

The JOBS Act: Quick Reference Chart

On April 5, 2012, President Obama signed into law the [Jumpstart Our Business Startups Act](#) (the “Act”), a wide-ranging legislative response to the private sector which repeatedly voiced concerns regarding the existence of substantial burdens on the ability of issuers to engage in capital formation activities. As expected, the Act will have a significant impact upon federal securities laws and is intended, among other things, to provide increased access to debt and equity capital for issuers generally and “Emerging Growth Companies” specifically.

This Alert summarizes in a quick reference chart certain of the key provisions of the Act. For additional information regarding the Act, please refer to The JOBS Act: General Solicitation and Advertising in Certain Private Placements and Exempt Offerings, The JOBS Act: Increase and Division of Section 12(g) Registration Requirement, The JOBS Act: Crowdfunding and The JOBS Act: Emerging Growth Companies and the IPO On-Ramp.

EMERGING GROWTH COMPANIES AND THE IPO ON-RAMP	
Emerging Growth Company	<p>An issuer with total gross revenues of less than \$1 billion until it:</p> <ul style="list-style-type: none"> ▪ has gross revenues in excess of \$1 billion; ▪ has been a public company for 5 years ▪ issues \$1 billion or more of non-convertible debt ▪ becomes a large accelerated filer (\$750 million or more in public float)
Facilitation of IPOs	<p>An Emerging Growth Company may:</p> <ul style="list-style-type: none"> ▪ confidentially submit to SEC its registration statement for confidential review ▪ engage in communications with QIBs and institutional accredited investors to gauge interest ▪ present 2 years of audited financials in registration statements and periodic reports ▪ present scaled disclosures available to smaller public reporting companies

ALABAMA
Birmingham
Montgomery

LOUISIANA
Baton Rouge
New Orleans

MISSISSIPPI
Bay St. Louis,
Greater Jackson
Gulfport, Oxford

PENNSYLVANIA
Greater Philadelphia
Fort Washington

TENNESSEE
Memphis
Nashville

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Relaxation of Reporting Requirements	<p>An Emerging Growth Company is not required to:</p> <ul style="list-style-type: none"> provide a Section 404(b) auditor's attestation report on internal control over financial reporting comply with certain executive compensation-related provisions of the Dodd-Frank Act comply with new GAAP pronouncements until the pronouncements are applicable to private companies comply with PCAOB rules mandating audit firm rotation or requiring a supplement to the auditor's report
Research Analysts	<p>Research analysts of syndicate members may:</p> <ul style="list-style-type: none"> issue research reports prior to, during and after an IPO participate in meetings with investment banking personnel make public appearances regarding the Emerging Growth Company's IPO
Immediately Effective	Yes: April 5, 2012
RULE 506 PRIVATE PLACEMENTS AND RULE 144A EXEMPT OFFERINGS	
General Advertising and General Solicitation	General advertising and general solicitation permitted provided that all investors are accredited investors or are QIBs
Offering Platforms and Offering Mechanisms	<p>Offering platforms and mechanisms do not have to register as "brokers" or "dealers" if they participate in Rule 506 private placements that utilizes general advertising provided that they:</p> <ul style="list-style-type: none"> do not receive any compensation do not have possession of customer funds or securities are not subject to a statutory disqualification
Immediately Effective	No: the SEC must revise Rule 506 and Rule 144A within 90 days of April 5, 2012
CROWDFUNDING	
Crowdfunding	Crowdfunding involves the pooling or combining of monies, typically smaller amounts, from various sources in furtherance of an initiative in an effort to raise sufficient capital to advance the purposes of the initiative

Exemption From Registration	<p>Crowdfunded offerings do not have to be registered if:</p> <ul style="list-style-type: none"> ▪ aggregate amount sold to all investors is not more than \$1,000,000 ▪ amount sold to any investor does not exceed (i) the greater of \$2,000 or 5% of the annual income or net worth of the investor if either the annual income or the net worth of the investor is less than \$100,000 or (ii) 10% of the annual income or net worth of an investor not to exceed a maximum aggregate amount sold of \$100,000 if either the annual income or net worth of the investor is equal to or more than \$100,000 ▪ conducted through a compliant broker or “funding portal”
Availability of Exemption	Exemption is only available for U.S. issuers that are not subject to the reporting requirements of the Exchange Act and that are not “investment companies”
Registration and Reporting Requirements	Yes: issuers and brokers or “funding portals” must satisfy multiple registration and reporting requirements
Immediately Effective	No: the SEC must promulgate implementing rules and regulations within 270 days of April 5, 2012
SECTION 12(G) REGISTRATION REQUIREMENT	
Issuer (non-bank and non-bank holding company)	<p>Register</p> <ul style="list-style-type: none"> ▪ Total assets in excess of \$10 million ▪ A class of equity securities held of record by either 2,000 or more persons or 500 or more persons who are not accredited investors <p>De-Register</p> <p>File certification with the SEC if the number of record holders is reduced to less than 300 persons</p>

Bank or bank holding Company	Register <ul style="list-style-type: none">▪ Total assets in excess of \$10 million▪ A class of equity securities held of record by 2,000 or more persons De-Register <p>File certification with the SEC if the number of record holders is reduced to less than 1,200 persons</p>
Immediately Effective	Yes: April 5, 2012, though the SEC must promulgate implementing rules and regulations for the new bank or bank holding company registration and de-registration thresholds

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