

*This is your Release #4 (May 2016)*

# Exempt and Hybrid Securities Offerings

*Second Edition*

**By Anna T. Pinedo and James R. Tanenbaum**

This fourth release to *Exempt and Hybrid Securities Offerings, Second Edition* provides significant updates to the legal, regulatory, and procedural guidance regarding offerings exempt from or excluded from the registration requirements of section 5 of the Securities Act, as well as “hybrid offerings,” or offerings that combine elements of both private and public securities offerings. This three-volume supplement reflects the major changes in the capital-raising environment as a result of the new offering exemptions resulting from the JOBS Act, and the increased interest in, and reliance on exempt offerings.

Highlights of the release include:

**Chapter 2, Private Placements—An Overview.** The chapter has been updated to reflect changes in market practice resulting from the relaxation of the prohibition against general solicitation in certain Rule 506 offerings, as well as for recent guidance from the Staff of the Securities and Exchange Commission relating to, among other things, the types of communications that would likely constitute a “general solicitation,” the basis for establishing a preexisting substantive relationship, and the parties that may form such a relationship.

**Chapter 3, Section 4(a)(1) and Concept of 4(a)(1½).** The chapter has been updated to include a discussion of the new section 4(a)(7) safe harbor for certain resale transactions.

**Chapter 9, Conditional Small Issues Exemption: Regulation A.** The chapter has been updated to discuss the final SEC rules amending Regulation A in order to carry out the mandate of Title IV of the JOBS Act.

**Chapter 13, Staying Private.** This chapter has been updated to reflect developments resulting from the fact that more and more growing, private companies have chosen to remain private longer, defer their

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initial public offerings, and rely on exempt offerings to meet their capital-raising needs. As discussed in the chapter, this trend has brought about the need to consider the Section 12(g) Exchange Act threshold, as well as a desire for private secondary markets to provide liquidity opportunities for early investors as well as employees and consultants.

**Chapter 25, Crowdfunding.** The chapter has been updated to discuss the final SEC rules adopting Regulation Crowdfunding, as well as the related FINRA rules and regulations relating to funding portals, all of which implement the mandate of Title III of the JOBS Act.

Throughout all three volumes, the chapters, appendices, and forms have been updated to address regulatory and market developments mentioned above and much more.

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