

March 30, 2020

The Honorable Steven Mnuchin
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Ave. NW
Washington, D.C. 20220

The Honorable Jay Clayton
Chairman
U.S. Securities and Exchange Commission
100 F. St. NE
Washington, DC 20549

Dear Secretary Mnuchin and Chairman Clayton:

I write to you at a truly unprecedented time in our nation's history. Vast parts of our economy are shut down in an effort to save American lives. As a result, we need a whole-of-government approach to support those hit hardest by the coronavirus (COVID-19).

Congress took an important step towards supporting businesses, workers, and consumers by passing the Coronavirus, Aid, Relief, and Economic Security (CARES) Act. In particular, the CARES Act provides \$500 billion to Treasury's Exchange Stabilization Fund in emergency relief to the most distressed sectors of our economy with certain stipulations on equity interests. Now, I ask that you work together to maximize the benefits of the CARES Act to ensure that the economic recovery does in fact benefit all Americans.

My request is that you will encourage any recipients of the fund to provide access to equity compensation to their entire workforce. That means not only asking eligible companies to provide equity compensation to all of its workers, but also removing regulatory barriers that prevent some workers from even obtaining it. For example, emergency reforms are necessary to modify Rule 701 under the Securities Act of 1933 to give freelancers, sole proprietors, contractors, and other non-traditional workers the ability to receive equity compensation just like traditional employees.

I commend you for your efforts since the beginning of this public health crisis. Your responsiveness and regulatory flexibility have served the public well in this time of great uncertainty for American families and businesses. Now it's time to ensure that all workers have ownership in our recovery.

Sincerely,



Patrick McHenry
Ranking Member

Secretary Steven Mnuchin

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cc: The Honorable Maxine Waters, Chairwoman
House Committee on Financial Services