

PROVIDING FOR CONSIDERATION OF THE BILL (H.R. 4498)  
TO CLARIFY THE DEFINITION OF GENERAL SOLICITA-  
TION UNDER FEDERAL SECURITIES LAW

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APRIL 26, 2016.—Referred to the House Calendar and ordered to be printed

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Mr. SESSIONS, from the Committee on Rules,  
submitted the following

R E P O R T

[To accompany H. Res. 701]

The Committee on Rules, having had under consideration House Resolution 701, by a nonrecord vote, report the same to the House with the recommendation that the resolution be adopted.

SUMMARY OF PROVISIONS OF THE RESOLUTION

The resolution provides for consideration of H.R. 4498, the HALOS Act, under a structured rule. The resolution provides one hour of debate equally divided and controlled by the chair and ranking minority member of the Committee on Financial Services. The resolution waives all points of order against consideration of the bill. The resolution provides that the bill shall be considered as read. The resolution waives all points of order against provisions in the bill. The resolution makes in order only the amendment printed in this report, if offered by the Member designated in this report, which shall be considered as read, shall be debatable for the time specified in this report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question. The resolution waives all points of order against the amendment printed in this report. The resolution provides one motion to recommit with or without instructions.

EXPLANATION OF WAIVERS

Although the resolution waives all points of order against consideration of the bill, the Committee is not aware of any points of order. The waiver is prophylactic in nature.

Although the resolution waives all points of order against provisions in the bill, the Committee is not aware of any points of order. The waiver is prophylactic in nature.

Although the resolution waives all points of order against the amendment printed in this report, the Committee is not aware of any points of order. The waiver is prophylactic in nature.

SUMMARY OF THE AMENDMENT MADE IN ORDER

1. Waters (CA): Limits the types of fees “demo day” sponsors can collect, limits attendance at “demo days” to only individuals with financial sophistication, and requires an issuer to be a real business. (10 minutes)

TEXT OF AMENDMENT MADE IN ORDER

1. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE WATERS OF CALIFORNIA OR HER DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 5, line 5, strike “and”.

Page 5, after line 5, insert the following:

(D) does not receive any compensation for making introductions between investors attending the event and issuers, or for investment negotiations between such parties; and

Page 5, line 6, strike “(D)” and insert “(E)”.

Page 5, line 11, strike “and”.

Page 5, line 23, strike the period and insert “; and”.

Page 5, after line 23, insert the following:

(5) where attendance to the event is limited to members of an angel investor group or to accredited investors.

At the end of the bill, insert the following:

(c) DEFINITION OF ISSUER.—For purposes of this section and the revision of rules required under this section, the term “issuer” means an issuer that is in day-to-day operations as a business, is not in bankruptcy or receivership, is not an investment company, and is not a blank check, blind pool, or shell company.