



June 21, 2011

The Honorable Spencer Bachus  
Chairman, House Financial Services Committee  
2129 Rayburn House Office Building  
Washington, DC 20515

The Honorable Barney Frank  
Ranking Member, House Financial Services Committee  
2129 Rayburn House Office Building  
Washington, DC 20515

Dear Chairman Bachus and Ranking Member Frank:

The Securities Industry and Financial Markets Association (**SIFMA**) strongly support the passage of H.R. 1070, the Small Company Capital Formation Act.

We believe that expanding access to capital will help small businesses to grow and hire more workers. This legislation will increase the level of exemption from Regulation A so that small businesses can be traded on public exchanges without complying with burdensome requirements. Under current regulations, the exemption level is set at \$5 million and this exemption has not been raised since 1992. H.R. 1070 would increase the current \$5 million level to \$50 million. This legislation would also require that the Securities and Exchange Commission (SEC) to review this exemption every two years to ensure that this ceiling is periodically updated to reflect current market conditions.

In this time of high unemployment, we need to encourage more investment in new businesses. Small businesses are an important part of our economy and have created many new jobs. By raising this ceiling, we will provide additional opportunities for small businesses to access our capital markets.

We believe that this legislation provides an important first step in increasing investment in small businesses and strongly urge the House Financial Services Committee to vote in favor of H.R. 1070.

With kindest personal regards,

Sincerely,

Washington | New York

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[www.sifma.org](http://www.sifma.org) | [www.investedinamerica.org](http://www.investedinamerica.org)

A handwritten signature in blue ink, reading "Ken Bentsen", on a light-colored rectangular background.

Kenneth E. Bentsen, Jr.  
EVP, Public Policy and Advocacy  
Securities Industry and Financial Markets Association

KEB:bge/msm