

REGULATION D EXEMPT FILINGS

Regulation D Exemptions - Overview

Regulation D is a set of rules promulgated by the U.S. Securities and Exchange Commission (SEC) pursuant to the federal Securities Act of 1933, which provides exemptions from federal securities registration for certain defined offers and sales of securities.

Under Regulation D, three registration exemptions are authorized. These exemptions are contained in, Rule 504, Rule 505 and Rule 506. The corresponding exemption under the *Colorado Securities Act* is found at Section 11-51-308(1)(p), C.R.S.

The disclosure document provided to investors must meet specific federal disclosure requirements. Prescribed formats for disclosure documents depend on the offering amount to be raised as well as the accredited status of the prospective investors (Rules 505 and 506). All material information must be disclosed to allow prospective investors to make an informed decision.

A company cannot advertise or attempt general solicitation of investors under these exemptions. A company must inform potential investors of any resale restrictions.

THE COLORADO DIVISION OF SECURITIES WILL ONLY ACCEPT A PAPER COPY OF THE ELECTRONIC VERSION OF FORM D THAT HAS BEEN FILED WITH THE SEC. THE CONSENT TO SERVICE OF PROCESS BUILT INTO THE ELECTRONIC VERSION OF THE FORM D IS ACCEPTABLE TO COLORADO.

AT SUCH TIME AS NASAA AND THE STATES ADOPT ELECTRONIC FILING, THEN COLORADO WILL ACCEPT ELECTRONIC FILING THROUGH THE NASAA SYSTEM.

SEC Information

[Filing and Amending a Form D Notice](#) | [Division of Corporation Finance Guidance on Form D Filing Process](#)

NOTE:

The Colorado Division of Securities amendment filing requirements are similar to the SEC requirements.

Regulation D Rule 504 – Limited Offering Exemption

Section 11-51-308(1)(p) of the *Colorado Revised Statutes* and Rule 51-3.7 of the Rules and Regulations may be used for a Regulation D Rule 504 offering.

The maximum offering amount for a Regulation D Rule 504 offering is \$1 million.

The Section 11-51-308(1)(p) exemption may be used in conjunction with federal Regulation D Rule 504, provided there is no advertising or general solicitation of investors.

Filing Requirements:

File one paper copy of whatever is filed with the SEC, with an original signature.
The Division will accept the copy of the electronic Form D with the electronic signature with an original signature on the cover letter.
Payment of a filing fee of \$75 made payable to the Colorado State Treasurer.

Mail to:
Colorado Division of Securities
1560 Broadway, Suite 900
Denver, Colorado 80202

The Form D must be submitted to the Colorado Division of Securities no later than 15 days after the date of the first sale to a Colorado resident.

Form D must also be filed with the SEC as well as the Colorado Division of Securities to qualify for the exemption.

Regulation D Rule 505

Section 11-51-308(1)(p) of the *Colorado Revised Statutes* and Rule 51-3.7 of the Rules and Regulations may be used for a Regulation D Rule 505 offering.

The maximum offering amount for a Regulation D 505 offering is \$5 million.

Offerings under Regulation D Rule 505 can be offered to an unlimited number of accredited investors. However, the offering cannot be sold to more than 35 non-accredited investors, regardless of residency.

This exemption must be used in conjunction with federal Regulation D Rule 505.

Filing Requirements:

File one paper copy of whatever is filed with the SEC, with an original signature.
The Division will accept the copy of the electronic Form D with the electronic signature with an original signature on the cover letter.
Payment of a filing fee of \$75 made payable to the Colorado State Treasurer.

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Form D must also be filed with the SEC as well as the Colorado Division of Securities to qualify for the exemption.

Regulation D Rule 506 – Notification Filing

Section 11-51-308(1)(p) of the *Colorado Revised Statutes* and Rule 51-3.7 of the Rules and Regulations

may be used for a Regulation D Rule 506 offering.

There is no maximum offering amount for a Regulation D Rule 506 offering.

Offerings under Regulation D Rule 506 can be offered to an unlimited number of accredited investors. However, the offering cannot be sold to more than 35 non-accredited investors, regardless of residency.

This exemption must be used in conjunction with federal Regulation D Rule 506.

Filing Requirements:

File one paper copy of whatever is filed with the SEC, with an original signature.
The Division will accept the copy of the electronic Form D with the electronic signature with an original signature on the cover letter.
Payment of a filing fee of \$75 made payable to the Colorado State Treasurer.

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