

115TH CONGRESS  
2D SESSION

# H. R. 6096

To prohibit public companies from repurchasing their shares on the open market, and for other purposes.

---

IN THE HOUSE OF REPRESENTATIVES

JUNE 13, 2018

Mr. ELLISON (for himself and Mr. KHANNA) introduced the following bill;  
which was referred to the Committee on Financial Services

---

## A BILL

To prohibit public companies from repurchasing their shares  
on the open market, 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. SHORT TITLE.**

4 This Act may be cited as the “Reward Work Act”.

5 **SEC. 2. PROHIBITION ON STOCK BUYBACKS ON THE OPEN**  
6 **MARKET.**

7 (a) DEFINITIONS.—In this section—

8 (1) the terms “equity security”, “exchange”,  
9 and “issuer” have the meanings given the terms in

1 section 3 of the Securities Exchange Act of 1934  
2 (15 U.S.C. 78c); and

3 (2) the term “national securities exchange”  
4 means an exchange registered under section 6 of the  
5 Securities Exchange Act of 1934 (15 U.S.C. 78f).

6 (b) PROHIBITIONS.—Notwithstanding any other pro-  
7 vision of law, no issuer may purchase an equity security  
8 of the issuer on a national securities exchange.

9 (c) NO FORCE OR EFFECT.—Section 240.10b–18 of  
10 title 17, Code of Federal Regulations, shall have no force  
11 or effect.

12 (d) RULE OF CONSTRUCTION.—Nothing in this sec-  
13 tion may be construed to affect tender offers subject to  
14 section 240.13e–4 and sections 240.14e–1 through  
15 240.14f–1 of title 17, Code of Federal Regulations.

16 **SEC. 3. WORKER REPRESENTATION ON CORPORATE BOARD**  
17 **OF DIRECTORS.**

18 (a) DEFINITIONS.—In this section—

19 (1) the term “director” has the meaning given  
20 the term in section 3 of the Securities Exchange Act  
21 of 1934 (15 U.S.C. 78c); and

22 (2) the term “employee” has the meaning given  
23 the term in section 2 of the National Labor Rela-  
24 tions Act (29 U.S.C. 152).

1 (b) REGISTRATION REQUIREMENTS FOR SECURI-  
2 TIES.—Section 12 of the Securities Exchange Act of 1934  
3 (15 U.S.C. 78l) is amended by adding at the end the fol-  
4 lowing:

5 “(m) No issuer may register securities on a national  
6 exchange unless at least  $\frac{1}{3}$  of the issuer’s directors are  
7 chosen by the issuing company’s employees in a one-em-  
8 ployee-one-vote election process.”.

9 (c) POLICY.—The Securities and Exchange Commis-  
10 sion, in consultation with the National Labor Relations  
11 Board, shall promulgate regulations—

12 (1) to ensure that director elections at issuing  
13 firms are fair and democratic; and

14 (2) to ensure that  $\frac{1}{3}$  of an issuer’s board of di-  
15 rectors will be composed of employee representatives  
16 within 2 years of the date of enactment of this Act.

17 **SEC. 4. REGULATIONS.**

18 The Securities and Exchange Commission shall pro-  
19 mulgate regulations to direct national securities exchanges  
20 and issuers, as defined in section 2(a), to comply with this  
21 Act and the amendments made by this Act.

○