

Simon, Ammon (Banking)

From: Jonathan Cohen
Sent: Monday, March 15, 2021 9:29 PM
To: submissions (Banking)
Subject: RFP to Foster Economic Growth, etc.

This is in response to Ranking Member Toomey's February 2, 2021 request for "proposals that will accelerate economic growth and spur job creation by encouraging more companies to become publicly traded, improving the market for private capital, and enhancing retail investor access to investment opportunities."

Our company develops and commercialize innovative tests for cancer and covid-19. We experienced over 600% annual revenue growth last year and expect to be listed this year as one of Inc. magazine's 1000 Fastest Growing Companies in America.

We have raised over \$10 million to date through equity crowdfunding (Regs. CF and A+) and believe passionately in the value of this form of capital formation. While the JOBS Act made it easier for middle class Americans to buy stock in pre-public companies more needs to be done to give them the chance to sell that stock when they are ready to do so. Legislation should therefore focus on expanding Reg. A+ and secondary trading platforms geared to Reg. A issuers. More specifically I would propose the creation of **an investor tax credit equal to 20% of small investments made in Reg. A qualified offerings if the issuer agrees to list its shares on a secondary trading platform within 24 months of the investment.** The amount of the credit would increase to 25% for investments in minority owned issuers and 30% of investments in issuers developing biomedical products requiring FDA emergency use authorizations, clearances or approvals.

Investor tax credits are very popular at the state level. Years ago I lead an effort to pass the Maryland Biotechnology Investor Tax Credit which has become extraordinarily popular and a model for other states. I also convinced now Senator Chris Van Hollen to introduce a federal version of this which was adopted by the House Democrats as part of their "Make it in America" agenda about 7+ years ago. In short, this would be a bill that could pass this Congress and would dramatically expand equity crowdfunding.

Beyond investor tax credits legislation should **permit SEC rules governing Alternative Trading Systems (ATS) platforms to pre-empt state BlueSky rules for Reg A+ and Reg CF secondary market transactions.**

Upon request I would be happy to elaborate on either of the above proposals.

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