



TODAY:

- Funding Launchpad is the nation's only platform that allows for legal investment crowdfunding, today, before the finalization of the rules under the JOBS Act
- We have three live clients today; check out www.courinvestor.com for an example of our platform
- The legal mechanism for these offerings is the Small Corporate Offering Registration (SCOR)
 - SCOR is an intrastate registered offering, available in nearly every state
 - Once an offering is registered with the state, it may be generally solicited in that state (including via the internet and social media), and may be sold to non-accredited investors who are residents of that state
 - An offering may be registered in multiple states at once
- SCOR permits companies to raise up to \$1 million per year
- Fairly burdensome registration process

VERY SOON:

- The SEC is set to release final rules under Title II of the JOBS Act any day now (hopefully before our November meeting!)
- These rules will permit the general solicitation of "private" offerings under Reg D Rule 506
 - Rule 506 offerings are the most common form of fundraising for private companies
 - Presently, must have a "substantive pre-existing relationship" to solicit investors
 - New rules liberalize this; internet, social media and other advertising will now be permitted
 - Only accredited investors are permitted to *actually invest* in these offerings
- Funding Launchpad's crowdfunding platform will work equally well for these types of offerings
- We will obtain the necessary regulatory status to provide this service, helping companies greatly improve the efficiency, effectiveness and reach of their traditional fundraising efforts
- Regulatory burdens on the issuer of using this mechanism will be considerably less than those under either SCOR or Title III of the JOBS Act

SOMETIME IN 2013

- The SEC will create rules for crowdfunding under Title III of the JOBS Act
- FINRA must then create its own rules for crowdfunding intermediaries
- Once rules are in place, a crowdfunding intermediary which has properly registered with the SEC and FINRA may facilitate crowdfunding campaigns
 - Companies will be able to raise up to \$1 million from non-accredited investors, using general solicitation (via an intermediary); offering not registered with state or federal regulators
 - Note that issuers are *required* to use an intermediary to conduct this type of offering
- Funding Launchpad will be monitoring this opportunity carefully
- *Insider Tip*: if you're waiting to fundraise with crowdfunding under Title III, you'd better have a loooong runway, because it's going to be awhile before the complete legal and regulatory structure is in place.
- TBD how burdensome the process of crowdfunding under Title III will be; waiting on the final rules.