



INNOVATION POLICY CONNECTION



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April 11, 2013

Fallbrook Technologies' Bill Klehm encourages Congress to ensure JOBS Act rules get finished quickly

Washington, D.C.—Testifying before Congress' House Committee on Small Business, Fallbrook Technology's CEO Bill Klehm stressed the need for Congress to help emerging companies grow by ensuring that the JOBS Act—Jumpstart Our Business Startups Act—regulations make quick progress toward completion.

The hearing was hosted by the Subcommittee on Investigations, Oversight and Regulations Chairman David Schweikert (Arizona) to focus on “the sluggish implementation of JOBS Act rule promulgation by the SEC.” In his opening statement, Chairman Schweikert lamented that a year after the bipartisan bill passed, the SEC has made miniscule progress on regulatory implementation which is hurting innovators “The JOBS Act was intended to increase capital formation opportunities for small businesses. Sadly, delays by the SEC in setting out ground rules have kept these opportunities tied up in red tape on the sidelines.” After intense questioning of the SEC witnesses regarding missed statutory deadlines for JOBS Act rules, including no certain dates for when rules would be made public, Chairman Schweikert called the second panel which included Fallbrook Technologies' Bill Klehm.

After sharing Fallbrook's story of recent, rapid growth, Klehm explained, “Our great country prides itself on entrepreneurship and innovation but the maze through which small innovative

companies, like Fallbrook, must navigate to acquire capital is becoming increasingly challenging.” Klehm continued, “We’ve grown from negligible revenue in 2009 to more than \$43 million last year. And that is money we are investing back into the business to grow. This is a good start but we have an opportunity to grow faster and to drive innovation faster. The only thing preventing us from doing this is affordable capital. Our ability to access capital is one of the most significant challenges we face. I spend over 50 percent of my time on it.” Applauding Congress for their bipartisan passage of the JOBS Act, Klehm encouraged Congress to ensure the SEC finishes rules promptly, “The changes enacted by the JOBS Act will make acquiring capital less challenging for companies like Fallbrook, specifically the Regulation A change which simply raises the limit on capital a company can currently raise from \$5 million to \$50 million. That is why Congress’ bipartisan work to pass the JOBS Act was so important and why regulatory hurdles shouldn’t slow down the jobs and innovation that will materialize once the JOBS Act is fully implemented.”

Timothy Tardibono, who leads CONNECT’s Washington D.C. Office, commended Klehm on his effort, “San Diego’s innovation community should be proud of how Bill Klehm represented them on the Hill today. The JOBS Act was so important, not only because of the substantial policy improvements that were passed, but because it showed Congress at its best—working in a bipartisan way to solve real problems for economic growth. Bill was able to help the Congressmen understand that the JOBS Act’s success for innovators lies dormant until the SEC implements the Act through the rulemaking process. We have waited too long. San Diego and America’s innovators need the new SEC Chairman to really push the Act’s vision across the finish line.”

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