Question 260.33

~~**Question:** An issuer commenced an offering in reliance on Rule 506 before September 23, 2013, the effective date of the new Rule 506(c) exemption. The issuer decides, at some point after September 23, 2013, to continue that offering as a Rule 506(c) offering under the transition guidance in Securities Act Release No. 9415 (July 10, 2013). In such circumstances, is the issuer required to take "reasonable steps to verify" the accredited investor status of investors who purchased securities in the offering before the issuer conducted the offering in reliance on Rule 506(c)?~~

~~**Answer:** No. For an offering that commenced before September 23, 2013 and that, pursuant to the Commission's transition guidance, the issuer continues in accordance with Rule 506(c) after that date, the issuer must take reasonable steps to verify the accredited investor status of only investors who purchase securities in the offering after the issuer begins to make offers and sales in reliance on Rule 506(c). The issuer must amend any previously-filed Form D to indicate its reliance on the Rule 506(c) exemption for its offering. See Securities Act Rules C&DI 260.05. [Jan. 23, 2014]~~
[Withdrawn March 12, 2025]