Written Testimony of

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Subcommittee on Capital Markets

"U.S. Public Markets Built for the 21st Century: Exploring Reforms to Make Our Public Markets Attractive for Small and Emerging Companies Raising Capital"

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Good morning. Thank you, Chairman Wagner, Ranking Member Sherman, and Members of the Subcommittee for inviting me to testify today.

My name is Mike Piwowar, and I am the Executive Vice President of MI Finance at the Milken Institute.[1] Prior to joining the Milken Institute, I served as a Visiting Academic Scholar, Senior Financial Economist, Commissioner, and Acting Chairman of the U.S. Securities and Exchange Commission ("SEC" or "Commission"). Before that, I served as the Republican Chief Economist for the U.S. Senate Committee on Banking, Housing, and Urban Affairs during, among other things, the enactment of the Jumpstart Our Business Startups (JOBS) Act of 2012.[2] I am testifying today on my own behalf.

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Thank you for calling this hearing on exploring reforms to make our public capital markets attractive for small and emerging companies raising capital. I hope my testimony today will be helpful as you develop those reforms.

Capital markets are the engines of economic growth. Capital provided by millions of individual investors is the fuel for those engines, and entrepreneurial firms are the vehicles. Hearings like this one help ensure that our capital market engines continue to run smoothly and that the American capital markets remain the envy of the world.

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[1] The Milken Institute is a nonprofit, nonpartisan think tank focused on accelerating measurable progress on the path to a meaningful life. With a focus on financial, physical, mental, and environmental health, we bring together the best ideas and innovative resourcing to develop blueprints for tackling some of our most critical global issues through the lens of what's pressing now and what's coming next. MI Finance conducts research and constructs programs designed to facilitate the smooth and efficient operation of financial markets—to help ensure that they are fair and available to those who need them when they need them.

[2] Jumpstart Our Business Startups Act, Pub. L. No. 112-106.

As everyone at this hearing knows, the SEC has a threefold mission: to protect investors; maintain fair, orderly, and efficient markets; and promote capital formation. Responding to events over the past few years, such as the 2020 Covid pandemic and the 2021 meme stock trading frenzy, quite rightly focused the SEC's attention on the first two parts. Now that those crises have abated, it is time for the SEC to rebalance its focus consistent with its mission. Hearings like this one ensure that the SEC remains focused on the third part of its noble mission so that capital markets work as intended and work for everyone.

Recall the overwhelmingly bipartisan success of the JOBS Act of 2012. It substantially improved access to capital and job creation by small businesses in the United States. We have an opportunity to build on that success.

I look forward to working with members of this Subcommittee to make our public capital markets attractive for small and emerging companies raising capital and to achieve more equitable access to investing in our nation's entrepreneurs and job creators. Accordingly, my comments today will be in the following areas:

I. Background on the JOBS Act

II. Recommendations for building on the success of the JOBS Act:

    a. Extend EGC status for companies currently in this category by extending both the maximum time period and revenue thresholds

    b. Clarify questions that have arisen since the enactment of Title I, such as questions regarding EGC's ability to use the two-year audited financial statement accommodation

    c. Increase the benefits of EGC status

    d. Allow non-EGC companies that want to go public to take advantage of EGC benefits during their SEC registration process

    e. Allow companies that went public before the enactment of the JOBS Act but would otherwise qualify for EGC status to opt into the EGC framework

III. Recommendations for providing more equitable opportunities to invest in small and emerging companies:

    a. Expand retail opportunities to invest in private companies directly

    b. Expand retail opportunities to invest in private companies indirectly through private funds

    c. Expand the flexibility of closed-end funds to make investments in private companies

I. Background on the JOBS Act

Exactly 11 years and one day ago (March 8, 2012), the JOBS Act passed the House on an overwhelmingly bipartisan vote of 390-23. President Obama signed the JOBS Act into law less than a month later (April 5, 2012). While the passage and enactment of the JOBS Act only took a few weeks, it was several years in the making.

The Roots of the JOBS Act

The roots of the JOBS Act trace back to at least the mid-2000s, when financial market participants, academics, and public policymakers began to become concerned about the competitiveness of U.S. capital markets.

In November 2006, U.S. Treasury Secretary Henry Paulson gave a speech on the competitiveness of the U.S. capital markets.[3] He noted that despite our strong economy and stock market, initial public offering (IPO) dollar volume in the United States was well below the historical trend and below the trend and activity level in many foreign markets. Secretary Paulson announced a strategic initiative to identify potential changes to our regulatory structure, accounting system, and legal system to improve the overall competitiveness of our capital markets.

In November 2006, the Committee on Capital Markets Regulation ("CCMR")[4] released a report on the state of the U.S. capital markets.[5][6] The report found that the U.S. public markets were still in the lead, but they were losing competitiveness to both foreign public markets and U.S. private markets. The CCMR report identified several legal and regulatory factors for the decline and made a number of recommendations to maintain and improve U.S. capital market competitiveness.

In January 2007, New York City Mayor Michael Bloomberg and U.S. Senator Chuck Schumer (NY) released a report on the state of New York's role in the global financial services sector.[7] The report found that New York had maintained its dominant role, but more and more nations were challenging its position as the world's financial capital. The Bloomberg/Schumer report identified several concerns, including a regulatory

[3] Remarks on The Competitiveness of the U.S. Capital Markets at the Economic Club of New York, Treasury Secretary Henry M. Paulson (Nov. 2006), available at https://home.treasury.gov/news/press-releases/hp174.
[4] CCMR is a nonprofit organization comprised of financial-sector leaders and academic experts dedicated to developing and promoting policy reforms to enhance opportunities for U.S. investors and promote economic growth.
[5] Interim Report of the Committee on Capital Markets Regulation ("CCMR Report"), (Nov. 2006), available at https://capmktsreg.org/interim-report-of-the-committee-on-capital-markets-regulation/.
[6] U.S. Secretary of the Treasury Henry Paulson requested the CCMR report.
[7] Sustaining New York's and the U.S.' Global Financial Services Leadership, Michael Bloomberg and Charles Schumer (Jan. 2007), available at https://www.nyc.gov/html/om/pdf/ny_report_final.pdf.

framework that is “a thicket of complicated rules, rather than a streamlined set of commonly understood principles.”[8]

A common feature of the Paulson speech, CCMR report, and Bloomberg/Schumer report is that all three identify the Sarbanes-Oxley Act of 2002 (SOX)[9] as an essential factor in the declining competitiveness of U.S. capital markets. SOX was the government’s primary response to major accounting scandals at Enron, WorldCom, and other public companies. SOX was intended to improve investor protections, but all three concluded that the significantly higher-than-expected implementation costs far outweighed the benefits. In that way, SOX showed how even a well-intentioned investor protection law can ultimately harm the very investors the policy is aimed to protect.

In early 2007, bipartisan momentum was building for reforms to the U.S. capital markets. Unfortunately, the 2007–2008 Global Financial Crisis (GFC) ended that. Policymakers put the issue of the competitiveness of U.S. public capital markets on hold while focusing on the stability of the overall financial system.

Renewed Public- and Private-Sector Momentum

Policymakers eventually brought the GFC under control, but it spilled over into the real economy, causing the Great Recession. New business formation remained stubbornly low during this time, and unemployment remained stubbornly high. Members of Congress introduced several bills targeting both issues. However, Republicans tended to be more focused on the former, while Democrats tended to be more focused on the latter.

In July 2010, the Kauffman Foundation released a study, *The Importance of Startups in Job Creation and Job Destruction*. According to the study, startup firms are responsible for all net job growth in the U.S. economy.[10] Moreover, the Kauffman study found that job creation at startups remains stable during recessionary years, while net job losses at existing firms are highly sensitive to the business cycle.[11]

I was working on the staff of the Senate Banking Committee when the Kauffman study was released, and I believe it was a political game-changer in Washington, D.C. The previous few years were dominated by contentious bills passed on a partisan basis. The Kauffman study showed that improving access to capital for small businesses would lead to higher and more stable employment, providing benefits for all Americans. The issue quickly became bipartisan. I remember four events representing the renewed public- and

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[8] Ibid.
[9] The Sarbanes-Oxley Act of 2002, Pub. L. 107-204.
[10] The Importance of Startups in Job Creation and Job Destruction, Tim Kane, Ewing Marion Kauffman Foundation (Jul. 2010), available at https://www.kauffman.org/entrepreneurship/reports/firm-formation-and-growth-series/the-importance-of-startups-in-job-creation-and-job-destruction/.
[11] Ibid.

private-sector interest in reforming the U.S. capital markets and building momentum for legislation that would eventually become the JOBS Act.

On March 22, 2011, the Treasury Department hosted *Access to Capital Conference: Fostering Growth and Innovation for Small Companies*.[12] The conference brought together policymakers, entrepreneurs, investors, academics, and other market participants to explore how the public and private sectors can help promote access to capital at each growth stage for a small company.[13] A group of professionals and academics participating in the conference decided to form an "IPO Task Force." They examined the challenges that emerging growth companies face in pursuing an IPO.

In October 2011, the IPO Task Force released a report, *Rebuilding the IPO On-Ramp: Putting Emerging Companies and the Job Market Back on the Road to Growth*.[14] The report developed recommendations for helping emerging growth companies access the additional capital they need to generate jobs and growth for the U.S. economy and to expand their businesses globally.[15] The recommendations formed the basis of what would become the JOBS Act's *Title I: Reopening American Capital Markets to Emerging Growth Companies* ("Title I").

That same month, the President's Council on Jobs and Competitiveness ("Jobs Council") released an interim report.[16] The Jobs Council was an advisory board of private-sector experts from business and academia that provided recommendations to President Obama to improve U.S. employment and competitiveness. The report brought further attention to the results of the Kauffman study by stressing the need to "accelerate the number and scale of young, small businesses and high-growth firms that produce an outsized share of America's new jobs."[17]

On January 24, 2012, President Obama further highlighted the bipartisan nature of improving access to capital for small businesses and the importance of small businesses in job creation in his State of the Union speech. He said, "Most new jobs are created in startups and small businesses. So let's pass an agenda that helps them succeed. Tear

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[12] See Obama Administration Announces Additional Details for Upcoming Conference to Explore Access to Capital For Small Companies, available at https://home.treasury.gov/news/weekly-public-schedule/tg1111.
[13] Ibid.
[14] Rebuilding the IPO On-Ramp: Putting Emerging Companies and the Job Market Back on the Road to Growth, Issued by the IPO Task Force (Oct. 20, 2011), available at https://www.sec.gov/info/smallbus/acsec/rebuilding_the_ipo_on-ramp.pdf.
[15] Ibid.
[16] Taking Action, Building Confidence: Five Common-Sense Initiatives to Boost Jobs and Competitiveness, Interim Report of the President's Council on Jobs and Competitiveness (Oct. 2011), available at https://web.archive.org/web/20111104042328/http://files.jobs-council.com/jobscouncil/files/2011/10/JobsCouncil_InterimReport_Oct11.pdf.
[17] Ibid.

down regulations that prevent aspiring entrepreneurs from getting the financing to grow … Both parties agree …”.[18]

The Legislative Path of the JOBS Act

Shortly after the State of the Union speech, on March 1, 2012, House Majority Leader Eric Cantor introduced The JOBS Act in the House. It moved swiftly through Congress. The House passed it on March 8 (390–23), the Senate passed it on March 22 (73–26) with an amendment to *Title III: Crowdfunding* (“Title III”), and the House agreed to the Senate-amended bill on March 27 (380–41). President Obama signed the JOBS Act into law on April 5, 2012. The overwhelming bipartisan support for the JOBS Act was the key to its rapid journey through Congress.

The Most Successful Title in the JOBS Act

The most successful title in the JOBS Act is *Title I: Reopening American Capital Markets to Emerging Growth Companies*. Title I created a new “emerging growth company” (“EGC”) designation for smaller companies going public and provided them with temporary scaled disclosures (a regulatory “on-ramp”) and other benefits. Academic research finds that Title I significantly increased IPO volume overall and particularly impacted biotechnology and pharmaceutical companies.[19] The most popular provisions are the ability to file an IPO confidentially and the ability to test the waters with qualified investors before the roadshow.

The key to Title I’s success is twofold. First, experienced securities lawyers drafted provisions that are meaningful to EGCs. They incorporated feedback from their clients and recommendations from the IPO Task Force. Second, Title I was self-effectuating. It directly amended the Securities Act of 1933 and the Securities Exchange Act of 1934 and did not require any SEC rulemaking.

II. Recommendations for Building on the Success of the JOBS Act

As this Subcommittee explores reforms to make our public capital markets attractive for small and emerging companies raising capital, I urge you to build on the success of the JOBS Act. As stated above, the most successful title in the JOBS Act is Title I. Congress could build on this success in at least three ways.

First, Congress should extend EGC status for companies currently in this category by extending both the maximum time period and revenue thresholds. American investors in EGC companies have benefited from the substantially lower compliance costs without

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[18] Remarks by the President in State of the Union Address (Jan. 24, 2012), available at https://obamawhitehouse.archives.gov/the-press-office/2012/01/24/remarks-president-state-union-address.

[19] See, e.g., The JOBS Act and IPO Volume: Evidence that Disclosure Costs Affect the IPO Decision, Michael Dambra, Laura Field, and Matthew Gustafson, Journal of Financial Economics, Vol. 116, p. 121–143 (2015).

losing investor protections. Extending EGC status would allow them to continue to reap these benefits.

Second, Congress should clarify questions that have arisen since the enactment of Title I, such as questions regarding EGC's ability to use the two-year audited financial statement accommodation. For example, I am aware that questions have arisen in the context of spin-offs, acquisitions, and follow-on offerings involving EGCs. I am also aware that companies are seeking clarification that the calculation of market capitalization to test the significance of an acquisition or disposition includes the value of all shares of the issuer. I urge Congress to clarify these issues and this Subcommittee to seek out other areas for potential clarification.

Third, Congress should increase the benefits of EGC status. For example, this Subcommittee, in particular, should solicit feedback from a group of respected industry and academic experts, including members of the IPO Task Force, on additional benefits that could be provided to EGCs and their investors without compromising investor protections.

Fourth, Congress should allow non-EGC companies that want to go public to take advantage of EGC benefits during their SEC registration process. At a minimum, Congress should allow non-EGCs to file an IPO confidentially and test the waters with qualified investors before the roadshow, the most popular provisions of Title I. I urge this Subcommittee to solicit feedback on other benefits that should be conferred on non-EGCs during the registration process.

Fifth, Congress should allow companies that went public before the enactment of the JOBS Act but would otherwise qualify for EGC status to opt into the EGC framework. There are many small public companies, as well as their shareholders, who would benefit from EGC advantages without compromising investor protections. For example, Title 1 of the JOBS Act exempted EGCs from the SOX Section 404(b) attestation requirements because their costs far outweighed the benefits. This exemption has proven to be beneficial without compromising investor protections. Congress should exempt all small public companies from SOX Section 404(b) attestation requirements. I urge this Subcommittee to solicit feedback on other EGC benefits that should be conferred on non-EGC small public companies.

A critical lesson from the JOBS Act is that it was an overwhelming success for every American. It benefits entrepreneurs with improved access to capital and the investors who provide it. As this Subcommittee explores ways to learn from the lessons of the JOBS Act, I urge you to think beyond your jurisdictional role and remember how your work can help small businesses create new jobs and investment opportunities that lead to economic growth.

Another critical lesson from the JOBS Act is that Title I was the most successful because it was self-effectuating. I urge you to consider legislation that directly amends the federal securities laws and does not require any SEC rulemaking. In contrast to most market structure issues, which I believe are best accomplished at the regulatory level, most access to capital issues are more appropriately handled at the legislative level with proper regulatory oversight from this Subcommittee.

III. Recommendations for Providing More Equitable Opportunities to Invest in Small and Emerging Companies

As this Subcommittee explores reforms to make our public capital markets attractive for small and emerging companies raising capital, I urge you also to consider reforms to provide more equitable opportunities for all Americans to invest in those small and emerging companies. I have testified previously that retail investors across all income levels enjoy more choices and face lower costs and barriers when investing their hard-earned savings in public companies than ever before.[20] The same cannot be said for opportunities for low-income investors to invest in private companies because SEC rules effectively prohibit them from investing in this high-growth sector of the economy. Below are some recommendations to help fix this problem.

Expand Retail Opportunities to Invest in Private Companies Directly

The SEC's accredited investor definition essentially divides the world of private-company investors into two arbitrary categories of individuals—those who are accorded the privileged status of being an accredited investor and those who are not.[21] In short, if you make $200,000 or more in annual income or have $1 million or more in net worth, then you are in the privileged class and could choose to invest in the full panoply of public or

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[20] See Testimony of Michael S. Piwowar "Who Wins on Wall Street? GameStop, Robinhood, and the State of Retail Investing," Hearing before the U.S. Senate Committee on Banking, Housing, and Urban Affairs (Mar. 9, 2021), available at https://www.banking.senate.gov/hearings/who-wins-on-wall-street-gamestop-robinhood-and-the-state-of-retail-investing; Testimony of Michael S. Piwowar "Game Stopped? Who Wins and Loses When Short Sellers, Social Media, and Retail Investors Collide, Part II," Hearing before the U.S. House Financial Services Committee (Mar. 17, 2021), available at https://financialservices.house.gov/calendar/eventsingle.aspx?EventID=407918; and Testimony of Michael S. Piwowar "Oversight of America's Stock Exchanges: Examining Their Role in Our Economy," Hearing before the U.S. House Financial Services Committee Subcommittee on Investor Protection, Entrepreneurship, and Capital Markets (Mar. 30, 2022), available at https://financialservices.house.gov/calendar/eventsingle.aspx?EventID=408297.

[21] See, e.g., Remarks at the Meeting of the SEC Advisory Committee on Small and Emerging Companies, Public Statement by Commissioner Michael S. Piwowar (May 18, 2016), available at https://www.sec.gov/news/statement/piwowar-opening-remarks-acsec-051816html.html; Remarks at the "SEC Speaks" Conference 2017: Remembering the Forgotten Investor, Speech by Acting Chairman Michael S. Piwowar (Feb. 24, 2017), available at https://www.sec.gov/news/speech/piwowar-remembering-the-forgotten-investor.html.

private investments.[22] If not, the SEC has decided that, for your protection, you are restricted access to invest in private companies.

As an SEC commissioner, I took my investor protection mandate extremely seriously. However, I challenge the SEC's investor protection rationale for prohibiting non-accredited investors from investing in high-risk companies. Here, I appeal to two well-known concepts from the field of financial economics. The first is the risk-return tradeoff. Because most investors are risk averse, riskier securities must offer investors higher expected returns. As a result, prohibiting non-accredited investors from investing in high-risk securities is the same as prohibiting them from investing in high-expected-return securities.

The second economic concept is modern portfolio theory. By holding a diversified portfolio of securities, investors reap diversification benefits; the portfolio's risk is lower than any individual security. The statistical correlation of returns is key. When adding higher-risk, higher-return securities to an existing portfolio, as long as the new securities' returns are not perfectly positively correlated with (move in exactly the same direction as) the existing portfolio, investors can reap higher portfolio returns with little or no change in overall portfolio risk. In fact, if the correlations are low enough, the overall portfolio risk could actually decrease.

These two concepts show how even a well-intentioned investor protection policy can ultimately harm the very investors the policy is intended to protect. Moreover, restricting the number of accredited investors in the privileged class can have other adverse impacts. The accredited investors may enjoy even higher returns because the non-accredited investors are prohibited from buying and bidding up the price of high-risk, high-expected-return securities. Remarkably, the SEC is exacerbating wealth inequality by allowing only high-income and high-net-worth individuals to reap the risk and return benefits from investing in certain securities.[23,24]

In previous testimony, I recommended that the SEC revisit the accredited investor definition and engage in rulemaking to open up these investment opportunities to all Americans. However, it is abundantly clear that the current Commission is not interested in moving forward with the recommendation. Therefore, I urge members of this

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[22] The SEC recently expanded the definition of accredited investor to include, among other things, individuals "holding in good standing one or more professional certifications or designations or other credentials from an accredited educational institution that the Commission has designated as qualifying an individual for accredited investor status[.]" See Accredited Investor Definition, Final Rule, SEC Release Nos. 33-10824; 34-89669 (Aug. 26, 2021), 85 Fed. Reg. 64234 (Oct. 9, 2020), available at https://www.sec.gov/rules/final/2020/33-10824.pdf. However, the expanded definition is not likely to substantially increase the number of low-income individuals who qualify under the new definition.

[23] See Thomas Piketty, Capital in the Twenty-First Century, translated by Arthur Goldhammer (Cambridge MA: The Belknap Press of Harvard University Press, 2014).

[24] Another unfortunate consequence of the accredited investor definition is that small businesses face higher costs of capital.

Subcommittee to consider legislative action to expand retail access to invest in private companies directly.

Expand Retail Opportunities to Invest in Private Companies Indirectly through Private Funds

All Americans can invest indirectly in public companies through mutual funds and exchange-traded funds (ETFs). However, only a privileged few can indirectly invest in private companies through private equity and venture capital funds. In addition to the accredited investor requirement, SEC rules require even higher income and net worth thresholds and impose minimum investment thresholds for investors in private funds.[25]

In December 2021, the SEC's Asset Management Advisory Committee ("AMAC") issued its final report ("AMAC Report") for private funds.[26] The AMAC Report recommended amending the regulatory framework to provide wider access to private investments by retail investors while maintaining appropriate investor protections. I wholeheartedly agree with that recommendation, with one caveat. The AMAC Report recommended that the SEC use its authority to make the changes. However, it is abundantly clear that the current Commission is not interested in moving forward with the recommendation. Therefore, I urge members of this Subcommittee to consider legislative action to expand retail access to invest in private companies indirectly through private funds.

Expand the Flexibility of Closed-End Funds to Make Investments in Private Companies

In addition to "open-end" mutual funds and ETFs, all retail investors can invest in "closed-end funds." Open-end funds are required to buy back shares from shareholders, and the SEC rules require open-end fund managers to maintain minimum liquidity requirements to meet those redemptions. Closed-end funds do not have the same redemption requirements and associated liquidity concerns, which gives closed-end fund managers more flexibility to invest in private companies. However, this flexibility is limited because of two SEC policies.

First, SEC staff has taken the position that closed-end funds offered to non-accredited investors may not hold more than 15% of their assets in private funds.[27] The stated rationale for the staff position is investor protection concerns.[28] Although the SEC has not promulgated a rule with this limitation, closed-end funds with more than 15% of

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[25] Final Report and Recommendations for Private Investments ("AMAC Report"), U.S. Securities and Exchange Commission Asset Management Advisory Committee (Sep. 27, 2021), available at https://www.sec.gov/files/final-report-and-recommendations-private-investments-092721.pdf.
[26] Ibid.
[27] See, e.g., Speech: PLI Investment Management Institute by Dalia Blass, Director of the SEC's Division of Investment Management (Jul. 28, 2020), available at https://www.sec.gov/news/speech/blass-speech-pli-investment-management-institute.
[28] Ibid.

their assets in private funds have limited their offerings to accredited investors at the "urging" of SEC staff.[29]

The AMAC Report recommends the SEC should consider whether its staff's investor protection concerns are an appropriate rationale. AMAC points out that closed-end fund investors already benefit from a comprehensive protection framework under the SEC's registered investment company rules, including having an investment adviser and independent directors with fiduciary duties to the investors and extensive disclosure and reporting requirements. AMAC also points out this limitation impedes closed-end funds listing and creates secondary market liquidity for closed-end fund investors. I urge this Subcommittee to consider legislative action to raise or abolish the SEC staff's limitation on the percentage of assets that closed-end funds can invest in private funds.

Second, SEC rules limit the flexibility of closed-end funds that offer periodic redemptions, called "interval funds," to invest in public companies. In October 2017, the U.S. Department of Treasury released a report ("Treasury Report") with several recommendations for the SEC, including reviewing its interval fund rules.[30] The Treasury Report recommends that the SEC consider more flexible provisions to encourage the creation of interval funds to invest in private and smaller public companies. As one example, the Treasury Report points out that, rather than requiring redemptions on a fixed-time basis, the rules could permit redemptions based on a liquidity event of a portfolio company like a venture capital fund. Similarly, the AMAC Report recommends that the SEC consider allowing flexible repurchase dates based on underlying liquidity instead of a fixed schedule.[31] I urge this Subcommittee to consider legislative action to allow more flexibility in redemptions by interval funds.

Conclusion

The U.S. capital markets are the world's deepest, most liquid, and most transparent. They are the most efficient at allocating capital from investors seeking lifetime financial security to job-creating entrepreneurs.

But we cannot take our capital markets for granted. Hearings like this one are critical to ensuring that our public capital markets work as intended for every American. I am pleased that this Subcommittee is considering legislative reform efforts building on the success of the JOBS Act. These efforts will also support this Subcommittee's oversight role of the SEC by refocusing the Commission on the often-forgotten third part of its

[29] Ibid.
[30] A Financial System That Creates Economic Opportunities: Capital Markets, U.S. Department of the Treasury Report to President Donald J. Trump Pursuant to Executive Order 13772 on Core Principles for Regulating the United States Financial System (Oct. 2017), available at https://home.treasury.gov/system/files/136/A-Financial-System-Capital-Markets-FINAL-FINAL.pdf.
[31] See AMAC Report.

mission: promoting capital formation. Your efforts will improve how our capital markets help all Americans invest in America's future by investing in each other.

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Thank you for bringing attention to these critical issues and for the opportunity to testify here today. I am happy to answer any questions you may have.