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Regulation A+ Update: The SEC Re-Opens the Front Door

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Securities and Exchange Commission

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How's it Going?

- Expedited SEC review
- Wall Street partnering with Main Street- underwriters entering adding the crowd
- Professional marketing firms emerging for testing the waters campaigns
- Rapidly replacing shell mergers
- Many choosing OTC and others seeking direct exchange listing- FINRA and exchanges are on board
- Much lower cost
- State lawsuit dismissed April 2016
- Working – 14 closed deals raised \$175 million

Some Issues

- Testing the waters
 - What constitutes solicitation materials requiring disclaimer?
 - Media interviews
- When is 21 days before qualification? Also 15?
- High state notice filing fees
- Rules for registered offerings apply?
 - 45-day rule for 10-Qs
 - FAST Act financials to be included
 - 2007 guidance on concurrent offerings

Some Ideas for Improvement

- At-the-market offerings
- Blue sky preemption for resale
- Allowing reporting companies to use Reg A+
- Increase maximum to be raised
- Shorter review time?
- International companies