

June 27, 2017

The Honorable Mark Warner
United States Senator
703 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Erik Paulsen
United States Representative
127 Cannon House Office Building
Washington, D.C. 20515

The Honorable Dean Heller
United States Senator
324 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Joseph Crowley
United States Representative
1035 Longworth House Office Building
Washington, D.C. 20515

Dear Senators Warner and Heller and Representatives Paulsen and Crowley,

We write to express our support for the re-introduction of the Empowering Employees through Stock Ownership (EESO) Act that passed the U.S. House and cleared the Senate Finance Committee last year. This bipartisan initiative, led by your efforts, will make it possible for more employees to obtain an ownership stake in the companies they help build and make it easier for startups and private companies to attract the talent necessary to grow the economy.

Under current law, employees are often required to pay taxes on the value of their stock long before they are able to realize any economic value from those shares. This is due to the fact that, unlike public company employees who are able to sell shares in the public markets to pay their tax liability, private company employees do not have the ability to sell their shares since no public market exists. As a result, private company employees who cannot cover the cost of taxes may allow their stock options to expire and lose a significant component of their compensation.

This is a serious problem not only for employees, who miss out on the opportunity of employee-ownership, but also the wider American startup community. Employee ownership is a key driver of innovation. It gives employees the opportunity to own a stake in the companies they help build and it makes it possible for entrepreneurs across the country to invest in the next great medical breakthrough or technological advance. By allowing eligible employees to defer the taxes associated with exercising their stock options for up to 7 years, the EESO Act solves this problem and would provide an immediate boost to employees across America and our broader economy.

We commend the House for passing H.R. 5719 with strong bipartisan support and the Senate Finance Committee for its unanimous vote to pass a bill that included the Senate version in 2016. We look forward to working with you to pass the EESO Act this year and then continuing to work with the Department of the Treasury to write clarifying rules to help fuel innovation and grow employee ownership across America.

Sincerely,

Palantir Technologies
www.palantir.com

Bloom Energy
www.bloomenergy.com

Meetup
www.meetup.com

Avalara Inc.
www.avalara.com

AppNexus Inc.
www.appnexus.com

Sonos
www.sonos.com

Nasdaq Private Market
www.nasdaqprivatemarket.com

Return Path
www.returnpath.com

Acquia Inc.
www.acquia.com

Sailpoint Technologies Inc.
www.sailpoint.com

Squarespace
www.squarespace.com

Earnest Inc.
www.earnest.com

Gusto
www.gusto.com

Zaarly
www.zaarly.com

Engine
www.engine.is

Techstars
www.techstars.com

GitHub Inc.
www.github.com

Equityzen Inc.
www.equityzen.com

Medium
www.medium.com

Filament
www.filament.com

Casper
www.casper.com

Poshly
www.poshly.com

ForeScout Technologies, Inc.
www.forescout.com

Starry, Inc.
www.starry.com

Innovation State
www.innovationstate.org

Automattic
www.automattic.com

hobbyDB
www.hobbydb.com

Foursquare
www.foursquare.com

General Assembly
www.Generalassemb.ly

Garmentory
www.garmentory.com

Hangar
www.hangar.is

GeekGirlWeb, LLC
www.geekgirlweb.com

Able Lending
www.ablelending.com

Ron Conway
www.svangel.com

Venture Hall
www.venturehall.org

Foot Cardigan
www.footcardigan.com

Crowdcheck Inc.
www.crowdcheck.com

Luminary Labs
www.luminary-labs.com

CourseHorse
www.coursehorse.com

Hacom, LLC
www.hacom.net

Great Positive
www.greatpositive.com

Leadfeeder, Inc.
www.leadfeeder.com

Codeacademy
www.codeacademy.com

Grand Central Tech
www.grandcentraltech.com

AlleyWatch
www.alleywatch.com

Elucd
www.elucd.com

The Edge Group
www.theedge.group

FounderTherapy
www.foundertherapy.co

Frame.ai
www.frame.ai

Bollyshake
www.bollyshake.com

Moved
www.hellomoved.com

Akila Labs
www.akila.ai

Kindred Partners
www.kindredpartners.com

Voyager HQ
www.voyagerhq.com

Anonos
www.anonos.com

Dog Parker
www.dogparker.com

Enjoy
www.enjoy.com

Splice
www.splice.com

Via
www.ridewithvia.com

Justworks
www.justworks.com

Hyr
www.hyr.work

Medici.md
www.medici.md

Blissfully
www.blissfully.com

Kargo
www.kargo.com

MetaPropNYC
www.metaprop.org

2nd.MD
www.2nd.md

Consago™ Team Innovation
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