

United States House of  
Representatives  
Committee on Financial  
Services

2129 Rayburn House Office  
Building  
Washington, D.C. 20515

September 20, 2013

The Honorable Mary Jo White  
Chair  
U.S. Securities and Exchange Commission  
100 F Street, NE  
Washington, D.C. 20549

Dear Chair White:

The U.S. Securities and Exchange Commission Advisory Committee on Small and Emerging Companies ("Advisory Committee") has publicly announced its unanimous decision to request that the U.S. Securities and Exchange Commission ("Commission") extend the comment period for its proposal to amend Regulation D, Form D, and Rule 156 under the Securities Act (Release No. 33-9416) for forty-five (45) days. The Advisory Committee states that the Commission's current deadline of September 23, 2013 for public comment does not provide adequate time for interested parties to submit comments on this complex proposal.<sup>1</sup>

The concerns described by the Advisory Committee are similar to the concerns that Chairman Garrett and I previously stated in our July 22, 2013 letter to you and consistent with the concerns displayed by many businesses and individuals that stand to suffer significant harm from the proposed rules.

The unanimous decision of the Advisory Committee in requesting this extension – along with its concerns that implementation of the proposed rules can adversely affect capital formation and job creation – highlight the gravity of the proposed rules.

Consistent with the Advisory Committee's recommendation, the Small Business Administration's Office of Advocacy "believes that the [Initial Regulatory Flexibility Analysis ("IRFA")] contained in the proposed rule is deficient, and for this reason, the SEC

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<sup>1</sup> See "Recommendation on the Proposed Amendments to Regulation D, Form D, and Rule 156 under Securities Act," U.S. Securities and Exchange Commission Advisory Committee on Small and Emerging Companies (September 17, 2013) available at <http://www.sec.gov/info/smallbus/acsec/acsec-recommendation-091713-proposed-amendments.pdf> (last visited September 20, 2013).

should republish a supplemental IRFA for additional public comment before proceeding with this rulemaking.”<sup>2</sup>

I expect that the Commission will accept the unanimous recommendation of an Advisory Committee that it organized, particularly given that an extended comment period is a small request when compared to the potential economic harm of the proposed rules. I also expect the Commission to adopt the recommendations of the Small Business Administration’s Office of Advocacy, given its expertise in small business capital formation.

Accordingly, I request that you extend the comment period by forty-five (45) days and republish a supplemental IRFA as soon as possible. Your prompt consideration of this request is appreciated.

Sincerely,



PATRICK MCHENRY  
Chairman  
Subcommittee on Oversight and  
Investigations

cc: The Hon. Al Green, Ranking Member

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<sup>2</sup> Letter from Winslow Sargent, Ph.D., Chief Counsel for Advocacy, Small Business Administration Office of Advocacy, to Elizabeth M. Murphy, Secretary of the Security and Exchange Commission “Amendment to Regulation D, Form D and Rule 156, File No. S7-06-13,” page 2 (September 12, 2013), available at <http://www.sec.gov/comments/s7-06-13/s70613-339.pdf> (last visited September 20, 2013).