

SEC paves the way for the legalization of equity crowdfunding for small businesses on Oct 30, 2015 in Trending Legal Topics

Washington D.C. – The U.S. Securities and Exchange Commission (SEC) adopted Title III of the JOBS Act today – which paves the path for the legalization of equity crowdfunding for small businesses. This means that investors will be able to put as little as \$10 into their favorite local business or real estate venture. The passage of this rule is expected to increase the volume of deals and capital to be raised in Arizona.

Using previous rules geared toward wealthy investors, real estate has been a major beneficiary of crowdfunding as investors look to directly go after investments that may return from 7 percent to 12 percent a year. Multiple companies have sprung up as online intermediaries between investors and borrowers.

Jonathan Frutkin, founding attorney of The Frutkin Law Firm in Scottsdale, Arizona, explains the opportunity for small to medium sized businesses with this new SEC ruling: “The opportunity to raise capital using crowdfunding isn’t exciting. What is exciting is that local businesses can make their customers into owners. This marketing opportunity has huge potential.”

In addition, Frutkin is also the author of the book Equity Crowdfunding: Transforming Customers into Loyal Owners. He believes equity crowdfunding is the single largest marketing opportunity for local businesses to transform mere customers into loyal owners.

http://www.amazon.com/Equity-Crowdfunding-Transforming-Customers-Owners/dp/0989238202/ref=sr_1_2?s=books&ie=UTF8&qid=1446056516&sr=1-2&keywords=equity+crowdfunding

For Reference: The Jumpstart Our Business Startups Act or JOBS Act is a law intended to encourage funding of United States small businesses by easing various securities regulations. It passed with bipartisan support, and was signed into law by President Barack Obama on April 5, 2012.

About Jonathan Frutkin: Jonathan is a Principal at The Frutkin Law Firm and CEO of Cricca Funding, a crowdfunding advisory company. As an entrepreneur who has led companies in diverse areas including software, digital marketing, food service and real estate, he understands the unique challenges facing business owners. The Frutkin Law Firm is a leading law firm in Arizona with 12 attorneys located in Scottsdale. Frutkin has been recognized by AZ Business Magazine as one of the top business attorneys in Arizona.