

114TH CONGRESS
2D SESSION

H. R. 4850

To amend the Securities Act of 1933 to exempt certain micro-offerings from the registration requirements of such Act, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 23, 2016

Mr. EMMER of Minnesota (for himself, Mr. MESSER, Mr. BARR, Mr. ROYCE, Mr. CHABOT, Mr. TIPTON, Mr. BROOKS of Alabama, and Mr. WILLIAMS) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To amend the Securities Act of 1933 to exempt certain micro-offerings from the registration requirements of such Act, 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. SHORT TITLE.**

4 This Act may be cited as the “Micro Offering Safe
5 Harbor Act”.

6 **SEC. 2. EXEMPTIONS FOR MICRO-OFFERINGS.**

7 (a) IN GENERAL.—Section 4 of the Securities Act of
8 1933 (15 U.S.C. 77d) is amended—

1 (1) in subsection (a), by adding at the end the
2 following new paragraph:

3 “(8) transactions meeting the requirements of
4 subsection (e).”; and

5 (2) by adding at the end the following:

6 “(e) CERTAIN MICRO-OFFERINGS.—The transactions
7 referred to in subsection (a)(8) are transactions involving
8 the sale of securities by an issuer (including all entities
9 controlled by or under common control with the issuer)
10 that meet one or more of the following requirements:

11 “(1) PRE-EXISTING RELATIONSHIP.—Each pur-
12 chaser has a substantive pre-existing relationship
13 with an officer of the issuer, a director of the issuer,
14 or a shareholder holding 10 percent or more of the
15 shares of the issuer.

16 “(2) 35 OR FEWER PURCHASERS.—There are
17 no more than, or the issuer reasonably believes that
18 there are no more than, 35 purchasers of securities
19 from the issuer that are sold in reliance on the ex-
20 emption provided under subsection (a)(8) during the
21 12-month period preceding such transaction.

22 “(3) SMALL OFFERING AMOUNT.—The aggre-
23 gate amount of all securities sold by the issuer, in-
24 cluding any amount sold in reliance on the exemp-
25 tion provided under subsection (a)(8), during the 12-

1 month period preceding such transaction, does not
2 exceed \$500,000.”.

3 (b) EXEMPTION UNDER STATE REGULATIONS.—Sec-
4 tion 18(b)(4) of the Securities Act of 1933 (15 U.S.C.
5 77r(b)(4)) is amended—

6 (1) in subparagraph (F), by striking “or” at
7 the end;

8 (2) in subparagraph (G), by striking the period
9 and inserting “; or”; and

10 (3) by adding at the end the following:

11 “(H) section 4(a)(8).”.

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