Insights: Publications

How The SEC Could Expand Access To Private Offerings

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The U.S. Securities and Exchange Commission issued a concept release on June 18, 2019, seeking public comment on a broad range of issues relating to private offerings of securities. The SEC's stated goal is "to simplify, harmonize and improve the exempt offering framework to promote capital formation and expand investment opportunities." While most of the release addresses the hodgepodge of different offering exemptions, it also provides some interesting perspective on potential changes to the definition of an "accredited investor," which determines access to most private placements of securities.

The value of such access has been highlighted of late by the extraordinary returns of early stage private investors in many recent high profile IPOs. The release introduces some novel quantitative analysis to the discussion, which seems to suggest that the current wealth based thresholds are favoring the wealthy elite, and holding back the middle class from participating in these offerings.

Related People



David A. Stockton
t 404.815.6444
dstockton@ktslaw.com