

Question 260.34

~~**Question:** An issuer commenced a Rule 506 offering before September 23, 2013 and made sales either before or after that date in reliance on the exemption that, as a result of Securities Act Release No. 9415 (July 10, 2013), became Rule 506(b). The issuer now wishes to continue the offering in reliance on Rule 506(c). Can the issuer rely on the transition guidance in Securities Act Release No. 9415 that permits switching from Rule 506(b) to Rule 506(c) if it already sold securities to non-accredited investors before relying on the Rule 506(c) exemption?~~

~~**Answer:** Yes, as long as all sales of securities in the offering after the issuer begins to offer and sell in reliance on Rule 506(c) are limited to accredited investors and the issuer takes reasonable steps to verify the accredited investor status of those purchasers. [Jan. 23, 2014]~~

~~[\[Withdrawn March 12, 2025\]](#)~~