

CHAMBER OF COMMERCE
OF THE
UNITED STATES OF AMERICA

R. BRUCE JOSTEN
EXECUTIVE VICE PRESIDENT
GOVERNMENT AFFAIRS

1615 H STREET, N.W.
WASHINGTON, D.C. 20062-2000
202/463-5310

September 20, 2011

The Honorable Scott Garrett
Chairman
Subcommittee on Capital Markets and
Government Sponsored Enterprises
Committee on Financial Services
U.S. House of Representatives
Washington, DC 20515

The Honorable Maxine Waters
Ranking Member
Subcommittee on Capital Markets and
Government Sponsored Enterprises
Committee on Financial Services
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Garrett and Ranking Member Waters:

The U.S. Chamber of Commerce, the world's largest business federation representing the interests of more than three million businesses and organizations of every size, sector, and region, strongly support H.R. 1965, "To amend the securities laws to establish certain thresholds for shareholder registration, and for other purposes;" H.R. 2167, the "Private Company Flexibility and Growth Act;" H.R. 2930, the "Entrepreneur Access to Capital Act;" and H.R. 2940, the "Access to Capital for Job Creators Act." These bills would enhance capital formation needed to build new businesses, expand existing businesses and create jobs. The Chamber urges the Subcommittee to report these bills to the full House in the near term.

H.R. 1965 would raise the Exchange Act's shareholder cap from 499 to 1,999 shareholders for banks and permits banks with less than 1,200 shareholders to cease reporting requirements under the Exchange Act. This legislation would increase banks' ability to raise capital from a larger shareholder base, which would create a level playing field for smaller community banks.

H.R. 2167 would raise the Exchange Act's cap on shareholders from 499 to 999 and provide that accredited investors and employees that received securities pursuant to an employee compensation plan do not count towards the cap. This bill would increase the ability of all companies to raise capital from a larger base of shareholders and would facilitate investments by employees and accredited investors, who do not need heightened protections from the Exchange Act's provisions.

H.R. 2930 would establish a new Securities Act exemption for small investments in small issuances, regardless of investors' accredited status, and exclude investors in such issuances from the Exchange Act's 499 shareholder cap. This legislation would open up opportunities for small investors to make investments in small businesses.

H.R. 2940 would remove the prohibition on general solicitation or general advertising for certain small issuances, provided that all purchasers of the securities are accredited investors. This bill would give flexibility to companies to raise capital from accredited investors who do not need heightened protections from the Exchange Act's provisions.

The Chamber supports these bills because they would assist capital formation, particularly for small businesses, at a time when robust economic growth and job formation are urgently needed. The Chamber strongly urges the Subcommittee to report H.R. 1965, H.R. 2167, H.R. 2930 and H.R. 2940 as expeditiously as possible.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Bruce Josten". The signature is fluid and cursive, with the first name "R." and last name "Josten" being the most prominent parts.

R. Bruce Josten

cc: Members of the Subcommittee on Capital Markets and Government Sponsored Enterprises