

S 2190

CROWDFUND Act

Congress: 112 (2011–2013, Ended)

Chamber: Senate

Policy Area: Finance and Financial Sector

Introduced: Mar 13, 2012

Current Status: Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.

Latest Action: Read twice and referred to the Committee on Banking, Housing, and Urban Affairs. (Mar 13, 2012)

Official Text: <https://www.congress.gov/bill/112th-congress/senate-bill/2190>

Sponsor

Name: Sen. Merkley, Jeff [D-OR]

Party: Democratic • State: OR • Chamber: Senate

Cosponsors (3 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Bennet, Michael F. [D-CO]	D · CO		Mar 13, 2012
Sen. Brown, Scott P. [R-MA]	R · MA		Mar 13, 2012
Sen. Landrieu, Mary L. [D-LA]	D · LA		Mar 13, 2012

Committee Activity

Committee	Chamber	Activity	Date
Banking, Housing, and Urban Affairs Committee	Senate	Referred To	Mar 13, 2012

Subjects & Policy Tags

Policy Area:

Finance and Financial Sector

Related Bills

Bill	Relationship	Last Action
112 S 1970	Related bill	Mar 6, 2012: Committee on Banking, Housing, and Urban Affairs. Hearings held. Hearings printed: S.Hrg. 112-482.

Capital Raising Online While Deterring Fraud and Unethical Non-Disclosure Act of 2011 or CROWDFUND Act - Amends the Securities Act of 1933 (SA) to prescribe conditions under which transactions of \$1 million or less involving the offer or sale of securities by an issuer through a broker or funding portal are exempt from certain registration requirements and prohibitions relating to interstate commerce and the mails (crowdfunding exemption).

(Crowdfunding is a method of capital formation by which groups of people pool money, typically composed of very small individual contributions, and often via Internet platforms, to invest in a company or otherwise support an effort by others to accomplish a specific goal.)

Amends the Securities Exchange Act of 1934 (SEA) to define "funding portal" as any person engaged in the business of effecting securities transactions for the account of others, solely pursuant to the crowdfunding exemption under this Act, that does not: (1) offer investment advice or recommendations; (2) solicit purchases, sales, or offers to buy the securities offered or displayed on its website or portal; (3) compensate employees, agents, or other persons for such solicitation or based on the sale of securities displayed or references on its website or portal; (4) hold, manage, possess, or otherwise handle investor funds or securities; or (5) engage in other activities determined by the Securities and Exchange Commission (SEC).

Amends the SA to set forth qualification requirements for such crowdfunding exemption, including those for intermediaries and issuers.

Sets forth restrictions on sales of such exempt securities.

Amends the SEA to authorize the SEC to exempt crowdfunding investors from certain shareholder caps under the Securities Act of 1933.

Requires the SEC to exempt funding portals from certain registration requirements, provided that they remain subject to examination by the SEC and a national securities association.

Prohibits a state or its political subdivision from enforcing any law or administrative action against a registered funding portal with respect to its business as such. Exempts from such prohibition the examination and enforcement of any law or administrative action of a state in which the principal place of business of a registered funding portal is located, if the law or administrative action is not in addition to or different from SEC requirements for registered funding portals.

Actions Timeline

- **Mar 13, 2012:** Introduced in Senate
- **Mar 13, 2012:** Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.