

Comparison of Equity Crowdfunding Regulations

	Reg A – Tier 1	Reg A – Tier 2	Reg D: Rule 506(c)*	Crowdfunding (Reg CF)
Maximum Offering	\$20,000,000	\$50,000,000	Unlimited	\$1,000,000
Offeree Types	All, including non-accredited investor	All, including non-accredited investor	Accredited Investors Only	All - Unaccredited
Individual Investment Limits	None	All offerings: \$2,000 minimum; 5% of income or net worth below \$100k, 10% above \$100k, \$100k max	None	All offerings: \$2,000 minimum; 5% of income or net worth below \$100k, 10% above \$100k, \$100k max
Investor Verification	N/A	Self-Certification	Heightened Accredited Verification; Financial Information Required	Self-Certification
Advertising / General Solicitation	Unrestricted	Unrestricted	Unrestricted	Limited to Notices; All must occur on internet
Pre-filing / Testing the Waters	Testing the waters allowed with no pre-filing; must file solicitation materials with first offering statement; offering circular must be filed 48 hours prior to first sale	Testing the waters allowed with no pre-filing; must file solicitation materials with first offering statement; offering circular must be filed 48 hours prior to first sale	No filing requirements (yet)	Pre-filing with SEC required before any offer (no testing the waters)
Closing Speed	Slow - SEC and State Qualification Required	Slow - SEC Approval Required	Fast - NO SEC Involvement	Medium SEC Pre-Filing Required
Offering Documents	Robust - SEC Qualification and State Approval	Robust - SEC Approval	No Specific Requirements	Robust, SEC Filing Required
Financials Disclosure	Reviewed Financials	Audited Financials	No Specific Requirements	None under \$100k; Reviewed \$100k - \$500k, Audited above \$500k
Ongoing Disclosure/Filing	None	Annual, Semi-Annual, Current Reports including audited financials	None	Annual Disclosure & Financials
Termination of Ongoing Reporting	N/A	Less than 300 holders of Reg A+ stock	N/A	Retirement of all Crowdfunded Securities
Transfer Restriction	None	None	1 Year	1 Year or to Issuer or Accredited
Shareholder Limit	None with conditions	None with conditions	2,000 accredited investors	Unlimited
Intermediary	None Required	None Required	None Required	Funding Portal or Broker-Dealer Required; Internet Portal Required
State Pre-emption	No; Coordinated Review	Yes	Yes; but expensive blue sky filing fees	Yes, but must make filing in home state and any state with greater than 50% of crowdfunders
Liability	Standard 12(a)(2) Liability	Standard 12(a)(2) Liability	Standard 12(a)(2) Liability	Portal Liability; Burden of Proof for "Diligence Defense" is on Issuer
Investor Education Req.	None	None	None	Tests Required

*Assumes that the [proposed Reg D rules](#) related to pre-filing, filing of general solicitation materials, etc. are not adopted.