

115TH CONGRESS  
2D SESSION

**S.** \_\_\_\_\_

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

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IN THE SENATE OF THE UNITED STATES

Ms. BALDWIN introduced the following bill; which was read twice and referred to the Committee on \_\_\_\_\_

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**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. PROHIBITION ON STOCK BUYBACKS ON THE**

4 **OPEN MARKET.**

5 (a) DEFINITIONS.—In this section—

6 (1) the terms “equity security”, “exchange”,  
7 and “issuer” have the meanings given the terms in  
8 section 3 of the Securities Exchange Act of 1934  
9 (15 U.S.C. 78c); and

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

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

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

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

14 **SEC. 2. WORKER REPRESENTATION ON CORPORATE BOARD**  
15 **OF DIRECTORS.**

16 (a) DEFINITIONS.—In this section—

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

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

23 (b) REGISTRATION REQUIREMENTS FOR SECURI-  
24 TIES.—Section 12(b) of the Securities Exchange Act of

1 1934 (15 U.S.C. 781(b)(1)) is amended by adding at the  
2 end the following:

3 “(4) No issuer may register securities on a na-  
4 tional exchange unless at least  $\frac{1}{3}$  of the issuer’s di-  
5 rectors are chosen by the issuing company’s employ-  
6 ees in a one-employee-one-vote election process.”.

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

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

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

15 **SEC. 3. REGULATIONS.**

16 The Securities and Exchange Commission shall pro-  
17 mulgate regulations to direct national securities exchanges  
18 and issuers, as defined in section 1(a), to comply with this  
19 Act and the amendments made by this Act.