

## Wisconsin Department of Financial Institutions Issues Advisory on Crowdfunding

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In April 2012, President Obama signed the [JOBS Act](#) into law. One of the more interesting provisions for emerging companies was the crowdfunding exemption from federal and state securities regulations. Under the JOBS Act, the Securities and Exchange Commission (SEC) was required to issue regulations in December 2012 (whether the SEC meets this deadline is in doubt).

The **Wisconsin Department of Financial Institutions (DFI)** recently issued a [Small Business Advisory](#) reminding companies that the crowdfunding provisions under the JOBS Act are not yet applicable and will likely not be applicable until 2013. Further, the DFI release has some very sound practical advice on crowdfunding, such as:

- risks that crowdfunding may hinder future investment;
- the merits of looking at other exemptions;
- the emphasis on disclosure; and
- choosing a strong team, including a reputable funding portal.

We will continue to comment on updates on the crowdfunding exemption as new information becomes available later this year.

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