

# HOUSE . . . . . No. 4537

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## The Commonwealth of Massachusetts

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HOUSE OF REPRESENTATIVES, September 25, 2025.

The committee on the Judiciary, to whom was referred the petition (accompanied by bill, House, No. 1921) of Tram T. Nguyen and others relative to sexual harassment by professional investors, reports recommending that the accompanying bill (House, No. 4537) ought to pass.

For the committee,

MICHAEL S. DAY.

**HOUSE . . . . . No. 4537**

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**The Commonwealth of Massachusetts**

**In the One Hundred and Ninety-Fourth General Court  
(2025-2026)**

An Act relative to sexual harassment.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

1           SECTION 1. The General Laws are hereby amended by inserting after Chapter 151F the  
2 following chapter:-

3           Chapter 151G.

4           Section 1. As used in this chapter, the following words shall have the following meanings  
5 unless the context clearly requires otherwise:

6           “Derivative investment”, an acquisition of securities by a venture capital company in the  
7 ordinary course of the venture capital company’s business in exchange for an existing venture  
8 capital investment either: (i) upon the exercise or conversion of the existing venture capital  
9 investment; or (ii) in connection with a public offering of securities or the merger or  
10 reorganization of the operating company to which the existing venture capital investment relates.

11           “Professional investor”, one or more persons, including but not limited to, a bank, bank  
12 holding company, savings institution, trust company, insurance company, investment company

13 registered under the Federal Investment Company Act of 1940, pension or profit-sharing trust or  
14 other financial institution or institutional buyer, licensee under the Federal Small Business  
15 Investment Act of 1958, partnership, association, corporation, legal representative, trustee,  
16 trustee in bankruptcy, receiver, and venture capital fund, whose business includes sponsoring,  
17 guaranteeing or granting funds or engaging in investment transactions.

18 “Venture capital company”, an entity that: (i) on at least one occasion during the annual  
19 period commencing with the date of the entity’s initial capitalization, and on at least one  
20 occasion during each annual period thereafter, at least 50 per cent of the entity’s assets other than  
21 short-term investments pending long-term commitment or distribution to investors, valued at  
22 cost, are venture capital investments or derivative investments; (ii) the entity is a “venture capital  
23 fund” as defined in 17 C.F.R. 275.203 section (l)-(1); or (iii) the entity is a “venture capital  
24 operating company” as defined in 29 C.F.R. section 2510.3-101(d).

25 “Venture capital fund”, shall have the same meaning as defined in 17 C.F.R. section  
26 275.203 (l)-(1).

27 “Venture capital investment”, an acquisition of securities in an operating company as to  
28 which the investment adviser, the entity advised by the investment adviser, or an affiliated  
29 person of either has or obtains management rights.

30 Section 2. It shall be unlawful for a professional investor doing business in the  
31 commonwealth to make sexual advances, requests for sexual favors, and other verbal or physical  
32 conduct of a sexual nature either directly or indirectly through an intermediary when: (i)  
33 submission to or rejection of such advances, requests or conduct is made explicitly or implicitly a  
34 basis for business investment transactions, including the sponsoring, guaranteeing or granting of

35 funds; or (ii) such advances, requests or conduct have the purpose or effect of unreasonably  
36 interfering with an individual's working relationship with a person, business, partnership, or  
37 other entity or venture by creating an intimidating, hostile, humiliating or sexually offensive  
38 environment, relationship, partnership or other situation; provided, that discrimination on the  
39 basis of sex shall include, but not be limited to, sexual harassment.

40           Section 3. (a) An individual doing business in the commonwealth who is injured by a  
41 violation of section 2, or any business, partnership or other venture or entity doing or planning to  
42 do business in the commonwealth, which employed the individual as its agent to conduct its  
43 business with the professional investor during the course of the injuring actions, may bring an  
44 action in any court of competent jurisdiction against a professional investor who commits an  
45 unlawful act under section 2. A professional investor shall be liable to the individual, entity or  
46 venture bringing suit for damages, including, but not limited to, compensatory, incidental,  
47 consequential or punitive damages. A plaintiff may also seek, and the court may grant, injunctive  
48 and other appropriate equitable relief. The court shall, in addition to any judgment awarded to  
49 the plaintiff, award reasonable attorneys' fees to be paid by the defendant and the costs of the  
50 action.

51           (b) The attorney general may bring enforcement action against a professional investor for  
52 violations of section 2. A professional investor subject to such action shall be liable for damages,  
53 including, but not limited to, compensatory, incidental, consequential and punitive damages. The  
54 attorney general may also seek, and the court may grant, injunctive and other appropriate  
55 equitable relief. The court shall, in addition to any judgment awarded, award reasonable  
56 attorneys' fees to be paid by the defendant and the costs of the action. Costs and attorneys' fees  
57 shall be paid to the commonwealth and damages shall be paid to the individual, venture or entity

58 injured due to the violation of section 2. Prior to or in connection with bringing an enforcement  
59 action, the attorney general's office shall be permitted to investigate potential violations with the  
60 powers granted by, and in a manner consistent with, section 6 of chapter 93A.

61 (c) Any action based upon or arising under this chapter shall be instituted within 3 years  
62 after the date of the last alleged unlawful act, the last alleged injury, when an injured individual  
63 became aware of the last alleged injury or when the attorney general's office became aware of  
64 the last alleged injury, whichever is most recent.

65 Section 4. This chapter shall be construed liberally to accomplish its purposes. Nothing  
66 contained in this chapter shall be deemed to repeal any provision of any other law of this  
67 commonwealth.