

**AMENDMENT IN THE NATURE OF A SUBSTITUTE  
TO H.R. 6177  
OFFERED BY MR. HOLLINGSWORTH OF INDIANA**

Strike all after the enacting clause and insert the following:

**1 SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Developing and Em-  
3 powering our Aspiring Leaders Act of 2018”.

**4 SEC. 2. DEFINITIONS.**

5 Not later than the end of the 180-day period begin-  
6 ning on the date of the enactment of this Act, the Securi-  
7 ties and Exchange Commission shall—

8 (1) revise the definition of a qualifying invest-  
9 ment under paragraph (c) of section 275.203(l)–1 of  
10 title 17, Code of Federal Regulations, to include an  
11 equity security issued by a qualifying portfolio com-  
12 pany, whether acquired directly from the company or  
13 in a secondary acquisition; and

14 (2) revise paragraph (a) of such section to re-  
15 quire, as a condition of a private fund qualifying as  
16 a venture capital fund under such paragraph, that  
17 the qualifying investments of the private fund are

- 1       predominantly qualifying investments that were ac-
- 2       quired directly from a qualifying portfolio company.

Amend the title so as to read: “A bill to require the Securities and Exchange Commission to revise the definition of a qualifying investment to include an equity security issued by a qualifying portfolio company, whether acquired directly from the company or in a secondary acquisition, for purposes of the exemption from registration for venture capital fund advisers under the Investment Advisers Act of 1940, and for other purposes.”.

