

qualified to work in America's financial institutions have that opportunity to pursue happiness in that manner.

Madam Speaker, I urge my colleagues to support this bill and support those who have repaid their debt to society as they begin that important journey of shifting back to society, building a new life, and pursuing happiness.

Madam Speaker, I reserve the balance of my time.

□ 1545

Mr. GARCÍA of Illinois. Madam Speaker, I yield 3 minutes to the gentlewoman from Ohio (Mrs. BEATTY).

Mrs. BEATTY. Madam Speaker, I thank the gentleman from Illinois for yielding time, and I also thank him and the minority for their support of this bill.

Madam Speaker, with the historic recovery since President Biden took office, there are now 11.5 million job openings in the United States. Unfortunately, for 78 million justice-involved individuals—that is one out of every three American adults—those opportunities are too often out of reach.

Under current law, people with criminal records are prohibited from working in a federally insured financial institution like a bank or a credit union unless they get a waiver from the government. That is just not for major felonies but also for minor misdemeanors, like shoplifting or having an altercation.

That is why my bill, H.R. 5911, the Fair Hiring in Banking Act, would update the law to reduce barriers for individuals with criminal records seeking to work at a federally insured financial institution.

Take the example of a young person that had an altercation with a police officer, a misdemeanor, and got 6 months probation with no time served and without admitting guilt. They would fall under this.

Specifically, this bill would reduce the existing lifetime ban to a more effective 7-year ban. Research shows that after 7 years, someone convicted of a felony is no more likely to commit a new offense than any other person.

Importantly, my bill would keep in place the ban for people who are convicted of major financial offenses like bank fraud or money laundering.

The bill also, as you have heard, codifies some of the recent rulemaking of the FDIC to exempt those individuals whose crimes have been expunged or whose offenses happened before the age of 21.

I would like to point out to my colleagues that this is a bipartisan bill that passed the Financial Services Committee without controversy. It has the backing of major financial services industry groups and a broad range of organizations, from the United States Chamber of Commerce to Public Citizen.

I urge my colleagues to support this bill.

Mr. HILL. Madam Speaker, I yield myself such time as I may consume.

Again, I thank Mrs. BEATTY for her work on this bill and her leadership as our subcommittee chair.

I think it deserves reiterating that when former FDIC Chair Jelena McWilliams was at the helm, she is the one who led the way to issue rules that allow individuals convicted of certain crimes who are currently barred from employment in the banking industry to apply for an exemption. Chair McWilliams did, I think, an outstanding job at the helm of the FDIC on behalf of the Trump administration.

H.R. 5911 takes the approach that would codify—put into law—aspects of that rulemaking, as well as expand the employment opportunities at banks and credit unions.

As Congresswoman BEATTY says, it does this, in part, by eliminating that waiver requirement for certain older criminal charges and reducing the lookback for crimes committed by persons under the age of 21.

This bill in no way eliminates the waiver requirement for crimes specific to a financial institution, and it doesn't change the 10-year minimum probation period.

This bipartisan bill codifies work done by the prior administration in an effective way that opens up, as I say, the opportunity for many people in this country to pursue happiness by way of a career in the financial services industry.

Madam Speaker, I spent almost four decades in the financial industry and have been involved in hiring hundreds of people in the banking industry, and this is the kind of a practical, common-sense view that I think will help many of our banks find and retain key members of their staff.

Madam Speaker, I thank the gentlewoman from Ohio for her work. I encourage colleagues on both sides of the aisle to support the bill, and I yield back the balance of my time.

Mr. GARCÍA of Illinois. Madam Speaker, I yield myself the balance of my time.

H.R. 5911 is just the next step toward addressing employment barriers for justice-involved individuals. More must be done, and I am glad that we can agree in a bipartisan manner to provide this opportunity with fair access to employment opportunities at banks and credit unions.

I thank Chair BEATTY for this bill, and I again urge my colleagues to join me in supporting this important H.R. 5911.

Madam Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Illinois (Mr. GARCÍA) that the House suspend the rules and pass the bill, H.R. 5911, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

Mr. ROY. Madam Speaker, on that I demand the yeas and nays.

The SPEAKER pro tempore. Pursuant to section 3(s) of House Resolution 8, the yeas and nays are ordered.

Pursuant to clause 8 of rule XX, further proceedings on this motion are postponed.

## EMPOWERING STATES TO PROTECT SENIORS FROM BAD ACTORS ACT

Mr. GARCÍA of Illinois. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 5914) to amend the Investor Protection and Securities Reform Act of 2010 to provide grants to States for enhanced protection of senior investors and senior policyholders, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 5914

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

### SECTION 1. SHORT TITLE.

This Act may be cited as the “Empowering States to Protect Seniors from Bad Actors Act”.

### SEC. 2. GRANTS TO ELIGIBLE ENTITIES FOR ENHANCED PROTECTION OF SENIOR INVESTORS AND SENIOR POLICYHOLDERS.

(a) IN GENERAL.—Section 989A of the Investor Protection and Securities Reform Act of 2010 (15 U.S.C. 5537) is amended to read as follows:

#### “SEC. 989A. GRANTS TO ELIGIBLE ENTITIES FOR ENHANCED PROTECTION OF SENIOR INVESTORS AND SENIOR POLICYHOLDERS.

“(a) DEFINITIONS.—In this section:

“(1) ELIGIBLE ENTITY.—The term ‘eligible entity’ means—

“(A) the securities commission (or any agency or office performing like functions) of any State; and

“(B) the insurance department (or any agency or office performing like functions) of any State.

“(2) SENIOR.—The term ‘senior’ means any individual who has attained the age of 62 years or older.

“(3) SENIOR FINANCIAL FRAUD.—The term ‘senior financial fraud’ means a fraudulent or otherwise illegal, unauthorized, or improper act or process of an individual, including a caregiver or a fiduciary, that—

“(A) uses the resources of a senior for monetary or personal benefit, profit, or gain;

“(B) results in depriving a senior of rightful access to or use of benefits, resources, belongings, or assets; or

“(C) is an action described in section 1348 of title 18, United States Code, that is taken against a senior.

“(4) TASK FORCE.—The term ‘task force’ means the task force established under subsection (b)(1).

“(b) GRANT PROGRAM.—

“(1) TASK FORCE.—

“(A) IN GENERAL.—The Commission shall establish a task force to carry out the grant program under paragraph (2).

“(B) MEMBERSHIP.—The task force shall consist of the following members:

“(i) A Chair of the task force, who—

“(I) shall be appointed by the Chairman of the Commission, in consultation with the Commissioners of the Commission; and

“(II) may be a representative of the Office of the Investor Advocate of the Commission,

the Division of Enforcement of the Commission, or such other representative as the Commission determines appropriate.

“(ii) If the Chair is not a representative of the Office of the Investor Advocate of the Commission, a representative of such Office.

“(iii) If the Chair is not a representative of the Division of Enforcement of the Commission, a representative of such Division.

“(iv) Such other representatives as the Commission determines appropriate.

“(C) **DETAIL OF EXECUTIVE AGENCY EMPLOYEES.**—Upon the request of the Commission, the head of any Federal agency may detail, on a reimbursable basis, any of the personnel of that Federal agency to the Commission to assist it in carrying out its functions under this section. The detail of any such personnel shall be without interruption or loss of civil service status or privilege.

“(2) **GRANTS.**—The task force shall carry out a program under which the task force shall make grants, on a competitive basis, to eligible entities, which—

“(A) may use the grant funds—

“(i) to hire staff to identify, investigate, and prosecute (through civil, administrative, or criminal enforcement actions) cases involving senior financial fraud;

“(ii) to fund technology, equipment, and training for regulators, prosecutors, and law enforcement officers, in order to identify, investigate, and prosecute cases involving senior financial fraud;

“(iii) to provide educational materials and training to seniors to increase awareness and understanding of senior financial fraud;

“(iv) to develop comprehensive plans to combat senior financial fraud; and

“(v) to enhance provisions of State law to provide protection from senior financial fraud; and

“(B) may not use the grant funds for any indirect expense, such as rent, utilities, or any other general administrative cost that is not directly related to the purpose of the grant program.

“(3) **AUTHORITY OF TASK FORCE.**—In carrying out paragraph (2), the task force—

“(A) may consult with staff of the Commission; and

“(B) shall make public all actions of the task force relating to carrying out that paragraph.

“(c) **APPLICATIONS.**—An eligible entity desiring a grant under this section shall submit an application to the task force, in such form and in such a manner as the task force may determine, that includes—

“(1) a proposal for activities to protect seniors from senior financial fraud that are proposed to be funded using a grant under this section, including—

“(A) an identification of the scope of the problem of senior financial fraud in the applicable State;

“(B) a description of how the proposed activities would—

“(i) protect seniors from senior financial fraud, including by proactively identifying victims of senior financial fraud;

“(ii) assist in the investigation and prosecution of those committing senior financial fraud; and

“(iii) discourage and reduce cases of senior financial fraud; and

“(C) a description of how the proposed activities would be coordinated with other State efforts; and

“(2) any other information that the task force determines appropriate.

“(d) **PERFORMANCE OBJECTIVES; REPORTING REQUIREMENTS; AUDITS.**—

“(1) **IN GENERAL.**—The task force—

“(A) may establish such performance objectives and reporting requirements for eligible entities receiving a grant under this section as the task force determines are nec-

essary to carry out and assess the effectiveness of the program under this section; and

“(B) shall require each eligible entity that receives a grant under this section to submit to the task force a detailed accounting of the use of grant funds, which shall be submitted at such time, in such form, and containing such information as the task force may require.

“(2) **REPORT.**—Not later than 2 years, and again not later than 5 years, after the date of the enactment of the Empowering States to Protect Seniors from Bad Actors Act, the task force shall submit to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate a report that—

“(A) specifies each recipient of a grant under this section;

“(B) includes a description of the programs that are supported by each such grant; and

“(C) includes an evaluation by the task force of the effectiveness of such grants.

“(3) **AUDITS.**—The task force shall annually conduct an audit of the program under this section to ensure that eligible entities to which grants are made under that program are, for the year covered by the audit, using grant funds for the intended purposes of those funds.

“(e) **MAXIMUM AMOUNT.**—The amount of a grant to an eligible entity under this section may not exceed \$500,000, which the task force shall adjust annually to reflect the percentage change in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor.

“(f) **SUBGRANTS.**—An eligible entity that receives a grant under this section may, in consultation with the task force, make a subgrant, as the eligible entity determines is necessary or appropriate—

“(1) to carry out the activities described in subsection (b)(2)(A); and

“(2) which may not be used for any activity described in subsection (b)(2)(B).

“(g) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated to carry out this section \$10,000,000 for each of fiscal years 2023 through 2028.”

(b) **CONFORMING AMENDMENT.**—The table of contents in section 1(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act is amended by striking the item relating to section 989A and inserting the following:

“Sec. 989A. Grants to eligible entities for enhanced protection of senior investors and senior policyholders.”

The **SPEAKER** pro tempore. Pursuant to the rule, the gentleman from Illinois (Mr. GARCÍA) and the gentleman from Arkansas (Mr. HILL) each will control 20 minutes.

The Chair recognizes the gentleman from Illinois.

#### GENERAL LEAVE

Mr. GARCÍA of Illinois. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on this legislation and to insert extraneous material thereon.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. GARCÍA of Illinois. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I rise to voice my support for H.R. 5914, the Empowering

States to Protect Seniors from Bad Actors Act. I thank Mr. GOTTHEIMER for introducing this legislation that provides grants to State securities regulators to support programs that protect senior investors. I also thank Mr. MCHENRY, the minority spokesperson, for working with us on this important bill.

Madam Speaker, seniors are particularly vulnerable to investment frauds, scams, and deceptive practices. In October of last year, in its annual report on elder fraud and abuse, the Department of Justice reported that in 2020 alone, seniors suffered over \$1 billion in financial losses due to fraud.

State securities and insurance regulators are on the front lines of protecting our investors. The SEC, with the support of its Investor Advocate and Division of Enforcement, is well placed to evaluate and administer grant programs to bolster State regulators' efforts to better protect senior investors.

This bill is widely supported by investor advocates and State securities regulators, including the North American Securities Administrators Association, the Consumer Federation of America, Public Citizen, and the CFA Institute.

Madam Speaker, I, again, thank Members on both sides for coming together on this bill, and I urge its passage.

Madam Speaker, I reserve the balance of my time.

Mr. HILL. Madam Speaker, I yield myself such time as I may consume.

I rise today in support of H.R. 5914, the Empowering States to Protect Seniors from Bad Actors Act. I thank the gentleman from New Jersey (Mr. GOTTHEIMER), my friend, for his work on this important legislation.

Protecting investors, especially the most vulnerable to financial crimes and fraud, is a bipartisan effort. In the great State of Arkansas, our seniors make up 17.4 percent of our population and, across the Nation, with 54 million seniors over the age of 65, senior investors are a frequent target of investment fraudsters.

It is especially important that we protect this population against fraud and punish bad actors, especially since these investors are largely on fixed incomes, living on their savings.

H.R. 5914 better equips State securities regulators and their enforcement and investigative arms to pursue, punish, and deter financial crimes and fraud committed against our seniors.

With this being a new grant program, important provisions have been included that require an interim and final report to the Congress. This will allow us to determine the effectiveness of this program before it is renewed.

I urge colleagues on both sides of the aisle to support this legislation, and I reserve the balance of my time.

Mr. GARCÍA of Illinois. Madam Speaker, I yield 2 minutes to the gentlewoman from Texas (Ms. GARCIA).

Ms. GARCIA of Texas. Madam Speaker, I rise today in support of my colleague from New Jersey Mr. GOTTHEIMER's bill, H.R. 5914, the Empowering States to Protect Seniors from Bad Actors Act, of which I am a proud cosponsor.

Increasingly, senior investors and consumers have become the target of financial exploitation. Sadly, one in five older Americans have been victimized by financial fraud.

Madam Speaker, in today's world of technology and telemarketing calls and robocalls, it is only getting worse.

I can tell you, Madam Speaker, that I have had many lives in my life. I am like a cat. The first life I had was as a geriatric social worker. I saw it back then, but it was a little bit different. Now, with technology and all the high-tech things that one can do, it gets worse and worse. The numbers are getting higher, and the dollar values are getting higher.

Protecting seniors from financial exploitation is critical to ensuring that seniors can maintain a secure retirement.

This bill will help do that. It creates a senior investor protection grant program to be implemented by the Securities and Exchange Commission, which will work closely with State securities regulators to protect older investors and educate seniors about financial matters and financial scams.

Madam Speaker, I thank Chairwoman WATERS and Representative GOTTHEIMER for bringing this bipartisan bill before us today. I urge my colleagues to vote "yes" on this bill, and I look forward to seeing it come to fruition.

Mr. HILL. Madam Speaker, let me again urge our colleagues to provide support for this bill.

Madam Speaker, I yield back the balance of my time.

Mr. GARCIA of Illinois. Madam Speaker, I yield myself the balance of my time.

Madam Speaker, this is a strongly bipartisan bill aimed to strengthen senior investment protection programs at our States' securities and insurance regulators. It will help protect millions of seniors who are vulnerable to scams and fraudsters.

I thank Mr. GOTTHEIMER for his leadership on this bill, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Illinois (Mr. GARCIA) that the House suspend the rules and pass the bill, H.R. 5914, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

Mr. ROY. Madam Speaker, on that I demand the yeas and nays.

The SPEAKER pro tempore. Pursuant to section 3(s) of House Resolution 8, the yeas and nays are ordered.

Pursuant to clause 8 of rule XX, further proceedings on this motion are postponed.

# SMALL BUSINESS MERGERS, ACQUISITIONS, SALES, AND BROKERAGE SIMPLIFICATION ACT OF 2021

Mr. GARCIA of Illinois. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 935) to amend the Securities Exchange Act of 1934 to exempt from registration brokers performing services in connection with the transfer of ownership of smaller privately held companies, as amended. The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 935

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

## SECTION 1. SHORT TITLE.

This Act may be cited as the "Small Business Mergers, Acquisitions, Sales, and Brokerage Simplification Act of 2021".

## SEC. 2. REGISTRATION EXEMPTION FOR MERGER AND ACQUISITION BROKERS.

Section 15(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(b)) is amended by adding at the end the following:

"(13) REGISTRATION EXEMPTION FOR MERGER AND ACQUISITION BROKERS.—

"(A) IN GENERAL.—Except as provided in subparagraphs (B) and (C), an M&A broker shall be exempt from registration under this section.

"(B) EXCLUDED ACTIVITIES.—An M&A broker is not exempt from registration under this paragraph if such broker does any of the following:

"(i) Directly or indirectly, in connection with the transfer of ownership of an eligible privately held company, receives, holds, transmits, or has custody of the funds or securities to be exchanged by the parties to the transaction.

"(ii) Engages on behalf of an issuer in a public offering of any class of securities that is registered, or is required to be registered, with the Commission under section 12 or with respect to which the issuer files, or is required to file, periodic information, documents, and reports under subsection (d).

"(iii) Engages on behalf of any party in a transaction involving a shell company, other than a business combination related shell company.

"(iv) Directly, or indirectly through any of its affiliates, provides financing related to the transfer of ownership of an eligible privately held company.

"(v) Assists any party to obtain financing from an unaffiliated third party without—

"(I) complying with all other applicable laws in connection with such assistance, including, if applicable, Regulation T (12 C.F.R. 220 et seq.); and

"(II) disclosing any compensation in writing to the party.

"(vi) Represents both the buyer and the seller in the same transaction without providing clear written disclosure as to the parties the broker represents and obtaining written consent from both parties to the joint representation.

"(vii) Facilitates a transaction with a group of buyers formed with the assistance of the M&A broker to acquire the eligible privately held company.

"(viii) Engages in a transaction involving the transfer of ownership of an eligible privately held company to a passive buyer or group of passive buyers.

"(ix) Binds a party to a transfer of ownership of an eligible privately held company.

"(C) DISQUALIFICATION.—An M&A broker is not exempt from registration under this paragraph if such broker (and if and as appli-

cable, including any officer, director, member, manager, partner, or employee of such broker)—

"(i) has been barred from association with a broker or dealer by the Commission, any State, or any self-regulatory organization; or

"(ii) is suspended from association with a broker or dealer

"(D) RULE OF CONSTRUCTION.—Nothing in this paragraph shall be construed to limit any other authority of the Commission to exempt any person, or any class of persons, from any provision of this title, or from any provision of any rule or regulation thereunder.

"(E) DEFINITIONS.—In this paragraph:

"(i) BUSINESS COMBINATION RELATED SHELL COMPANY.—The term 'business combination related shell company' means a shell company that is formed by an entity that is not a shell company—

"(I) solely for the purpose of changing the corporate domicile of that entity solely within the United States; or

"(II) solely for the purpose of completing a business combination transaction (as defined under section 230.165(f) of title 17, Code of Federal Regulations) among one or more entities other than the company itself, none of which is a shell company.

"(ii) CONTROL.—The term 'control' means the power, directly or indirectly, to direct the management or policies of a company, whether through ownership of securities, by contract, or otherwise. There is a presumption of control if, upon completion of a transaction, the buyer or group of buyers—

"(I) has the right to vote 25 percent or more of a class of voting securities or the power to sell or direct the sale of 25 percent or more of a class of voting securities; or

"(II) in the case of a partnership or limited liability company, has the right to receive upon dissolution, or has contributed, 25 percent or more of the capital.

"(iii) ELIGIBLE PRIVATELY HELD COMPANY.—The term 'eligible privately held company' means a privately held company that meets both of the following conditions:

"(I) The company does not have any class of securities registered, or required to be registered, with the Commission under section 12 or with respect to which the company files, or is required to file, periodic information, documents, and reports under subsection (d).

"(II) In the fiscal year ending immediately before the fiscal year in which the services of the M&A broker are initially engaged with respect to the securities transaction, the company meets either or both of the following conditions (determined in accordance with the historical financial accounting records of the company):

"(aa) The earnings of the company before interest, taxes, depreciation, and amortization are less than \$25,000,000.

"(bb) The gross revenues of the company are less than \$250,000,000.

For purposes of this subclause, the Commission may by rule modify the dollar figures if the Commission determines that such a modification is necessary or appropriate in the public interest or for the protection of investors.

"(iv) M&A BROKER.—The term 'M&A broker' means a broker, and any person associated with a broker, engaged in the business of effecting securities transactions solely in connection with the transfer of ownership of an eligible privately held company, regardless of whether the broker acts on behalf of a seller or buyer, through the purchase, sale, exchange, issuance, repurchase, or redemption of, or a business combination involving, securities or assets of the eligible privately held company, if the broker reasonably believes that—