

## Corporate & Financial Weekly Digest

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### **Amendments to Dodd-Frank Act Introduced in House**

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On March 16, members of the Capital Markets Subcommittee of the House Financial Services Committee introduced several bills designed to amend or supplement the Dodd-Frank Wall Street Reform and Consumer Protection Act, including those described below:

The Burdensome Data Collection Relief Act, H.R. 1062, would repeal the requirements of Section 953(b) of the Dodd-Frank Act, which requires publicly traded companies to disclose their median annual total compensation of all employees.

The Small Company Capital Formation Act, H.R. 1070, would amend Section 3(b) of the Securities Act of 1933 to increase the offering threshold for companies exempted from Securities and Exchange Commission registration under Regulation A from \$5 million to \$50 million. The Small Company Capital Formation Act also requires the SEC to review the offering amount limitation every two years and, if the SEC decides not to increase such offering threshold, report to the Committee on Financial Services of the House of Representatives and the Committee on Banking of the Senate its reasons for not increasing the amount.

The Small Business Capital Access and Job Preservation Act, H.R. 1082, would amend Section 203 of the Investment Advisers Act to exempt advisers to private equity funds from the registration requirements imposed on such advisers under the Dodd-Frank Act. The Small Business Capital Access and Job Preservation Act does, however, require advisers to private equity funds to maintain records and provide the SEC with annual or other reports as necessary and appropriate in the public interest and in the protection of investors even if not formally registered with the SEC.

A discussion draft of the Asset-Backed Market Stabilization Act provides for the repeal of Section 939G of the Dodd-Frank Act and the restoration of Rule 436(g) of the Securities Act of 1933, which was repealed by such section. Rule 436(g) of the Securities Act provided that the security rating assigned to a class of securities by a credit rating agency is not considered part of the registration statement prepared or certified by an expert. The repeal of Rule 436(g) in effect required issuers to obtain and file a consent from the credit rating agency with any registration statement if ratings are to be disclosed. Since rating agencies refused to provide such a consent, the asset-backed securities market effectively ceased to function, forcing the SEC to issue a

temporary no-action letter on July 22, 2010, and a permanent no-action letter on November 23, 2010.

Click [here](#) to read the press release from the Capital Markets Subcommittee.

Click [here](#) to read the Burdensome Data Collection Relief Act.

Click [here](#) to read the Small Company Capital Formation Act.

Click [here](#) to read the Small Business Capital Access and Job Preservation Act.

Click [here](#) to read the discussion draft of the Asset-Backed Market Stabilization Act.

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