SVB Financial Group

SEC Government – Business Forum on Small Business Capital Formation

JOBS Act Implementation –

Will Regulation A+ and Emerging Growth Companies help boost small business' access to capital?

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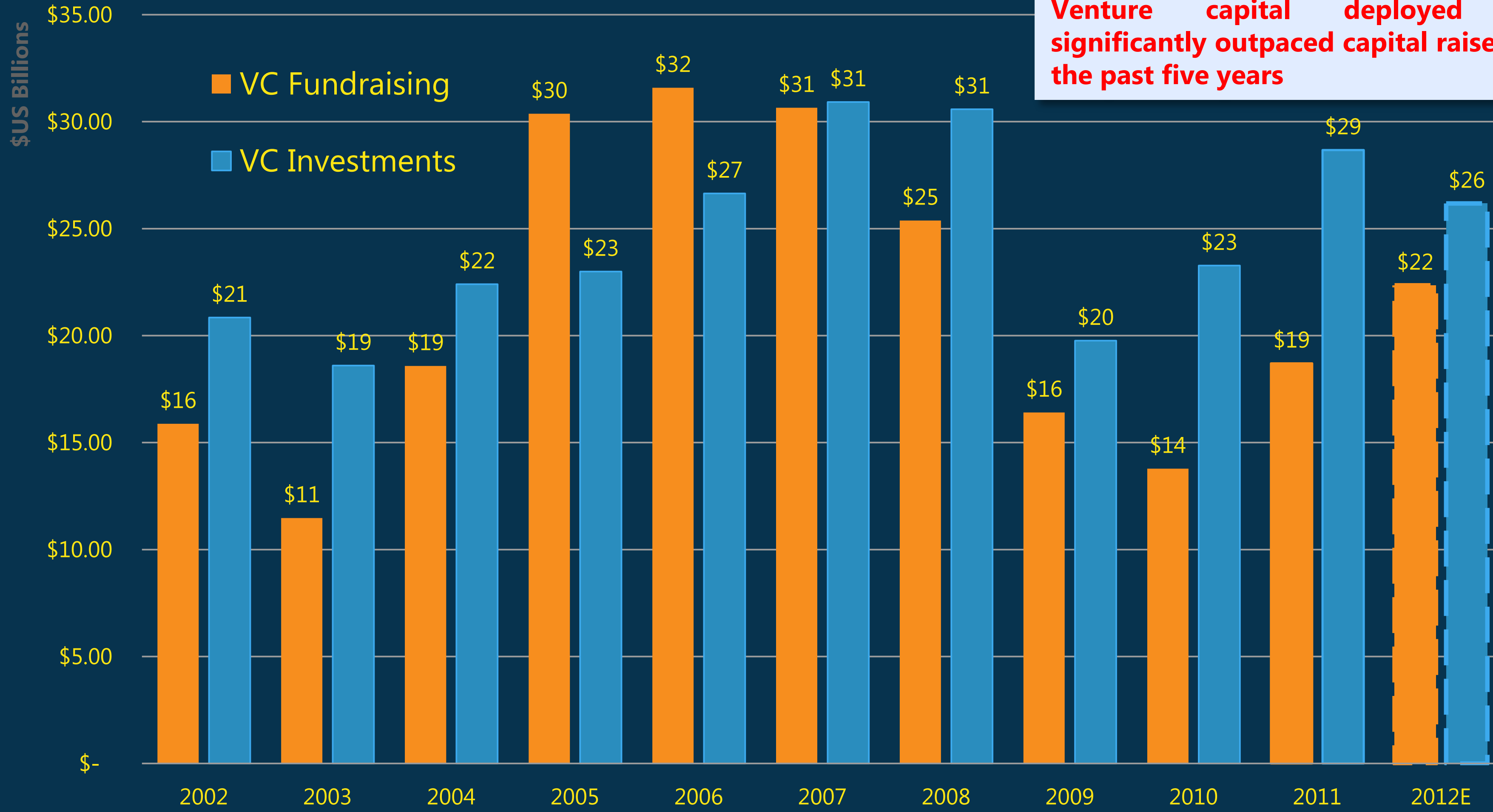
US Venture Funding – Historical Snapshot

Venture capital deployed has significantly outpaced capital raised for the past five years



Source: 2012 NVCA Annual Yearbook/ Q2 2012 Thomson Reuters/NVCA Report

New Section 3(b)(2) - “Super Reg A”?

- Offering amount up to $50 Million a year.
- No transfer restrictions.
- Can issue “test the Waters” communications.
- Registration/reporting requirements streamlined but subject to rulemaking - may include an offering statement, 2 years audited financials.
- Not exempt from Blue Sky laws, unless offered on a national securities exchange (unlikely) or sold to a “qualified purchaser.”
- Offering circular remains expensive, time consuming.
- A financing alternative for later stage rounds but unlikely to replace Reg D offerings.

Emerging Growth Companies

- Easier to go public; easier to be public.
- EGC’s are generally <$1 Billion in revenue; remain EGC’s until 5 years after IPO, >$1 Billion in revenue.
- EGC’s transition to full regulatory obligations for public companies.
- Scaled down disclosure and governance requirements.
- Research Reports permitted, no post-IPO “quiet period”.
- Effective on enactment.
- Early indications:

    -EGC’s using confidential filings and streamlined compensation disclosures;

    -EGC’s generally not using transitional financial statement/accounting provisions.

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