

S 2720

Brokaw Act

Congress: 114 (2015–2017, Ended)

Chamber: Senate

Policy Area: Finance and Financial Sector

Introduced: Mar 17, 2016

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 17, 2016)

Official Text: <https://www.congress.gov/bill/114th-congress/senate-bill/2720>

Sponsor

Name: Sen. Baldwin, Tammy [D-WI]

Party: Democratic • **State:** WI • **Chamber:** Senate

Cosponsors (4 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Merkley, Jeff [D-OR]	D · OR		Mar 17, 2016
Sen. Sanders, Bernard [I-VT]	I · VT		Mar 17, 2016
Sen. Warren, Elizabeth [D-MA]	D · MA		Mar 17, 2016
Sen. Menendez, Robert [D-NJ]	D · NJ		Sep 8, 2016

Committee Activity

Committee	Chamber	Activity	Date
Banking, Housing, and Urban Affairs Committee	Senate	Referred To	Mar 17, 2016

Subjects & Policy Tags

Policy Area:

Finance and Financial Sector

Related Bills

No related bills are listed.

Brokaw Act

This bill directs the Securities and Exchange Commission (SEC) to amend specified regulations to reflect a revision the bill makes to the Securities Exchange Act of 1934 reducing from 10 to 2 business days the deadline for disclosing to the SEC any acquisition of a direct or indirect short interest in an equity security of a certain kind of voting class that results in a direct or indirect short interest representing more than 5% of that class.

The mandatory disclosures of short interests shall apply to:

- any class of equity security which must be registered,
- certain equity securities of an insurance company, and
- any equity security issued by a closed-end investment company registered under the Investment Company Act of 1940.

The bill deems a person as having a "short interest in a security" if the person has the opportunity, either directly or indirectly, to profit from, or share in any profit derived from any decrease in the value of the security (including a derivative instrument, or a performance-related fee).

The bill deems a person to have a short interest in a security if the person creates or uses certain instruments, including a trust, proxy, power of attorney, pooling arrangement, or any other contract, arrangement, or device, to divest the person of a short interest in a security or to prevent the vesting of a short interest as part of a plan to evade the reporting requirements of the Act.

The bill declares that, with specified exceptions, in calculating the number of shares in which a person has a short interest, regardless of the form of the short interest, all securities of the same class shall be aggregated.

Actions Timeline

- **Mar 17, 2016:** Introduced in Senate
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