

AMENDMENT TO H.R. 37
OFFERED BY MR. LYNCH OF MASSACHUSETTS

Insert after section 1101 the following new section:

1 **SEC. 1102. REQUIREMENT TO PROVIDE CASH VALUE ESTI-**
2 **MATES TO EMPLOYEES AND TO PERMIT EM-**
3 **PLOYEE RESALES TO THE ISSUER.**

4 In making the revisions to section 230.701 of title
5 17, Code of Federal Regulations, required by section
6 1101, the Securities and Exchange Commission shall also
7 require an issuer availing itself of the exemption provided
8 in such section—

9 (1) to provide, on the date of such transaction
10 and at least annually thereafter, to each employee of
11 the issuer an estimate of the cash value of the com-
12 pensation that was the subject of the exempted
13 transaction and a justification for that estimated
14 value; and

15 (2) to permit the applicable employee or em-
16 ployees to sell the securities that were the subject of
17 the transaction back to the issuer at such estimated
18 value beginning 90 days after the date of the trans-
19 action.

