

Crowdfunding and General Solicitation

We have received many questions and inquiries about Crowdfunding and General Solicitation. New rules introduced by the JOBS Act, signed into law in 2012, have launched each of these options as viable avenues through which businesses may raise capital. Crowdfunding and General Solicitation are similar in many ways, yet they are distinctly different. In this first installment in our series, we lay out the differences between Crowdfunding and General Solicitation to help you impress your friends at your next cocktail party.

General Solicitation

General Solicitation **allows** companies to publicly advertise for the solicitation of investments from accredited investors. These offerings are conducted under the newly written 506(c) section of Regulation D. (Title II of JOBS Act)



Crowdfunding

Crowdfunding **will allow** for the sale of securities to both accredited and non-accredited investors in small amounts with an annual total fund raise capped at \$1mm in any twelve month period. (Title III of JOBS Act)

According to a recent TechCrunch article, only 3% of the U.S.'s 8 million accredited investors are currently active in the tech startup space. That leaves a lot of room for growth...



Tobin & Company's Services

Tobin & Company Securities LLC offers exacting managing broker-dealer services for private placement offerings. In our role as managing broker-dealer, we work closely with the issuer's management team in the due diligence, document preparation, process management and securities compliance for the offering.

Tobin & Company Investment Banking Group is a full service advisory bank that provides tailored services to meet the needs of small and middle market businesses. Tobin & Company Securities LLC is a licensed broker/dealer and a member of the Financial Industry Regulatory Authority, Inc. Learn more at www.tobinandco.com and follow us on Twitter @TobinandCo_IBG