

## Public Statement

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# Statement at Open Meeting on Rule 701 Amendment and Concept Release



**Commissioner Hester M. Peirce**

Thank you to the staff for your work in putting together both this new rule and the accompanying concept release. The change we are considering today is a discrete one, but could enhance the ability of companies to hire and retain workers. I am pleased that we are going beyond the congressional mandate—which is a good one—to consider more broadly how we might make Rule 701 work better.

The Internet and, in particular, the ability to access the Internet on mobile devices, has changed our economy in ways that could not have been predicted 30 years ago when we first adopted Rule 701. While temporary and contract workers have always existed, the efficiency with which companies can find and deploy workers using mobile apps has created a new workplace for many Americans. Some workers enjoy the flexibility the so-called “gig” economy provides; flexible schedules allow them to combine different types of work, juggle work and family obligations, or earn money while attending school. If such work arrangements benefit issuers, workers, and the consumers who use these services, we should ensure that our rules do not unduly impede issuers’ ability to attract and retain individuals. Two of my recent Lyft drivers exemplify the type of person whom the changes we are contemplating today might benefit. One was a real estate agent, who drove whenever he felt like it to earn a little extra money and meet potential real estate clients. Another was driving to support himself and his family while he was studying for his CPA exam. These are just the type of ambitious people a company might want to have representing it and just the sort of people who might want to own a piece of the company.

I am therefore very glad to support the staff’s recommendation that we solicit additional input from the public on how we can help Rule 701 work better for a new generation of companies. I am especially interested in hearing how changes to Rule 701 could make growing companies more competitive, make the U.S. a more attractive home base for such companies, and give individuals who help build those companies a stake in their growth. Thank you.