Testimony on "JOBS Act Implementation Update"
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U.S. Securities and Exchange Commission

before the
Subcommittee on Investigations, Oversight and Regulations
Committee on Small Business
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Chairman Schweikert, Ranking Member Clarke and Members of the Subcommittee:

We appreciate the opportunity to testify today on behalf of the U.S. Securities and Exchange Commission (Commission) regarding the Jumpstart Our Business Startups Act (JOBS Act). Implementation of the JOBS Act is one of the Commission's top priorities, and our testimony will discuss the efforts of the Commission and staff since enactment of the JOBS Act last year.

The JOBS Act made significant changes to the federal securities laws, including:

- changing the initial public offering process for a new category of issuer, called an "emerging growth company," by, among other things, permitting certain of these companies to submit draft registration statements for review on a confidential basis, providing exemptions for such companies from various disclosure and other requirements for up to five years following their initial public offerings and relaxing certain restrictions on communications by issuers and their underwriters;

- requiring the Commission to modify the prohibition against general solicitation and general advertising in Rule 506 of Regulation D and Rule 144A under the Securities Act of 1933 (Securities Act);

- requiring the Commission to implement exemptions under the Securities Act for crowdfunding offerings and for unregistered public offerings of up to $50 million; and

- increasing the number of holders of record that triggers public reporting under Section 12(g) of the Securities Exchange Act of 1934 (Exchange Act) and increasing the number of holders that permits deregistration and suspension of reporting under the Exchange Act for banks and bank holding companies.

The JOBS Act also required the Commission to conduct several studies and prepare reports to Congress. In addition, the JOBS Act mandated that the Commission provide online information and conduct outreach to small and medium-sized businesses and businesses owned by women, veterans and minorities about the changes made by the new statute.

As you know, certain provisions of the JOBS Act became effective immediately upon enactment, while others require Commission rulemaking. These rulemaking mandates are in addition to a significant volume of Commission rulemaking required by the Dodd-Frank Wall Street Reform and Consumer Protection Act.

The Commission staff has taken steps to inform the industry about the operation of the JOBS Act, beginning immediately after enactment. On the day of enactment, for example, staff in the Division of Corporation Finance provided information on the Commission's website that explained how emerging growth companies could submit draft registration statements for confidential non-public review as permitted by the JOBS Act.[1] On the same day, the staff received the first confidentially-submitted registration statement from an emerging growth company that used these new procedures.

Soon after enactment, the staff prepared and posted on the Commission's website answers to what the staff anticipated would be interpretive and implementation questions that companies and their advisors would have regarding the initial public offering "on-ramp" and the changes to the requirements for Exchange Act Section 12(g) registration and deregistration. The

[1] *See* http://www.sec.gov/divisions/corpfin/cfannouncements/draftregstatements.htm.

staff has continued to provide guidance, including by providing answers to frequently asked questions about the JOBS Act and its effect with respect to rules relating to research and research analysts and about the crowdfunding and other provisions of the JOBS Act.[2] In addition, the staff has discussed and answered questions relating to the provisions of the JOBS Act with companies, their advisors and other interested parties at conferences and seminars.

For the JOBS Act provisions requiring Commission rulemaking, rule writing teams have been formed consisting of staff from across the Commission, including economists from the Division of Risk, Strategy and Financial Innovation (RSFI). As discussed below, these teams have been working on rulemaking recommendations, including the assessment of their potential economic impact, for the Commission's consideration.

To aid the rulemaking process and increase the opportunity for public comment, the Commission established a page on its website through which, prior to the issuance of proposed rules, interested parties are able to submit comments on the various provisions of the JOBS Act.[3] Since the webpage was established last April, a wide range of interested parties have provided helpful feedback and insights relating to the Commission's implementation of the JOBS Act, and these comments are publicly available on the Commission's website.[4] Commissioners and staff also have participated in meetings with a wide array of interested individuals and groups regarding the implementation of the JOBS Act.[5] The input the Commission and the staff have

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2 *See* http://www.sec.gov/divisions/corpfin/guidance/cfjjobsactfaq-title-i-general.htm, http://www.sec.gov/divisions/corpfin/guidance/cfjjobsactfaq-12g.htm, http://www.sec.gov/divisions/marketreg/tmjobsact-researchanalystsfaq.htm, http://www.sec.gov/divisions/marketreg/tmjobsact-crowdfundingintermediariesfaq.htm and http://www.sec.gov/divisions/marketreg/exemption-broker-dealer-registration-jobs-act-faq.htm.

3 *See* http://www.sec.gov/spotlight/jobsactcomments.shtml.

4 *See id*.

5 As of April 8, 2013, the Commission has received 221 comment letters relating to the provisions in Title I, 77 comment letters relating to the provisions in Title II, 188 comment letters relating to the provisions in Title III,

received through these written submissions and meetings has been very helpful to the rulemaking teams as they work to comply with the JOBS Act's mandates.

Below is a more detailed description of the efforts taken to date to implement the various provisions of the JOBS Act.

Title I

Title I of the JOBS Act created a new category of issuer called an "emerging growth company," which is defined as a company with total annual gross revenues of less than $1 billion during its most recently completed fiscal year. Only companies whose first registered sale of common equity securities occurred after December 8, 2011 may be considered emerging growth companies. A company retains its status as an emerging growth company until the earliest of the following:

- the last day of its fiscal year during which its total annual gross revenues are $1 billion or more;
- the date it is deemed to be a large accelerated filer under the Commission's rules;
- the date on which it has issued more than $1 billion in non-convertible debt in the previous three years; or
- the last day of the fiscal year following the fifth anniversary of the first registered sale of its common equity securities.

As referenced above, emerging growth companies may confidentially submit draft registration statements to the Commission prior to the company's initial public offering date. All such submissions and amendments to those submissions must be filed publicly no later than 21

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19 comment letters relating to the provisions in Title IV, 22 comment letters relating to the provisions in Titles V and VI and four comment letters relating to Title VII. The comment file for each title provides information about JOBS Act-related meetings in which the Commission and the staff participated. *See* http://www.sec.gov/spotlight/jobsactcomments.shtml.

days before the date the issuer conducts a road show, as that term is defined in Securities Act Rule 433.

Under Title I, emerging growth companies can take advantage of scaled disclosure and other requirements, including with respect to the Commission's financial statement and selected financial data requirements and certain executive compensation disclosures. Emerging growth companies are exempted from the audit of internal controls required under Section 404(b) of the Sarbanes-Oxley Act of 2002 and from any potential future rule the Public Company Accounting Oversight Board issues with respect to mandatory audit firm rotation or the auditor reporting model. In addition, under Title I, emerging growth companies cannot be required to comply with any new or revised financial accounting standard until the date that a non-issuer would be required to comply.

Title I also makes important changes with respect to communications around securities offerings, the provision of research and securities analyst communications. The law provides a Securities Act exemption for emerging growth companies and persons authorized to act on their behalf to "test the waters" for an offering by communicating with potential investors that are qualified institutional buyers or institutional accredited investors prior to or following the filing of a registration statement. In addition, Title I provides an exemption under the Securities Act for the issuance of research reports before, during and following initial public offerings and other offerings for emerging growth companies by underwriters engaged in such offerings. It also prohibits the Commission and national securities associations from adopting or maintaining rules:

- restricting, based on functional role, which associated persons of a broker-dealer, or member of a national securities association, may arrange for communications between a securities analyst and a potential investor;

- restricting a securities analyst from participating in communications with an emerging growth company's management team that also are attended by any other associated person of a broker-dealer, or member of a national securities association, whose functional role is not that of a securities analyst; and

- restricting broker-dealers, or members of a national securities association, from publishing or distributing research reports or making public appearances with respect to the securities of an emerging growth company within a specified time period after the emerging growth company's initial public offering or prior to the expiration of a lock-up agreement.

The provisions of Title I were effective upon enactment without Commission rulemaking.[6] As noted above, immediately following enactment of the JOBS Act, the staff developed and published procedures for emerging growth companies to submit draft registration statements for confidential non-public review.[7] The staff has continued to work to simplify that process, and, since October 2012, companies have been required to submit their draft registration statements electronically on the Commission's EDGAR system.[8] To date, the Commission has received approximately 175 confidentially-submitted draft registration statements for non-public review as permitted under Title I. As noted above, through the issuance of responses to frequently asked questions, the staff has provided guidance on the application of Title I in light of the Commission's existing rules, regulations and procedures. The staff is continuing to work with companies and practitioners when questions arise concerning the application of Title I.

Title I also required the Commission to submit two reports to Congress. Section 106(b) required that the Commission, within 90 days of enactment of the JOBS Act, conduct a study and report to Congress on the transition to trading and quoting securities in one penny increments – also known as decimalization – and the impact decimalization has had on the number of initial

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6 *See* http://www.sec.gov/comments/jobs-title-i/general/general.shtml for comments on Title I.

7 *See* http://www.sec.gov/divisions/corpfin/cfannouncements/draftregstatements.htm.

8 *See* http://www.sec.gov/divisions/corpfin/cfannouncements/drsfilingprocedures101512.htm.

public offerings since its implementation.[9] Section 106(b) also permitted the Commission, if it determined that the securities of emerging growth companies should be quoted and traded using a minimum increment of greater than $0.01 to designate, by rule, a minimum increment for emerging growth companies that is greater than $0.01 but less than $0.10.

The report to Congress on the staff's study under Section 106(b) was submitted on July 20, 2012.[10] In conducting the study, the staff reviewed empirical studies regarding tick size and decimalization, considered the views expressed about market structure at a June 2012 open meeting of the Commission's Advisory Committee on Small and Emerging Companies and surveyed tick size regimes in non-U.S. markets. Based on the review, the staff found that "[a]lthough mandating an increase in tick sizes to levels greater than those that are presently dictated by market forces may provide more incentives to market makers in certain stocks, the full impact of such a change, including whether or not an increased tick size would indeed result in more IPOs, and whether there would be other significant negative or unintended consequences, is difficult to ascertain."[11] The staff, therefore, recommended at that time that the Commission should not proceed with rulemaking to increase tick sizes, but should consider the steps needed to determine whether rulemaking should be undertaken in this area in the future. In this regard, the report noted the staff's belief that the Commission should solicit the views of interested parties on the broad topic of decimalization, how to best study its effects on initial public offerings, trading and liquidity for small and middle capitalization companies and what, if

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9 *See* http://www.sec.gov/comments/jobs-title-i/tick-size-study/tick-size-study.shtml for comments on Section 106(b) of Title I.

10 *See* http://www.sec.gov/news/studies/2012/decimalization-072012.pdf.

11 *Id*. at 22.

any, changes should be considered. The staff also recommended that a roundtable be convened to determine how to best structure a potential pilot program.

In February 2013, the staff held a roundtable to discuss the impact of decimal-based stock trading on small and middle capitalization companies, market professionals, investors and U.S. securities markets.[12] The staff is still considering the comments received at the roundtable, including those suggesting that the Commission evaluate the current "one-size-fits-all" approach to tick size through the implementation of a pilot program that would alter the minimum tick size for a control group of stocks of different types of companies. Although panelists expressed different views on the impact of tick sizes on initial public offerings, research coverage and market liquidity, most panelists supported the idea of a pilot program to empirically test the effects of increasing tick sizes to greater than one penny for the less-liquid stocks of smaller capitalization companies.[13] As a result, the staff is consulting with the exchanges and other interested parties to consider how a pilot program, if one were to be implemented, could be structured to best inform the Commission of the policy choices in this area.

Section 108 of the JOBS Act required the Commission, within 180 days of enactment of the JOBS Act, to conduct a review of Regulation S-K to determine how it may be modernized

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[12] For further information about the decimalization roundtable, *see* http://www.sec.gov/spotlight/decimalization.shtml.

[13] A cross-section of panelists expressed support for instituting a pilot program for a subset of small and middle capitalization companies. Some panelists focused on the impact of spreads on trading activity and believed it was possible that a larger tick size may result in more liquidity for the securities of small and middle capitalization companies, while other panelists drew a connection between tick size and the availability of research and initial public offerings. A smaller number of panelists questioned the utility of a pilot program, believing that it may not be able to generate data that would measure the impact of wider spreads on initial public offerings for small and middle capitalization companies. Others have expressed concerns that there could be negative consequences of an increased tick size, such as increased costs to investors or increased over-the-counter trading.

and simplified to reduce the costs and other burdens for emerging growth companies.[14] The Commission also is required to transmit a report to Congress on this review, including specific recommendations. The Commission's staff is in the process of preparing its recommendations and is working to complete the review in the near future.

Title II

Title II of the JOBS Act requires the Commission to revise the Rule 506 safe harbor of Regulation D[15] from registration to allow general solicitation or general advertising for offers and sales made under Rule 506, provided that all securities purchasers are accredited investors.

The rules the Commission adopts pursuant to Title II must require issuers to take "reasonable steps to verify that purchasers of the securities are accredited investors, using such methods as determined by the Commission." Title II also states that Rule 506 will continue to be treated as a regulation issued under Section 4(a)(2) of the Securities Act, and that offers and sales under Rule 506 as revised will not be deemed public offers under the federal securities laws as a result of general solicitation or advertising.

The Commission also is required to revise Securities Act Rule 144A[16] to provide that securities sold under the revised rule may be offered to persons other than qualified institutional

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[14] *See* http://www.sec.gov/comments/jobs-title-i/reviewreg-sk/reviewreg-sk.shtml for comments on Section 108 of Title I.

[15] 17 CFR 230.506. Rule 506 of Regulation D under the Securities Act is a non-exclusive safe harbor under Section 4(a)(2) (formerly Section 4(2)) of the Securities Act, which exempts transactions by an issuer "not involving any public offering" from the registration requirements of Section 5 of the Securities Act. Under existing Rule 506, an issuer may offer and sell securities, without any limitation on the offering amount, to an unlimited number of "accredited investors," as defined in Rule 501(a) of Regulation D, and to no more than 35 non-accredited investors who meet certain "sophistication" requirements. The availability of the existing safe harbor is subject to a number of requirements and is conditioned on the issuer, or any person acting on its behalf, not offering or selling securities through any form of "general solicitation or general advertising."

[16] 17 CFR 230.144A. Rule 144A is a non-exclusive safe harbor exemption from the registration requirements of the Securities Act for resales of certain "restricted securities" to qualified institutional buyers, or QIBs.

buyers, including by means of general solicitation or advertising, provided that the securities are sold only to persons reasonably believed to be qualified institutional buyers.

The Title II rulemaking was required to be completed within 90 days of enactment of the JOBS Act. In August 2012, the Commission issued for public comment proposed rules to implement Title II.[17] Under the proposed rules, companies issuing securities in an offering conducted under Rule 506 of Regulation D would be permitted to use general solicitation and general advertising to offer securities, provided that the issuer takes reasonable steps to verify that the purchasers of the securities are accredited investors. The Proposing Release explains that, in determining the reasonableness of the steps that an issuer has taken to verify that a purchaser is an accredited investor, issuers should consider the facts and circumstances of the transaction, such as the type of purchaser and the type of accredited investor that the purchaser claims to be, the amount and type of information that the issuer has about the purchaser and the nature of the offering. The proposed rules would preserve the existing portions of Rule 506 as a separate exemption so that companies conducting Rule 506 offerings without the use of general solicitation and general advertising would not be subject to the new verification rule.

The Commission also proposed that securities sold pursuant to Rule 144A could be offered to persons other than qualified institutional buyers, including by means of general

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Although Rule 144A does not include an express prohibition against general solicitation, offers of securities under Rule 144A currently must be limited to QIBs, which has the same practical effect. A QIB is defined in Rule 144A and includes specified institutions that, in the aggregate, own and invest on a discretionary basis at least $100 million in securities of issuers that are not affiliated with such institutions. Banks and other specified financial institutions also must have a net worth of at least $25 million. A registered broker-dealer qualifies as a QIB if it, in the aggregate, owns and invests on a discretionary basis at least $10 million in securities of issuers that are not affiliated with the broker-dealer.

[17] Securities Act Release No. 33-9354 (Proposing Release) 77 Fed. Reg. 54464 (August 29, 2012), *available at* http://www.sec.gov/rules/proposed/2012/33-9354.pdf.

solicitation, provided that the securities are sold only to persons whom the seller and any person acting on behalf of the seller reasonably believe are qualified institutional buyers.[18]

The comment period for the proposal ended in October 2012. There has been significant interest in this provision of the JOBS Act and the proposed rules. The Commission received more than 65 comment letters prior to issuing a proposal,[19] and has received more than 220 comment letters on the proposal to date.[20] Staff in the Divisions of Corporation Finance and RSFI are developing recommendations for the Commission's consideration as to how best to move forward with implementation of Title II.

Title II also amends Section 4 of the Securities Act to provide a narrow exemption from the requirement to register with the Commission as a broker-dealer in connection with certain limited activities related to Regulation D[21] offerings. In February 2013, the Commission's Division of Trading and Markets posted on the Commission's website answers to frequently asked questions about these provisions, including confirming that the exemption does not require the Commission to issue or adopt any rules.[22]

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[18] In the Proposing Release, the Commission proposed only those rule and form amendments that, in the view of the majority, were necessary to implement the mandate in Title II. Commissioner Luis Aguilar dissented from the Commission's action, stating his view that the proposal presented a framework that was not balanced and did not consider the alternatives suggested by commentators. *See* Commissioner Luis A. Aguilar, Statement at SEC Open Meeting, August 29, 2012, *available at* https://www.sec.gov/news/speech/2012/spch082912laa.htm. Certain of the written comments received by the Commission, both before and after the proposal, urged the Commission to consider and propose other amendments to Regulation D or to Form D that the commentators believed to be appropriate in connection with the implementation of Title II. The Proposing Release did not request comment on any of such recommendations, and did not address whether a proposal incorporating any of such recommendations in conjunction with removing the prohibition on general solicitation and advertising would be a reasonable alternative to the approach in the proposed rule.

[19] *See* http://www.sec.gov/comments/jobs-title-ii/jobs-title-ii.shtml.

[20] *See* http://www.sec.gov/comments/s7-07-12/s70712.shtml.

[21] 17 CFR 230.500 through 230.508.

[22] *See* http://www.sec.gov/divisions/marketreg/exemption-broker-dealer-registration-jobs-act-faq.htm.

Title III

Title III of the JOBS Act provides a new exemption from Section 5 of the Securities Act for offers and sales of securities through crowdfunding. Crowdfunding is an evolving method to raise capital using the Internet. Crowdfunding using donation-based or reward-based models has been used by small and start-up businesses to raise capital to start a business or develop a product and by individuals or entities seeking financial contributions to support artistic and charitable projects or causes. An entity or individual raising funds through donation-based or reward-based crowdfunding typically seeks relatively small, individual contributions from a large number of people.

To implement Title III, the Commission must create a new regulatory regime for issuers seeking to engage in crowdfunding transactions, including ongoing reporting requirements, and for intermediaries seeking to facilitate crowdfunding transactions. The new exemption provided in Title III would allow businesses to use crowdfunding to offer and sell securities without registration under the Securities Act, subject to certain conditions. Among its many conditions, Title III limits the maximum amount that may be raised by an issuer and the maximum amount that an individual investor may invest in a 12-month period. Title III also requires that an offering made in reliance on the exemption be conducted through an intermediary that is either a registered broker or a registered "funding portal." A funding portal, which is a new entity under the federal securities laws, would be subject to a conditional exemption from broker registration.

Title III includes other requirements for issuers and intermediaries, including disclosure obligations and restrictions on advertising the terms of the offering. The Commission also is required to establish disqualification provisions for certain bad actors and exempt securities

issued in reliance on the crowdfunding exemption from the calculation of record holders for purposes of Section 12(g) of the Exchange Act.

Under Title III, the Commission was required to adopt rules implementing the new crowdfunding provisions within 270 days of enactment of the JOBS Act. The Commission has received over 180 pre-proposal submissions on the crowdfunding provisions of the JOBS Act.[23] Staff in the Divisions of Corporation Finance, RSFI and Trading and Markets are working to develop recommendations for the Commission's consideration. In addition, the staff published responses to frequently asked questions to provide guidance on the implementation of Title III.[24]

Title IV

Title IV of the JOBS Act requires Commission rulemaking to create a new exemption from Securities Act registration, similar to existing Regulation A,[25] which would allow certain "small issue" offerings of up to $50 million in a 12-month period.[26] Title IV specifies that the exemption include certain terms and conditions, including, among others, that the securities may be offered and sold publicly, the securities sold under the exemption will not be restricted securities and issuers of the securities will be required to file audited financial statements annually with the Commission. The Commission may add other terms, conditions and requirements that it determines necessary in the public interest and for the protection of investors, which may include electronic filing of the offering documents, periodic disclosures by the issuer or disqualification provisions. Title IV also requires the Commission to review the

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[23] *See* http://www.sec.gov/comments/jobs-title-iii/jobs-title-iii.shtml.

[24] *See* http://www.sec.gov/divisions/marketreg/tmjobsact-crowdfundingintermediariesfaq.htm.

[25] 17 CFR 230.251 through 230.263.

[26] *See* http://www.sec.gov/comments/jobs-title-iv/jobs-title-iv.shtml for comments on Title IV.

offering limit under the new exemption not later than two years after enactment of the JOBS Act and every two years thereafter. Staff in the Divisions of Corporation Finance and RSFI are working to develop rule recommendations under Title IV for the Commission's consideration.

Titles V and VI

Titles V and VI of the JOBS Act amend Section 12(g) of the Exchange Act, which sets forth certain registration requirements for classes of securities.[27] Prior to enactment of the JOBS Act, Section 12(g) and the rules issued thereunder required a company to register its securities with the Commission within 120 days after the last day of its fiscal year, if, at the end of the fiscal year, the securities were held of record by 500 or more persons and the company had total assets exceeding $10 million.[28]

Title V amends Section 12(g) to raise the threshold for registration from 500 holders of record to either 2,000 holders of record or 500 holders of record who are not accredited investors. Title V also excludes from the calculation of the number of holders of record shares held by persons who received the shares pursuant to employee compensation plans, and requires Commission rulemaking to provide a safe harbor for the determination of whether such a holder is to be excluded.

Title VI applies only to banks and bank holding companies. It amends Section 12(g) to raise the registration threshold from 500 holders of record to 2,000 holders of record, and also changes the threshold for exiting the reporting system from 300 holders of record to 1,200

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[27] *See* http://www.sec.gov/comments/jobs-title-v/jobs-title-v.shtml and http://www.sec.gov/comments/jobs-title-vi/jobs-title-vi.shtml for comments on Titles V and VI, respectively.

[28] *See* 15 U.S.C. §78*l*(g) and 17 CFR 240.12g-1.

holders of record. Title VI requires the Commission to write rules to implement this provision within one year of enactment of the JOBS Act.

Titles V and VI were effective immediately upon the enactment of the JOBS Act. In the days following enactment, the staff prepared and posted guidance on the Commission's website addressing anticipated questions related to the JOBS Act changes to the requirements for Section 12(g) registration and deregistration. To date, approximately 78 bank holding companies have deregistered.[29] The staff is in the process of preparing recommendations for rule proposals for the Commission's consideration to address the new requirements of Titles V and VI.

Title V also requires the Commission to examine its authority to enforce the anti-evasion provisions of Exchange Act Rule 12g5-1[30] and submit recommendations to Congress within 120 days following enactment of the JOBS Act. Staff from the Division of Corporation Finance worked with staff from the Divisions of Enforcement, RSFI and Trading and Markets to review the anti-evasion provision in Rule 12g5-1(b)(3) and the Commission's related enforcement authority and tools, and, on October 15, 2012, submitted their report to Congress.[31] The staff concluded that the current enforcement tools available to the Commission are adequate to enforce the anti-evasion provision of Rule 12g5-1 and determined not to make any legislative recommendations regarding enforcement tools relating to Rule 12g5-1(b)(3).

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[29] This reflects filings made with the Commission, which does not include deregistrations by banks that report to banking regulators.

[30] 17 CFR 240.12g5-1.

[31] *See* http://www.sec.gov/news/studies/2012/authority-to-enforce-rule-12g5-1.pdf.

Title VII

Effective upon enactment, Title VII requires the Commission to provide online information and conduct outreach to inform small and medium-sized businesses, as well as businesses owned by women, veterans and minorities, of the changes made by the JOBS Act.[32] Staff from the Division of Corporation Finance and the Office of Minority and Women Inclusion (OMWI), in collaboration with other Divisions and Offices, is leading the Commission's efforts in developing and implementing an outreach plan tailored to these business communities. For example, OMWI is expanding the content of existing programs for small, minority-owned and women-owned businesses to provide information about the JOBS Act and its potential benefits for businesses. The staff is working to finalize an outreach plan that complements and augments the content of existing outreach programs, providing targeted, user-friendly communications and developing a longer-term strategy for engagement at conferences and community events.

Conclusion

While there is still much to be accomplished, the Commission and the staff have made progress on, and continue to work diligently in, implementing the JOBS Act mandates. By providing interpretive guidance on the JOBS Act provisions that became effective upon enactment, the staff enabled interested parties to begin immediately using a number of the provisions of the JOBS Act to achieve their business objectives. The staff has either completed or is in the process of completing the studies mandated by the JOBS Act. The Commission and staff are moving forward on the various rulemakings required by the JOBS Act. We look forward to completing the remaining provisions as soon as practicable.

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[32] *See* http://www.sec.gov/comments/jobs-title-vii/jobs-title-vii.shtml for comments on Title VII.