

# Fundraising for LLCs and LPs:

## Securities Law Basics

Shana McGirl

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## Roadmap

- Overview of Regulatory Framework
- What is a "security"?
- Application to LPs and LLCs
- Debt Securities
- Registration and Exemption
- Intrastate Offerings
- Private Placements and Regulation D
- Regulation A+, ICOs and Crowdfunding

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# Regulatory Framework

## Federal

- Securities Act of 1933 (the "**Securities Act**")
- Securities Exchange Act of 1934 (the "**Exchange Act**")
- U.S. Securities and Exchange Commission (the "**SEC**") is the regulator

## State (Texas)

- Texas Securities Act
- Texas State Securities Board (the "**TSSB**")

# What constitutes a "security"?

- The **Securities Act** Sec. 2(a)(1) defines "security" as:
  - "...any note, stock, treasury stock, security future, security-based swap, bond, debenture, evidence of indebtedness, certificate of interest or participation in any profit-sharing agreement, collateral-trust certificate, preorganization certificate or subscription, transferable share, **investment contract**, voting-trust certificate, certificate of deposit for a security, fractional undivided interest in oil, gas, or other mineral rights, any put, call, straddle, option, or privilege on any security, certificate of deposit, or group or index of securities (including any interest therein or based on the value thereof), or any put, call, straddle, option, or privilege entered into on a national securities exchange relating to foreign currency, **or, in general, any interest or instrument commonly known as a "security"**, or any certificate of interest or participation in, temporary or interim certificate for, receipt for,

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