

AMENDMENT TO S. _____
“RESTORING AMERICAN FINANCIAL STABILITY ACT
OF 2010”
OFFERED BY _____

Page 816, strike line 3 through page 819 line 4 and insert the following:

1 **SEC. 926. AMENDMENT OF RULE 506 UNDER REGULATION D**
2 **TO ADD DISQUALIFICATION PROVISIONS; “BAD ACTOR”**
3 **NOTICE FILINGS TO STATE REGULATORS.**

4 Section 18(c)(2) of the Securities Act of 1933 (15 U.S.C.
5 Section 77r(c)(2)) is amended —

6 (1) by restating subparagraph (A) thereof as follows:

7 “(A) Nothing in this section prohibits the
8 securities commission (or any agency or office
9 performing like functions) of any State from requiring
10 the filing of any document filed with the Commission
11 pursuant to this title, together with (i) annual or
12 periodic reports of the value of securities sold or
13 offered to be sold to persons located in the State (if
14 such sales data is not included in documents filed
15 with the Commission) and (ii) a listing of officers,
16 directors, control persons and promoters of the issuer

1 of securities sold or offered to be sold to persons
2 located in the State, as necessary to determine
3 whether the disqualification provisions imposed by
4 the Commission pursuant to Section 18(c)(2)(E) of the
5 Act are applicable (if such listing is not included in
6 documents filed with the Commission), in both said
7 instances (i) and (ii) above solely for notice purposes
8 and the assessment of any fee, together with a
9 consent to service of process and any required fee.”

10 (2) by inserting, following subparagraph (D) thereof,
11 a new subparagraph (E), as follows:

12 “(E) AVAILABILITY OF PREEMPTION
13 CONTINGENT ON LACK OF
14 DISQUALIFICATIONS. The Commission shall
15 amend, by rule, Rule 506 under Regulation D, to
16 disqualify securities issued in reliance on said rule as
17 covered securities under Section 18(b) of the
18 Securities Act of 1933, for reasons which are
19 comparable to the disqualifications currently set forth
20 at subparagraph (b)(2)(iii) of Rule 505 of Regulation
21 D.”

