

118TH CONGRESS  
1ST SESSION

# H. R. 4590

To amend the Securities Exchange Act of 1934 to provide for liability for certain failures to disclose material information in connection with proxy voting advice, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 12, 2023

Mr. STEIL introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

To amend the Securities Exchange Act of 1934 to provide for liability for certain failures to disclose material information in connection with proxy voting advice, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. LIABILITY FOR CERTAIN FAILURES TO DIS-**  
4 **CLOSE MATERIAL INFORMATION OR MAKING**  
5 **OF MATERIAL MISSTATEMENTS.**

6 Section 14 of the Securities Exchange Act of 1934  
7 (15 U.S.C. 78n) is amended by adding at the end the fol-  
8 lowing:

1           “(1) FALSE OR MISLEADING STATEMENTS.—For  
2 purposes of section 18, the failure to disclose material in-  
3 formation (such as a proxy voting advice business’s meth-  
4 odology, sources of information, or conflicts of interest)  
5 or the making of a material misstatement regarding proxy  
6 voting advice that makes a recommendation to a security  
7 holder as to the security holder’s vote, consent, or author-  
8 ization on a specific matter for which security holder ap-  
9 proval is solicited, and that is furnished by a person that  
10 markets the person’s expertise as a provider of such proxy  
11 voting advice separately from other forms of investment  
12 advice, and sells such proxy voting advice for a fee, shall  
13 be considered to be false or misleading with respect to a  
14 material fact.”.

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