

## Calendar No. 223

112TH CONGRESS  
1ST SESSION**H. R. 1965**

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IN THE SENATE OF THE UNITED STATES

NOVEMBER 3, 2011

Received; read the first time

NOVEMBER 7, 2011

Read the second time and placed on the calendar

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**AN ACT**

To amend the securities laws to establish certain thresholds for shareholder registration, 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,*

3 **SECTION 1. SHAREHOLDER REGISTRATION THRESHOLD.**

4 (a) AMENDMENTS TO SECTION 12 OF THE SECURI-  
5 TIES EXCHANGE ACT OF 1934.—Section 12(g) of the Se-  
6 curities Exchange Act of 1934 (15 U.S.C. 78l (g)) is  
7 amended—

8 (1) in paragraph (1)—

9 (A) by striking “\$1,000,000” both places  
10 it appears and inserting “\$10,000,000”;

1 (B) in subparagraph (A), by striking “;  
2 and” and inserting a semicolon;

3 (C) in subparagraph (B), by striking the  
4 comma at the end and inserting “; and”; and

5 (D) by inserting after subparagraph (B)  
6 the following:

7 “(C) in the case of an issuer that is a bank, as  
8 such term is defined in section 3(a)(6) of this title,  
9 or a bank holding company, as such term is defined  
10 in section 2 of the Bank Holding Company Act of  
11 1956 (12 U.S.C. 1841), not later than 120 days  
12 after the last day of its first fiscal year ended after  
13 the effective date of this subsection, on which the  
14 issuer has total assets exceeding \$10,000,000 and a  
15 class of equity security (other than an exempted se-  
16 curity) held of record by 2,000 or more persons,”;  
17 and

18 (2) in paragraph (4), by striking “three hun-  
19 dred” and inserting “300 persons, or, in the case of  
20 a bank, as such term is defined in section 3(a)(6),  
21 or a bank holding company, as such term is defined  
22 in section (2) of the Bank Holding Company Act of  
23 1956 (12 U.S.C. 1841), 1,200”.

24 (b) AMENDMENTS TO SECTION 15 OF THE SECURI-  
25 TIES EXCHANGE ACT OF 1934.—Section 15(d) of the Se-

1 curities Exchange Act of 1934 (15 U.S.C. 78o(d)) is  
2 amended, in the third sentence, by striking “three hun-  
3 dred” and inserting “300 persons, or, in the case of bank,  
4 as such term is defined in section 3(a)(6), or a bank hold-  
5 ing company, as such term is defined in section (2) of the  
6 Bank Holding Company Act of 1956 (12 U.S.C. 1841),  
7 1,200”.

8 **SEC. 2. STUDY AND REPORT ON REGISTRATION THRESH-**  
9 **OLDS.**

10 (a) STUDY.—

11 (1) ANALYSIS REQUIRED.—The Chief Econo-  
12 mist and Director of the Division of Corporation Fi-  
13 nance of the Commission shall jointly conduct a  
14 study, including a cost-benefit analysis, of share-  
15 holder registration thresholds.

16 (2) COSTS AND BENEFITS.—The cost-benefit  
17 analysis under paragraph (1) shall take into ac-  
18 count—

19 (A) the incremental costs and benefits to  
20 investors of the increased disclosure that results  
21 from registration;

22 (B) the incremental costs and benefits to  
23 issuers associated with registration and report-  
24 ing requirements; and

1 (C) the incremental administrative costs to  
2 the Commission associated with different  
3 thresholds.

4 (3) THRESHOLDS.—The cost-benefit analysis  
5 under paragraph (1) shall evaluate whether it is ad-  
6 visable to—

7 (A) increase the asset threshold;

8 (B) index the asset threshold to a measure  
9 of inflation;

10 (C) increase the shareholder threshold;

11 (D) change the shareholder threshold to be  
12 based on the number of beneficial owners; and

13 (E) create new thresholds based on other  
14 criteria.

15 (b) REPORT.—Not later than 2 years after the date  
16 of enactment of this Act, the Chief Economist and the Di-  
17 rector of the Division of Corporation Finance of the Com-  
18 mission shall jointly submit to the Committee on Banking,  
19 Housing, and Urban Affairs of the Senate and the Com-  
20 mittee on Financial Services of the House of Representa-  
21 tives a report that includes—

22 (1) the findings of the study required under  
23 subsection (a); and

24 (2) recommendations for statutory changes to  
25 improve the shareholder registration thresholds.

1 **SEC. 3. RULEMAKING.**

2 Not later than 1 year after the date of enactment  
3 of this Act, the Commission shall issue final regulations  
4 to implement this Act and the amendments made by this  
5 Act.

Passed the House of Representatives November 2,  
2011.

Attest:

KAREN L. HAAS,

*Clerk.*

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112<sup>TH</sup> CONGRESS  
1<sup>ST</sup> Session

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