

[DISCUSSION DRAFT]

118TH CONGRESS
1ST SESSION

H. R. _____

To amend the Securities Exchange Act of 1934 to require issuers with a multi-class stock structure to make certain disclosures in any proxy or consent solicitation material, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. MEEKS introduced the following bill; which was referred to the Committee on _____

A BILL

To amend the Securities Exchange Act of 1934 to require issuers with a multi-class stock structure to make certain disclosures in any proxy or consent solicitation material, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Enhancing Multi-Class
5 Share Disclosures Act”.

1 **SEC. 2. DISCLOSURE RELATING TO MULTI-CLASS SHARE**
2 **STRUCTURES.**

3 Section 14 of the Securities Exchange Act of 1934
4 (15 U.S.C. 78n) is amended by adding at the end the fol-
5 lowing:

6 “(1) DISCLOSURE FOR ISSUERS WITH MULTI-CLASS
7 SHARE STRUCTURES.—

8 “(1) DISCLOSURE.—The Commission shall, by
9 rule, require each issuer with a multi-class share
10 structure to disclose the information described in
11 paragraph (2) in any proxy or consent solicitation
12 material for an annual meeting of the shareholders
13 of the issuer, or any other filing as the Commission
14 determines appropriate.

15 “(2) CONTENT.—A disclosure made under
16 paragraph (1) shall include, with respect to each
17 person who is a director, director nominee, or named
18 executive officer of the issuer, or who is the bene-
19 ficial owner of securities with 5 percent or more of
20 the total combined voting power of all classes of se-
21 curities entitled to vote in the election of directors—

22 “(A) the number of shares of all classes of
23 securities entitled to vote in the election of di-
24 rectors beneficially owned by such person, ex-
25 pressed as a percentage of the total number of

1 the outstanding securities of the issuer entitled
2 to vote in the election of directors; and

3 “(B) the amount of voting power held by
4 such person, expressed as a percentage of the
5 total combined voting power of all classes of the
6 securities of the issuer entitled to vote in the
7 election of directors.

8 “(3) MULTI-CLASS SHARE STRUCTURE.—In this
9 subsection, the term ‘multi-class share structure’
10 means a capitalization structure that contains 2 or
11 more classes of securities that have differing
12 amounts of voting rights in the election of direc-
13 tors.”.