

CROWDFUNDING CHEAT SHEET

	Title II – Rule 506(c)	Title III	Title IV – Regulation A+	Existing Regulation A	Rule 504
In Effect Today	Yes – since 09/23/2013	No – Regulations have been proposed but not yet finalized	No – Regulations have been proposed but not yet finalized	Yes	Yes
Maximum Dollars Raised	No maximum	\$1 million per 12 months	\$50 million per 12 months	\$5 million per 12 months	\$1 million per 12 months
Permitted Investors	Only Accredited	Anyone	Anyone	Anyone	Anyone
Per-Investor Limits	None	Yes – depends on income and net worth of investor	Yes – 10% of income or net worth, whichever is more	None	None
General Solicitation Permitted	Yes	Yes	Yes	Yes	Yes
Exempt from State Registration	Yes	Yes	Yes	No	No
Sold Through Portals	Yes	Yes	Not explicitly	No	No
Portals Required to Register	No, provided activities are limited	Yes	Only licensed broker/dealers	Not applicable	Not applicable
Portals Allowed to Pick and Choose	Yes	No	Not applicable	Not applicable	Not applicable
Pre-Sale Information Required	None	Substantial	Very substantial, akin to a mini-registration statement for a public company	Very substantial, akin to a mini-registration statement for a public company	None
Audited Financial Statements Required	No	Sometimes – depends on size of offering	Yes	No	No
Pre-Sale Approval Required	No	No	Yes – submission must be approved by SEC	Yes – submission must be approved by SEC	No for Federal purposes
Available to Foreign Issuers	Yes	No	Only Canada	Only Canada	Yes
Available for Sale of Owner Shares	No	No	Yes	Yes	No
Subject to “Bad Actor” Disqualification	Yes	Yes	Yes	Yes	No
Ongoing Reporting	None	Moderate	Substantial ongoing reporting, akin to a mini-public company, but waived depending on number of investors	None	None

Mark Roderick is an attorney at Flaster/Greenberg PC concentrating his practice on the representation of entrepreneurs and their businesses. He maintains a Crowdfunding blog, which contains news, updates and links to important information pertaining to the JOBS Act and how Crowdfunding may affect your business. For more information, email him at mark.roderick@flastergreenberg.com, call him at 856.661.2265, follow him on twitter @CrowdfundAttny or visit www.crowdfundattny.com.

