



LEGAL Q&A

Q Is the "Jumpstart Our Business Startups (JOBS) Act" which was signed into law on April 5, 2012, expected to be helpful to technology based companies seeking to raise capital?

A The JOBS Act, among other things:

- Removes the prohibition against general solicitation and general advertising for certain securities offerings;
- Creates an exemption from registration under the Federal securities laws that permits a private company to sell securities in small amounts to large numbers of investors that are not accredited over a 12 month period in what is known as a crowdfunding transaction;
- Provides special treatment for companies that qualify as emerging growth companies in accessing the public markets for capital; and,
- Includes a new small public offering exemption from registration under the Federal securities laws under what is known as Regulation A+.

These measures should facilitate capital formation for technology companies. As we enter 2013, we await regulations from the Securities and Exchange Commission that will allow companies to better understand the scope and limitations of the JOBS Act capital formation initiatives.



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