

	Reg. A+ Tier 1 Title IV (2015)	Reg. A+ Tier 2 Title IV (2015)	Reg. D Rule 504	Reg. D Rule 505	Reg. D Rule 506(b)	Reg. D Rule 506(c) Title II (2013)	Reg. CF Crowdfunding Title III (2015)
--	--------------------------------	--------------------------------	-----------------	-----------------	--------------------	------------------------------------	---------------------------------------

Max Offering	\$20,000,000/year	\$50,000,000/year	\$1,000,000/year	\$5,000,000/year	Unlimited	Unlimited	\$1,000,000/year
Investor Types	All	All	All	Unlimited Accredited + 35 non-Accredited (no-sophistication requirement)	Unlimited Accredited + 35 non-Accredited (sophistication requirement: see Investor Education Requirement)	Accredited Only	Accredited and non-Accredited *No Funds including Venture Capital Firms
Individual Investment Limits	None	10% of the greater of the person's annual income or net worth; this does not apply to purchases of securities listed on national exchange	None	None	None	None	If net income or net worth under \$100k, then can invest the greater of (a) the lesser of 5% of income or net worth; and (b) \$2,000; If over \$100k then can invest 10% of the lesser of the two (maximum \$100k/year for all offerings)

V E L A | W O O D

ATTORNEYS AND COUNSELORS

© Vela Wood PC. All rights reserved. Visit us at velawoodlaw.com and see our [private offering exemptions page](#) for more information.

	Reg. A+ Tier 1 Title IV (2015)	Reg. A+ Tier 2 Title IV (2015)	Reg. D Rule 504	Reg. D Rule 505	Reg. D Rule 506(b)	Reg. D Rule 506(c) Title II (2013)	Reg. CF Crowdfunding Title III (2015)
Investor Verification	None Required	Self-Certification	None Required	Self-Certification (Issuer must have reasonable belief of accredited)	Self-Certification via questionnaire is general standard	Heightened Accredited Verification; Financial Records Required	Self-Certification—intermediary may in its own discretion require more
Advertising/ General Solicitation	Yes—Unrestricted	Yes—Unrestricted	No— but <i>maybe</i> Yes if meeting one of the (3) three state law filing exceptions	No- May Not Solicit or Advertise	No—May only approach if pre-existing relationship (thirty (30) day cooling off period) May advertise Platform but not solicit the general public	Yes—Unrestricted	Limited to Notices on the Internet

	Reg. A+ Tier 1 Title IV (2015)	Reg. A+ Tier 2 Title IV (2015)	Reg. D Rule 504	Reg. D Rule 505	Reg. D Rule 506(b)	Reg. D Rule 506(c) Title II (2013)	Reg. CF Crowdfunding Title III (2015)
Pre-filing/ Testing the Waters	Testing the waters allowed with no pre-filing; Must file solicitation materials w/ first offering statement; offering circular must be filed 48hrs prior to first sale	Testing the waters allowed with no pre-filing; Must file solicitation materials w/ first offering statement; offering circular must be filed 48hrs prior to first sale	File Form D w/i 15 days of first sale	File Form D w/i 15 days of first sale	File Form D w/i 15 days of first sale	File Form D w/i 15 days of first sale	No testing the waters-- pre-filing with SEC required before any offer
Closing Speed	Slow: SEC and State Qualification	Slow: SEC Approval Required	Fast: Generally, no SEC involvement but must file Form D w/ the SEC w/in 15 days of first sale	Fast: Generally, no SEC involvement but must file Form D w/ the SEC w/in 15 days of first sale	Fast: Generally, no SEC involvement but must file a Form D with SEC w/in 15 days of first sale	Fast: Generally, no SEC involvement but must file Form D w/in 15 days of first sale	Slow: Extensive SEC pre-filing Required

	Reg. A+ Tier 1 Title IV (2015)	Reg. A+ Tier 2 Title IV (2015)	Reg. D Rule 504	Reg. D Rule 505	Reg. D Rule 506(b)	Reg. D Rule 506(c) Title II (2013)	Reg. CF Crowdfunding Title III (2015)
Offering Documents	Robust- SEC Qualification and State Approval	Robust- SEC Approval	No Specific Requirements	If sales are made only to accredited investors, the issuer has discretion as to what to disclose to investors. Any information provided to accredited investors must be provided to non-accredited investors who must receive disclosures basically the same as in registered filing.	If non-accredited investors are included, → same disclosure documents that are used in registered offerings. Issuer must be available to answer questions from potential investors. Private Placement Memorandum typically used although not required if all investors are accredited	No Specific Requirements but Companies must be available to answer questions from potential investors.	Robust- SEC Filing required Information must be made available to investors 21 days before an investment is made and while the offering is still available

	Reg. A+ Tier 1 Title IV (2015)	Reg. A+ Tier 2 Title IV (2015)	Reg. D Rule 504	Reg. D Rule 505	Reg. D Rule 506(b)	Reg. D Rule 506(c) Title II (2013)	Reg. CF Crowdfunding Title III (2015)
Financials Disclosure	Reviewed Financials	Audited Financials	No Specific Requirements	Certified by an independent public accountant; Rules relaxed for LP's and companies that can't obtain audited statement w/o unreasonable expense or effort	Certified by an independent public accountant; Rules relaxed for LP's and companies that can't obtain audited statement w/o unreasonable expense or effort	No Specific Requirements	Offering = (a) Under \$100k → None (internal) (b) \$100-\$500k → CPA Reviewed; or (c) \$500k-\$1m → 3 rd Party Audited *1 st time crowdfunding issuers offering more than \$500,000 would be permitted to provide reviewed, rather than audited, financial statements.
Ongoing Disclosure/ Filing	None	Annual, Semi-Annual, Current Reports (including Audited Financials)	None	If all accredited → issuer discretion. If given to Accredited → must be provided to non-Accredited	If all accredited → issuer discretion. If given to Accredited → must be provided to non-Accredited	None	Annual Disclosure and Financials

VELA | WOOD
ATTORNEYS AND COUNSELORS

	Reg. A+ Tier 1 Title IV (2015)	Reg. A+ Tier 2 Title IV (2015)	Reg. D Rule 504	Reg. D Rule 505	Reg. D Rule 506(b)	Reg. D Rule 506(c) Title II (2013)	Reg. CF Crowdfunding Title III (2015)
Transfer Restriction	None	None	1 Year	1 Year	Restricted— Cannot be freely resold for 1 year w/o registering	Restricted— Cannot be freely resold for 1 year w/o registering	1 Year or to Issuer or Accredited Investor
Intermediary	None Required- If used must be registered broker./dealer	None Required- If used must be registered broker./dealer	None Required- If used must be registered broker./dealer	None Required- If used must be registered broker./dealer	None Required- If used must be registered broker./dealer	None Required- If used must be registered broker./dealer	Registered Broker/Dealer or Funding Portal registered with the SEC
State Pre-emption	No; Coordinated Review	Yes	No; Comply with state securities laws	No; Comply with state securities laws Must file Form D with State in TX	Yes, but Expensive Blue Sky Filing Fee Must file Form D with State in TX	Yes, but Expensive Blue Sky Filing Fee Must file Form D with State in TX	Yes, but must make filing in home state and any state with greater than 50% of <i>crowdfunders</i>

VELA | WOOD
ATTORNEYS AND COUNSELORS

	Reg. A+ Tier 1 Title IV (2015)	Reg. A+ Tier 2 Title IV (2015)	Reg. D Rule 504	Reg. D Rule 505	Reg. D Rule 506(b)	Reg. D Rule 506(c) Title II (2013)	Reg. CF Crowdfunding Title III (2015)
Liability	<p>Standard Antifraud Liability and the relaxed standard of proof of section 12(a)(2).</p> <p>(Anti-Fraud provisions protecting against material omission or misstatement of fact)</p> <p>Harmed investors can recover from issuers—typically the offering company—making misstatements, or omissions of fact.</p>	<p>Standard Antifraud Liability and the relaxed standard of proof of section 12(a)(2).</p> <p>(Anti-Fraud provisions protecting against material omission or misstatement of fact)</p> <p>Harmed investors can recover from issuers—typically the offering company—making misstatements, or omissions of fact</p>	<p>Standard 12(a)(2) Liability (Anti-Fraud provisions protecting against material omission or misstatement of fact)</p> <p>Investor can recover from seller</p>	<p>Standard 12(a)(2) Liability (Anti-Fraud provisions protecting against material omission or misstatement of fact)</p> <p>Investor can recover from seller</p>	<p>Standard 12(a)(2) Liability (Anti-Fraud provisions protecting against material omission or misstatement of fact)</p> <p>Investor can recover from seller</p>	<p>Standard Anti-Fraud Liability for issuers— (protecting against material omission or misstatement of fact) Higher standard of proof for harmed investors, but more information is required in offering and only accredited investors may participate. Investors can recover from sellers knowingly or recklessly making misstatements</p>	<p>Intermediary Liability in section 4A(c); Portals are responsible for conducting due diligence on issuer; Standard Antifraud Liability of 10b-5 and the relaxed standard of proof of section 12(a)(2) (Anti-Fraud provisions protecting against material omission or misstatement of fact) Investors can recover from issuers—Typically the offering Company—As well as the Portal</p>

VELA | WOOD

ATTORNEYS AND COUNSELORS

	Reg. A+ Tier 1 Title IV (2015)	Reg. A+ Tier 2 Title IV (2015)	Reg. D Rule 504	Reg. D Rule 505	Reg. D Rule 506(b)	Reg. D Rule 506(c) Title II (2013)	Reg. CF Crowdfunding Title III (2015)
--	--------------------------------	--------------------------------	-----------------	-----------------	--------------------	------------------------------------	---------------------------------------

Investor Education Requirement	None	None	None	None	Non-Accredited Investor sophistication requirement: <i>must have knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of the prospective investment</i>	None	Platforms must Provide investors with educational materials
---------------------------------------	------	------	------	------	--	------	---