



FINANCIAL POISE WEBINARS THE JOBS ACT - A RETROSPECTIVE & A LOOK AHEAD

SERIES OVERVIEW

Six years after enactment of the Jumpstart Our Business Startups (JOBS) Act, its impact in reducing regulatory burdens and barriers to capital formation for start-up, small, and emerging growth companies is ripe for consideration.

JOBS Act amendments to the federal securities laws, and mandated SEC rulemaking, significantly enhanced the ability of small business to raise capital in private offerings to accredited investors, breathed new life into a largely dormant form of limited public offering of up to \$50 million via “Regulation A,” established mechanisms for nationwide equity crowdfunding, reduced the regulatory burden for public offerings by newly defined “emerging growth companies,” and altered Exchange Act registration and deregistration requirements for smaller companies.

This webinar series examines how the JOBS Act has impacted capital formation through private offerings, as well as corporate finance for small business issuers generally, and access to the “IPO” market. In each episode, seasoned practitioner panelists explain not only how the JOBS Act has changed the regulatory landscape to date, but also how small issuers can confidently take advantage of the financing opportunities and cost efficiencies in capital formation it has created. Panelists also discuss possible future modifications to the JOBS Act mandated regulatory structure.

As with every Financial Poise Webinar, each episode is delivered in Plain English understandable to investors, business owners, and executives without much background in these areas, yet is also valuable to attorneys, accountants, and other seasoned professionals. And, as with every Financial Poise Webinar, each episode brings you into engaging, sometimes humorous, conversations designed to entertain as it teaches. Each episode in the series is designed to be viewed independently of the other episodes so that participants will enhance their knowledge of this area whether they attend one, some, or all episodes.



About Episode #1

Impact of the JOBS Act on Private Offerings

April 26, 2018 at 10:00 AM CST

This webinar explores what many call “accredited investor crowdfunding,” effectively established by the JOBS Act in mandating the elimination of a ban on general advertising and solicitation in private offerings carried out pursuant to Rule 506 of Regulation D under the Securities Act of 1933, and authorizing the creation of Internet platforms specifically designed to facilitate compliant Rule 506 offerings to accredited investors.

Rule 506 of Regulation D permits private offerings by an issuer in unlimited amounts to an unlimited number of “accredited” investors, as that status is defined in Regulation D, and up to 35 non-accredited investors, provided all conditions of the Rule, and Regulation D generally, are satisfied. Although private offerings under Rule 506 have long been a capital formation option for small business and start-up issuers, a Regulation D prohibition on the use of general advertising or solicitation significantly limited the ability of issuers to identify and connect with interested accredited investors, while at the same time preventing those investors from easily identifying desirable investment opportunities.

The JOBS Act directed the SEC to eliminate this practical barrier to small business capital formation by removing the prohibition on general advertising and solicitation for Rule 506 private offerings provided sales are made only to accredited investors. The SEC responded with the addition of Rule 506(c), which did away with the ban on general advertising and solicitation for offers, but which imposed a stringent issuer verification requirement for accredited investor status of purchasers. Buttressing the expanded Rule 506(c) capital formation alternative, the JOBS Act provided for the creation and operation of Internet platforms for bringing together issuers and accredited investors. This webinar presents practical guidance in carrying out a compliant Rule 506(c) private offering and understanding the operation, and limitations, of the emergent JOBS Act permitted platforms through which private offerings to accredited investors may be accomplished.

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About Episode #2

Impact of the JOBS Act on Corporate Finance for Small Issuers

May 24, 2018 at 10:00 AM CST

“Regulation A” under the Securities Act permits a limited public offering which, although subject to a form of SEC registration and certain offering process requirements, is significantly less burdensome than full compliance

with Securities Act public offering requirements. The utility of original Regulation A was seriously limited, however, by a \$5 million maximum offering amount limit, and it became little used. The JOBS Act, however, breathed new life into Regulation A as a meaningful financing alternative for small issuers by directing modernization of its requirements and, most importantly, increasing the maximum offering amount to \$50 million, through a two tiered public offering structure.

This webinar presents a practical assessment of the utility of Regulation A as modernized by the JOBS Act into what is today dubbed by many as “Regulation A+.” As an entirely new form of public offering, the JOBS Act also introduced equity “crowdfunding” into the mix of corporate financing alternatives for small issuers, although one particularly aimed at start-up companies, and having significant limitations. In this episode panelists also discuss practicalities associated with equity crowdfunding, as now permitted by the JOBS Act, and provide guidance in determining the viability of both JOBS Act public offering alternatives for small issuers.

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About Episode #3

Impact of the JOBS Act on the IPO market

June 28, 2018 at 10:00 AM CST

Regulatory burdens associated with “going public” and thereafter with “being public” are major hurdles facing smaller issuers considering the prospects of an initial public offering (“IPO”). The JOBS Act has impacted that consideration principally in two ways. For the IPO process, the JOBS Act established an “IPO On-Ramp” benefitting smaller issuers by easing certain restrictions for a newly defined class of issuer known as an “emerging growth company” (EGC) that previously



hampered the determination by those issuers whether even consider taking on the burden and expense of an IPO.

This webinar explores, for example, the opportunity created by the JOBS Act for EGCs to “test the waters” prior to embarking on the process, and the opportunity for confidential SEC filing and early regulatory assessment of the offering’s viability. For the EGC that succeeds in an IPO, the JOBS Act “on-ramp” significantly reduces the regulatory burdens under the Securities Exchange Act reporting requirements, for example, for a five year period. An equally significant impact of the JOBS Act on determinations by smaller issuers regarding the IPO market is the ability of private companies to avoid becoming a public company subject to Exchange Act Section 12 registration requirements and the panoply of regulatory requirements triggered by that registration. The JOBS Act significantly increased the threshold number of shareholders a company may have before triggering the registration requirement, thus permitting smaller companies to remain private longer.

This webinar episode also tackles these elements of the JOBS Act that directly impact IPO determinations by smaller issuers, and provides practical insights and tips in making these important business decisions.

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