

115TH CONGRESS
2D SESSION

H. R. 6322

To amend the Securities Exchange Act of 1934 to require issuers with a multi-class stock structure to make certain disclosures in any proxy or consent solicitation material, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 10, 2018

Mr. MEEKS introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To amend the Securities Exchange Act of 1934 to require issuers with a multi-class stock structure to make certain disclosures in any proxy or consent solicitation material, 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 “Enhancing Multi-Class
5 Stock Disclosures Act”.

1 **SEC. 2. REPORTING ON CERTAIN ISSUERS.**

2 Section 14 of the Securities Exchange Act of 1934
3 (15 U.S.C. 78n) is amended by adding at the end the fol-
4 lowing:

5 “(k) DISCLOSURE FOR ISSUERS WITH MULTI-CLASS
6 STOCK STRUCTURE.—

7 “(1) DISCLOSURE.—The Commission shall, by
8 rule, require each issuer with a multi-class stock
9 structure to disclose the information described in
10 paragraph (2) in any proxy or consent solicitation
11 material for an annual meeting of the shareholders
12 of the issuer.

13 “(2) CONTENT.—A disclosure made under
14 paragraph (1) shall include, with respect to each
15 person who is a director or executive officer of the
16 issuer or who, directly or indirectly, holds 5 percent
17 or more of the total combined voting power of all
18 classes of stock entitled to vote in the election of di-
19 rectors—

20 “(A) the amount of equity interest directly
21 or indirectly owned by such person, expressed
22 as a percentage of the total value of the out-
23 standing equity securities of the issuer; and

24 “(B) the amount of voting power held by
25 such person, expressed as a percentage of the
26 total combined voting power of all classes of the

1 securities of the issuer entitled to vote in the
2 election of directors.

3 “(3) MULTI-CLASS STOCK STRUCTURE.—In this
4 subsection, the term ‘multi-class stock structure’
5 means a capitalization structure that contains 2 or
6 more classes of stock that have different amounts of
7 voting power.”.

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