The Commission  
4       shall require the issuer of any security sold in reli-  
5       ance on the exemption provided under subsection  
6       (a)(8) to comply with the filing requirements for  
7       Form D.”.

