IPO On Ramp

Emerging Grown Company (EGC) issuer is one which:

Has revneues under $ 1billion

Less than 5 years from its IPO

Less than $ 1billion convertible debt issued in past 3 years

Is not a “large accelerated filer”.

Its first IPOs occurred after 12-9-11

Reduces regulatory requirements for EGCs. EGCs are permitted to submit:

Only 2 years, not 3 of audited financials.

Draft registration statements to SEC confidentially for review before filing.

Revised FASB rules apply

Reduced Exec comp disclosures

Allowed to communicate with QIBs prior to offering before filing

Exempt from SOX 404(b) auditors attestation report

Exempt from Audit firm rotation requirements

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Word used often “Flash Crash”

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JOBS Act:

* Permits general solicitation to accredited investors and QIBs
* Requires SEC to Amend Reg A to increase offering amount from $ 5millioin 12 months to $50 million in 12 months
* Raises .34 Act 12(g) registration threshold for public reporting from 500 to 2,000 (the Facebook Rule - they were forced to go public too soon at 500 shareholders)
* Creates exemption from registration for “Crowdfunding” $ 1milllion in a year and each investor limited base on their income

<http://www.sec.gov/spotlight/jobs-act.shtml>

FAGs – Emerging Growth Companies Title I

Crowdfunding Title III

Exchange Act Registration and Deregistration (Tit V and VI)

Dates:

July 5th allowed to do public solicitation under Reg D and Rule 144A to accredited investors and QIBs

GAO report on impact of Blue Sky on Reg A July 5th

12/31

SEC to issue rules exempting Crowdfunding of up to $ 1million annual

Crowd funded shareholders exelcueed from shareholder count for ppurpsoes of 12(g) the 2000 shareholder count

10/21 – SEC allowed to icnrese trading in EGC stockcs from 1 penny to 9 cents

No deadline on reaiding Reg A up to $50,000,000

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News you can use:

Confideintal filings becoming the norm

Testing the waters with QIBs will become the norm, esepically with the tenologiclaly complex business

Parallel pathing of public and private and IPO, but check with lawyers on integration

Campaines can stay private loinger and aggrieves use of Rule 144A and Rule 506 of Reg D and other pricvaet offiers since now allowed 2000 sharoehlder

ICI doesn’t want hedge funds to be allowed to advertise more aggresiviely than mutal funds

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