

## HR 4565

Startup Capital Modernization Act of 2014

**Congress:** 113 (2013–2015, Ended)

**Chamber:** House

**Policy Area:** Finance and Financial Sector

**Introduced:** May 6, 2014

**Current Status:** Ordered to be Reported by the Yeas and Nays: 31 - 28.

**Latest Action:** Ordered to be Reported by the Yeas and Nays: 31 - 28. (May 22, 2014)

**Official Text:** <https://www.congress.gov/bill/113th-congress/house-bill/4565>

### Sponsor

**Name:** Rep. McHenry, Patrick T. [R-NC-10]

**Party:** Republican • **State:** NC • **Chamber:** House

### Cosponsors (1 total)

Cosponsor	Party / State	Role	Date Joined
Rep. Garrett, Scott [R-NJ-5]	R · NJ		May 6, 2014

### Committee Activity

Committee	Chamber	Activity	Date
Financial Services Committee	House	Hearings By (subcommittee)	May 1, 2014

### Subjects & Policy Tags

#### Policy Area:

Finance and Financial Sector

### Related Bills

*No related bills are listed.*

Startup Capital Modernization Act of 2014 - Amends the Securities Act of 1933 (Act) to increase from \$5 million to \$10 million the maximum aggregate amount of securities exempt from its purview due to either the small amount involved, or the limited character of the public offering.

Preempts state requirements governing securities registration, documentation, and offerings in connection with small issues related to small company capital formation.

Declares that this Act shall have no impact on state enforcement authority over the unlawful conduct of issuers, intermediaries, or custodians who are exempt from federal registration requirements under the Act.

Amends the Securities Exchange Act of 1934 to exempt certain small issues from its securities registration requirements if the issuer: (1) has filed audited financial statements with the Securities and Exchange Commission (SEC), and (2) is in compliance with all periodic disclosures required by the SEC.

Exempts from prohibitions relating to interstate commerce and the mails any transaction where: (1) each purchaser is an accredited investor; and (2) if the securities are offered by means of any general solicitation or general advertising, the seller verifies that the purchaser is an accredited investor.

Denies such an exemption to transactions where the seller is: (1) either an issuer, its subsidiaries or parent; (2) a dealer; or (3) an underwriter acting on behalf of the issuer, its subsidiaries, or parent, which receives compensation from the issuer with respect to such sale.

## **Actions Timeline**

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- **May 22, 2014:** Committee Consideration and Mark-up Session Held.
- **May 22, 2014:** Ordered to be Reported by the Yeas and Nays: 31 - 28.
- **May 6, 2014:** Introduced in House
- **May 6, 2014:** Referred to the House Committee on Financial Services.
- **May 1, 2014:** Hearings Held by the Subcommittee on Capital Markets and Government Sponsored Enterprises Prior to Introduction and Referral.