



## SEC Adopts Regulation A Amendment to Facilitate Smaller Companies' Access to Capital

**APRIL 2015**

On March 25, 2015, the SEC adopted amendments to Regulation A and other rules and forms to implement Section 401 of the Jumpstart Our Business Startups Act. (Click [here](#) for the SEC's final rules adopting release.) The new version of the rules, commonly referred to as Regulation A+, seeks to modernize and expand the relatively rarely used former Regulation A, which provided a longstanding registration exemption to permit an unregistered public offering of up to \$5 million of securities in any 12-month period, including no more than \$1.5 million of securities offered by security-holders of the company. Companies interested in raising capital in a manner short of a full-blown IPO may find the new Regulation A+ rules attractive because:

- unlike old Regulation A, a Tier 2 offering can be as large as \$50 million (as opposed to the old \$5 million limit) and is not subject to state securities law qualifications; and
- unlike a Rule 506 offering, in a Tier 2 offering there is no limit on the number of non-accredited investors (provided a non-accredited investor invests no more than 10 percent of income or net worth) and the securities are not restricted on resale.

Read the Client Alert [here](#).

This Client Alert has been prepared by Tucker Ellis LLP for the use of our clients. Although prepared by professionals, it should not be used as a substitute for legal counseling in specific situations. Readers should not act upon the information contained herein without professional guidance.

© 2015 Tucker Ellis LLP, All rights reserved.