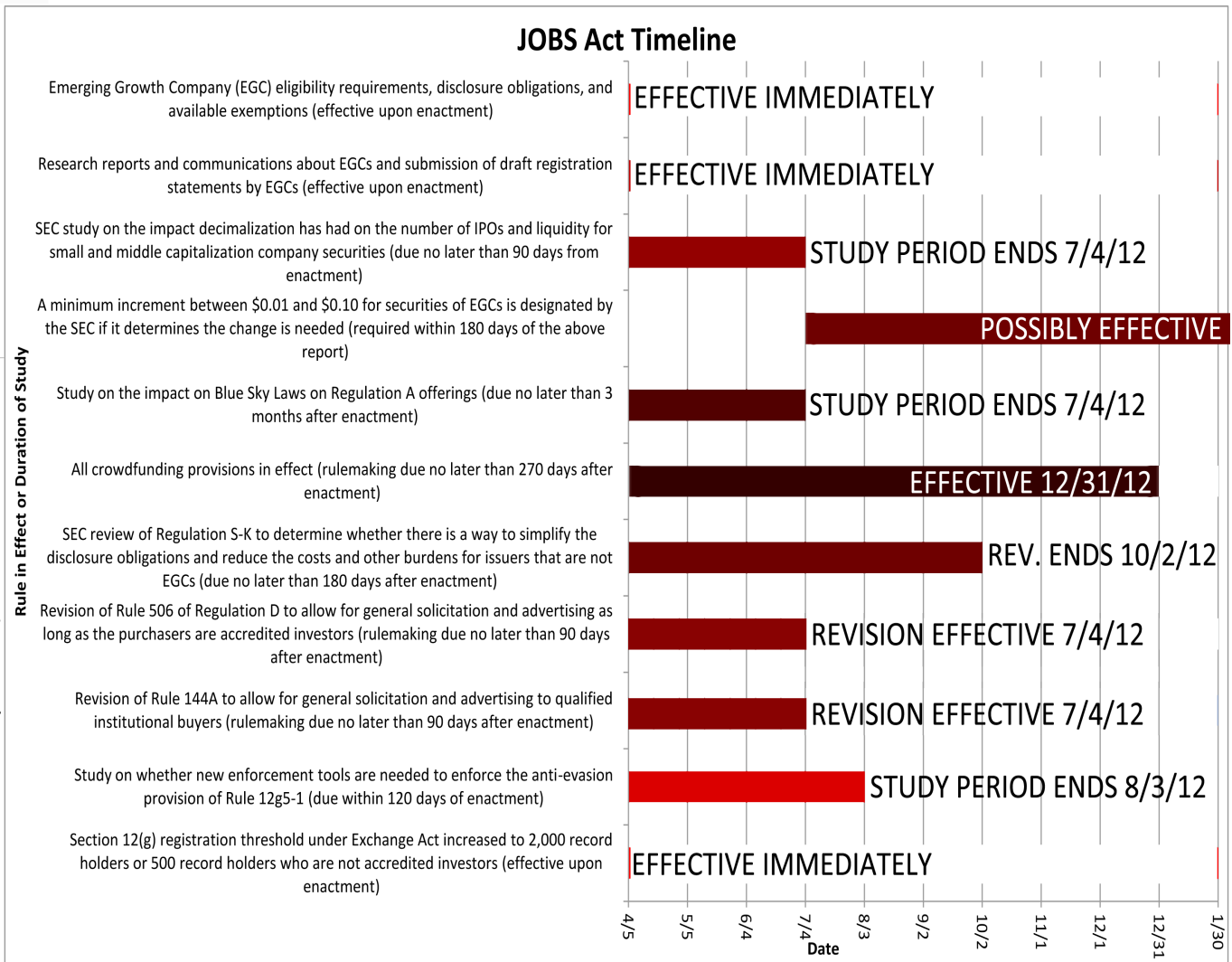




TIMELINE--THE JOBS ACT; WHEN DOES IT REALLY GO INTO EFFECT?

By: [Kaiser Wahab](#) and Lauren Mack

Given the excitement, anxiety, and confusion over when the various provisions of the recently signed JOBS Act will come into effect, we have put together a helpful timeline that shows when the SEC's rulemaking must be completed and the maximum duration of the studies the SEC is obligated to perform. It is important to note that while some provisions related to the new crowdfunding exemption will be in effect 90 days from enactment, such as the revisions to Rules 506 and 144A, the actual crowdfunding provisions themselves do not need to be completed by SEC until 270 days after enactment, making them due at the end of 2012. Additional provisions included in the JOBS Act that do not have deadlines require the SEC to revise the definition of "held of record," provide safe harbor provisions that issuers can use to determine whether holders of their securities received the securities through a compensation plan, and revise Regulation A's offering threshold to \$50 million in any 12-month period.



WHAT WE WOULD LIKE TO SEE

We anticipate that the SEC's rulemaking will not be an easy process, as it will seek to aggressively fight potential fraud despite the JOBS Act's relaxation of key provisions. The SEC hasn't forgotten the massive fraud committed right under its nose by Bernie Madoff and will do everything it can avoid another crisis.

It is our hope that the SEC will produce a clear and robust set of guidelines that are informed by current best practices. The guidelines should be comprehensive and not leave the parties guessing by adequately informing them of their rights and responsibilities, including those of the involved attorneys. By making sure that businesses, investors, and attorneys are explicitly and unambiguously aware of their roles, the SEC will be better able to cut down on investor fraud and ensure that the new provisions of the JOBS Act are a success.