



Consumer Federation of America

October 17, 2022

Re: Support for S.4857, the Private Markets Transparency and Accountability Act

Dear Senator:

On behalf of the Consumer Federation of America (CFA),¹ we write to express our strong support for S.4857, the Private Markets Transparency and Accountability Act. This legislation would begin to restore an appropriate balance between our public and private capital markets. By requiring companies that exceed a certain valuation or have a certain number of employees and revenue to file registration statements with the Securities and Exchange Commission (SEC) and provide regular disclosures to investors and the public, this bill would help to protect investors and to ensure the integrity of our markets.

As you know, Congress and the SEC have for too long encouraged the excessive growth of private securities markets at the expense of the health and vitality of our public securities markets. This has resulted in less information for investors and less accountability for corporate wrongdoing. By ensuring that investors in the largest companies have the information they need to make informed investment choices and promoting accountability for the largest companies, this bill would begin to restore the proper balance between public and private markets.

Specifically, this bill would modernize Section 12(g) of the Securities Exchange Act of 1934 to establish new, reasonable triggers that reflect the actual size, ownership, and activities of today's largest private companies. In doing so, it would ensure that "unicorns" with large and dispersed shareholder bases and other large systemic footprints in our national economy do not operate in the dark forever.² Moreover, it would provide necessary information about business practices and financial performance to employees, investors, and our capital markets, thereby allowing better informed capital allocation decisions and enhanced investor protections.

¹ The Consumer Federation of America is a non-profit association more than 250 consumer groups that was established in 1968 to advance the consumer interest through research, advocacy, and education.

² See, e.g., Ellen Huet, *There Are Now 1,000 Unicorn Startups Worth \$1 Billion or More*, BLOOMBERG, February 9, 2022, [https://www.bloomberg.com/news/features/2022-02-09/there-are-now-1-000-unicorn-private-company-startups-worth-1-billion-or-more?leadSource=uverify wall](https://www.bloomberg.com/news/features/2022-02-09/there-are-now-1-000-unicorn-private-company-startups-worth-1-billion-or-more?leadSource=uverify%20wall).

For these reasons, CFA strongly supports the Private Markets Transparency and Accountability Act. If you have any questions or if we may be of any additional assistance, please do not hesitate to contact us.

Respectfully,

A handwritten signature in black ink that reads "Micah Hauptman". The script is fluid and cursive.

Micah Hauptman
Director of Investor Protection

A handwritten signature in black ink that reads "Dylan Bruce". The script is more angular and less cursive than the signature above.

Dylan Bruce
Financial Services Counsel