

**2012 SEC Government-Business Forum on  
Small Business Capital Formation  
November 15, 2012**

**JOB Act Implementation**

*Moderators:*

***Meredith Cross, Director***

SEC Division of Corporation Finance

***Gregory C. Yadley, Partner***

Shumaker, Loop & Kendrick LLP

# *Panelists*

- ***William Beatty***, *Director of Securities*  
Washington State Department of Financial Institutions
- ***Jean Peters***, *Board Member*, Angel Capital Association and  
*Managing Director*, Golden Seeds Fund LP
- ***Sara Hanks***, *Co-Founder and CEO*  
CrowdCheck
- ***Michael Lempres***, *Assistant General Counsel*  
*and Practice Head*, Silicon Valley Bank

# *SEC Forum on Small Business Capital Formation*

- **Process**
- **2011 Results**
  - Includes a prioritized list of 25 recommendations from the Forum breakout group participants
- **Themes**
  - Need easier ways to raise more capital *without* requiring '33 Act registration or '34 Act Section 12(g) registration
  - State law preemption
  - Don't force companies to go public prematurely

## *SEC Advisory Committee on Small and Emerging Companies*

- SEC mission to facilitate capital formation
- Creation of Advisory Committee on Sept. 13, 2011
- To focus on interests and priorities of emerging businesses and smaller public companies
- To provide advice and recommendations to SEC on its rules, regulations and policies

## *Primary Areas of Advisory Committee Focus*

- Restrictions on general solicitation in unregistered offerings
- Triggers for public reporting, including considering the thresholds at which a company should begin and should be able to stop public reporting
- New capital raising strategies that are designed to make it easier for smaller companies to raise capital, including the regulatory issues posed by them
- Possible modifications to existing rules affecting public offerings to make it easier for smaller public companies to access the public capital markets

# *The JOBS Act - Highlights*

- Enacted April 5, 2012
- Streamlined IPO Process for “Emerging Growth Companies”:
  - Relaxed gun-jumping restrictions
  - Confidential filing of registration statement
  - Scaled back disclosure requirements (financial and executive compensation)
  - Increased availability of research
- Private Offerings:
  - General solicitation permitted in certain Reg D offerings
  - General solicitation permitted in Rule 144A transactions
  - New exemption expands Reg A to allow offerings up to \$50M million
  - New Crowdfunding exemptions
- 12(g) Threshold Raised: from 500 shareholders to 2,000 holders of record or 500 holders of record who are not accredited investors