

1           **Supporting HR 477 - Small Business Mergers, Acquisitions,**  
2           **Sales, and Brokerage Simplification Act of 2017**

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4       **WHEREAS** the bipartisan “Business Broker Bill” H.R. 477, the Small Business Mergers,  
5       Acquisitions, Sales, and Brokerage Simplification Act of 2017 is a small business bill  
6       which was unanimously passed in the U.S. House of Representatives in December 2017  
7       with a 426-0 recorded vote;

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9       **WHEREAS** recognizing the importance of Merger & Acquisition brokers (“M&A  
10       brokers”) and business brokers in the business community and whose activities are the  
11       focus of this bill, House Financial Services Chairman Jeb Hensarling’s staff and Ranking  
12       Member Maxine Waters’ staff came together to make this bill a true bipartisan effort;

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14       **WHEREAS** support for the bill exists among both Democrats and Republicans and  
15       includes organizations such as the U.S. Chamber of Commerce and the North American  
16       Securities Administrators Association (NASAA);

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18       **WHEREAS** NASAA adopted a model state M&A Broker rule predicated on the text of  
19       this bill;

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21       **WHEREAS** 10 states have either adopted NASAA’s model rule or issued interim no-  
22       action relief expressly referencing this pending federal legislation;

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24       **WHEREAS** adoption of this federal legislation would be beneficial to the owners of  
25       small businesses, as well as to the M&A/business brokers who represent them when  
26       the owners wish to sell their businesses;

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28       **WHEREAS** H.R. 477 would amend the Securities and Exchange Act of 1934 to create a  
29       limited SEC broker-dealer registration exemption for M&A/business brokers, yet the  
30       proposed legislation does not affect the SEC’s jurisdiction or anti-fraud prohibitions  
31       applicable to brokers or more generally to others, and also includes multiple investor  
32       protection provisions; and

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34       **WHEREAS** M&A/business brokers would be subject to applicable state regulations  
35       adopted by the respective State Securities Regulators, such as NASAA’s model state  
36       M&A Broker rule;

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38       **THEREFORE BE IT RESOLVED** the Washington State Democrats recommend U.S.  
39       Senators Patty Murray and Maria Cantwell support and, if possible, co-sponsor  
40       legislation in the United States Senate corresponding to H.R. 477, either as a stand-alone  
41       Senate bill or as a part of other appropriate legislation to be acted upon by the Senate in  
42       2018; and

1 **THEREFORE BE IT FURTHER RESOLVED** the Washington State Democrats  
2 recommend U.S. Senators Patty Murray and Maria Cantwell encourage their colleagues  
3 in the Senate, especially those who are members of the Senate Banking Committee, to  
4 join also in support and co-sponsor legislation in the U.S. Senate corresponding to H.R.  
5 477.  
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7 Submitted via delegate signatures to the 2018 Washington State Democratic  
8 Convention.  
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10 The Platform Committee recommended that this resolution be passed at their June 15,  
11 2018 meeting.  
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13 The 2018 Washington State Democratic Convention passed this resolution on June 16,  
14 2018.