
EB-5 Capital Markets

Legal perspectives on EB-5 project finance

SheppardMullin

EB-5 Issuers May Commence General Solicitation for Rule 506 Offerings on September 23, 2013

By John Tishler on August 1, 2013

Posted in Securities Law

The final rules for eliminating the prohibition against general solicitation and general advertising in Rule 506 offerings will become effective on September 23, 2013, which is 60 days after the July 24, 2013 date they were published in the Federal Register. Beginning on September 23, 2013 (but not before), EB-5 issuers that rely on Regulation D, Rule 506 as an exemption for issuance of some or all of their securities may use broad-based marketing methods such as the Internet, social media, email campaigns, television advertising and seminars open to the general public, provided that sales are made only to accredited investors and the issuer takes reasonable steps to verify that all investors are accredited. The rules prohibiting certain “bad actors” from participating in securities offerings conducted in reliance on Rule 506 also become effective September 23, 2013. For more information on these final rules, please see our prior blog entry [here](#). For more information on the JOBS Act and Rule 506, please see our prior blog entry [here](#)...