

AFL-CIO

LEGISLATIVE ALERT

December 14, 2022

The Honorable Sherrod Brown, Chairman
The Honorable Pat Toomey, Ranking Member
U.S. Senate Committee on Banking, Housing, And Urban Affairs
United States Senate
Washington, D.C 20510

Dear Chairman Brown and Ranking Member Toomey:

On behalf of the AFL-CIO, I am writing to express our strong support for the Private Markets Transparency and Accountability Act (S. 4857) that will require the same levels of public disclosure for large private companies that is currently required for publicly listed companies under Section 12(g) of the Securities Exchange Act of 1934. Such transparency is long overdue to protect the retirement savings of working people that are increasingly invested in these private companies as well as other stakeholders in private companies.

S. 4857 will close a longstanding loophole that allows large private companies to circumvent the Securities and Exchange Commission's (SEC's) disclosure rules so long as they have fewer than 2,000 shareholders "of record." Under the current system, companies can avoid the SEC's public disclosure requirements even if they have many more beneficial shareholders than 2,000 record-holders. Often, these beneficial owners include the employees of private companies and pension plans who invest in private equity funds.

The legislation amends Section 12(g) to add valuation, employment and revenue thresholds to determine whether large private companies should provide the same level of public disclosure as their public company counterparts. This commonsense amendment to the Section 12(g) disclosure requirements will provide a level playing field for investors in these large private companies. Public disclosure will also benefit other stakeholders in large private companies such as employees, communities, customers and lenders.

For these reasons, we urge your support for the Private Markets Transparency and Accountability Act to hold large private companies to the same disclosure standards that is currently required for publicly listed companies.

Sincerely,



William Samuel
Director, Government Affairs