

Quick note: Thanks again to private markets network [Axial](#) for including my Private Fund Update in its list of "[16 Websites Deal Professionals Should Visit Daily](#)."

Private Fund Update

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After a slow week, things will pick up significantly as the House Financial Services Committee holds a markup on several bills that would likely be included in a JOBS Act 2.0, including legislation that would:

- Ease regulations on business development companies;
- Ease regulatory burdens on small M&A advisers; and
- Authorize a pilot program for increased tick size for emerging growth companies.

Also of note, the Private Equity Growth Capital Council released its quarterly private equity performance update and the CFTC released its re-proposed rules on position limits.

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The President

The President continued to be on the defensive about glitches with the software for people [to sign up under the Affordable Care Act](#). The President tried pivoting to [comprehensive immigration reform](#), but expect ACA issues to continue to dominate the week.

Last week the Office of Management and Budget issued a veto threat for H.R. 2374, the Retail Investor Protection Act, and issued a Statement of Administration Policy in opposition to H.R. 922, the Swaps Regulatory Improvement Act. Both measures passed the full House of Representatives by wide margins last week.

The 113th Congress

The House of Representatives

House Financial Services Committee

[JOBS Act 2.0 Markup](#) – On Thursday the full Committee marks up several bills which are likely to be part of a JOBS Act 2.0 package. The bills up are:

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- [H.R. 1800](#) (Grimm) – the Small Business Credit Availability Act; reduces regulatory requirements for business development companies (BDCs);
 - [H.R. 2274](#) (Huizenga) – Small Business Mergers, Acquisitions, Sales, and Brokerage Simplification Act; creates a simplified regulatory regime for small M&A brokers;
 - [H.R. 3329](#) – (Luetkemeyer) – requires the Federal reserve to modify the Small Bank Holding Company Policy Statement to ease regulatory burdens on small bank holding companies and small savings and loan companies;
 - [H.R. ____](#) (Royce) – Credit Union Share Insurance Fund Parity Act; would amend the Federal Credit Union Act to extend insurance coverage to amounts held in a member account on behalf of another person; and
 - [H.R. ____](#) (Duffy) – Would provide for an optional pilot program allowing certain emerging growth companies to increase the tick sizes of their stocks (discussion draft).

The Committee Memorandum summarizing the proposed legislation is [here](#).

This week the Committee holds two hearings, one on [a study of international models of central banking](#) and another on [fostering a private market for terrorism insurance](#).

The Senate

Senate Banking Committee

[Hearing on JOBS Act](#) – The SBC recently held a hearing on implementation of the JOBS Act, entitled “[The JOBS Act at a Year and a Half: Assessing Progress and Unmet Opportunities](#).” Witnesses were:

Panel 1

- [Keith Higgins](#), Director, Division of Corporation Finance, SEC

Panel 2

- [Alan Lewis](#), Director of Special Projects, Natural Grocers
- [Robert Kaplan, Jr.](#), Managing Partner, Kaplan Voekler Cunningham & Frank PLC
- [Rick Fleming](#), Deputy General Counsel, NASAA
- [Mr. Sherwood Neiss](#), Principal, Crowdfund Capital Advisors, LLC

During the hearing, Ranking Member Johanns (R-NE) on several occasions commented on the possibility of a JOBS Act 2.0. Senator Johanns praised JOBS Act 1.0 and its bipartisan support in the last Congress. Similar to Chairman White in previous congressional hearings, Mr. Higgins with the SEC was reluctant to commit to dates for final rulemakings related to the JOBS Act but said they had until midyear 2014 to complete these requirements. With Title II (relief from ban of general solicitation) and Title III (crowdfunding) concluding, the next hurdle is Title IV and Regulation A+, which creates a new exemption for certain public offerings in an amount of up to \$50 million.

There was also a great deal of discussion around the definition of accredited investor and how the SEC and recent [GAO report](#) have not found common criteria on how to capture the sophistication of these types of investors.

This week the SBC [receives its semi-annual report from the Consumer Financial Protection Bureau](#) and holds a [hearing on the nomination of Janet Yellen](#) to be Chairman of the Board of Governors of the Federal Reserve System.

Securities and Exchange Commission

Comments Received on Asset Management Industry

A number of organizations submitted comments to the Department of Treasury Office of Financial Research's [Study on the Asset Management Industry](#). Firms that submitted comments include [Capital Group](#), [Fidelity](#), and [Blackrock](#). Associations that submitted comments include the [Investment Company Institute](#), [Better Markets](#), and the [Chamber of Commerce](#).

SEC Roundtable on Proxy Advisory Services on December 5

The SEC [announced that it will hold a public roundtable](#) on December 5 to discuss the use of proxy advisory services by institutional investors and investment advisers. In 2010, the SEC issued [a concept release on the U.S. proxy system](#), and the December 5 roundtable will discuss the issues raised in the concept release.

Annual Government-Business Forum on Small Business Capital Formation

The SEC will hold its annual [Government-Business Forum on Small Business Capital Formation](#) on November 21 in DC. The forum will include implementation of the JOBS Act and other issues. The forum is open to the public, and you can register for it [here](#).

Commodity Futures Trading Commission (CFTC)

Commission Approves Position Limit Proposals

Last week the CFTC Commission voted 3-1 to [propose regulations on position limits for derivatives](#) and unanimously approved [proposed regulations for aggregation of accounts under Part 150](#). A fact sheet on the position limit rule is [here](#) and Questions and Answers are [here](#). Commissioner O'Malia's dissent from the position limits rule, where he is critical of several aspects of the proposed rule, is [here](#). The comment period for both proposed rules is 60 days from publication in the Federal Register.

Enforcement Division's Annual Results

The CFTC announced that it had obtained [a record \\$1.7 billion in monetary sanctions](#) during its 2013 fiscal year (ended September 30) and had filed a total of 82 enforcement actions. This year's civil monetary penalties total more than seven times the Commission's operating budget for the fiscal year. The [press release](#) has a good summary of all of the various enforcement actions taken by the CFTC this year.

Private Equity Growth Capital Council (PEGCC)

Private Equity Performance Update

The Private Equity Growth Capital Council [released its quarterly private equity performance update](#), which shows that private equity returns (net of fees) outperformed the S&P 500 (including dividends) for 3-year, 5-year, and 10-year horizons by 2.6, 2.2, and 6.1 percentage points, respectively. The data includes returns through March 2013.

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