

>>>FAIRVIEW FLASH REPORT - UPDATE<<<<
 JOBS ACT ADOPTS RULE ELIMINATING THE PROHIBITION AGAINST
 GENERAL SOLICITATION OF PRIVATE OFFERINGS

WHAT HAPPENED?	<ul style="list-style-type: none"> • On July 10, 2013, the SEC adopted amendments to its rules (“new rule 506 (c)”) to allow general solicitation and general advertising in securities offerings conducted pursuant to Rule 506 of Regulation D or Rule 144A under the Securities Act of 1933 (Securities Act). • The final rule and form amendments are effective 60 days after publication in the Federal Register.
WHAT DOES THIS MEAN?	<p>New Rule 506(c) allows general solicitation and general advertising subject to the following conditions:</p> <ul style="list-style-type: none"> • All purchasers of securities must be accredited investors; • Issuer takes reasonable steps to verify investors are accredited; and • All terms and conditions of Rule 501 and Rules 502(a) and 502(d) must be satisfied.
WHAT WILL AN ISSUER HAVE TO DO?	<p>Purchaser Assessment: Issuers would need to take steps to verify that a purchaser is an accredited investor, such as:</p> <ul style="list-style-type: none"> ➤ The nature of purchaser and the type of accredited investor that the purchaser claims to be; ➤ The amount and type of information that the issuer has about the purchaser; and, ➤ The nature of the offering, such as the manner in which the purchaser was solicited to participate in the offering, and the terms of the offering, such as a minimum investment amount. <p>The above items are related and are meant to assist the issuer in arriving at reasonable assessment that a purchaser is an accredited investor and would also affect the <i>types of steps</i> that would be considered reasonable to confirm a purchaser’s accredited investor status. None of the methods outlined in the rule will satisfy the verification requirement if the issuer, or its agent, has knowledge or information that the purchaser would not meet the accredited status requirement.</p> <p>Recordkeeping:</p> <ul style="list-style-type: none"> • Issuers will need to retain adequate records showing steps taken and maintain documentation in support for determining an investor’s

accredited status.

Issuers that intend to engage in general solicitation as part of a Rule 506 offering would be **required to file the Form D at least 15 calendar days before** engaging in general solicitation for the offering.

WHAT ELSE?

- **There are many items to consider when deciding whether to publicly market a private fund under this new rule. We are glad to walk through it with you to address your particular situation and concerns in more detail.**