



Worldwide Stock Transfer, LLC

In 2012, the Jumpstart Our Business Startups (JOBS) Act was signed into law. On September 23, 2013, Title II of the law took effect lifting an 80-year prohibition on general solicitation.

Companies are now permitted to advertise and market current or future fundraising initiatives by selecting rule 506(c) on the SEC's Form D.

The significant regulatory compliance change is that the traditional self-certification of an investor's accredited status will not be permitted for 506(c) companies.

Instead, companies must take "reasonable steps" to certify that investors meet the accreditation standards of the law.

An individual investor must prove that they have an annual income of more than \$200,000 individually, \$300,000 as a couple, or have a net worth of more than \$1,000,000 excluding the value of a primary household.

Worldwide Stock Transfer has implemented an automated investor verification process to assure compliance with the latest regulation changes resulting from the JOBS Act.



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Title II clearly outlines the methods available to companies filing under rule 506(c) for verifying investors.

The first method is the manual collection of all the investor's private financial documents.

As an alternative, Title II also permits companies to utilize a third party verifier to confirm an investor's status.

A Certified Public Accountant (CPA), Broker/Dealer, Investment Advisor, or licensed Attorney is permitted to verify that an investor meets the criteria required by the SEC.

Worldwide Stock Transfer's new software connects Companies, Investors and their Verifiers, in order to certify the accreditation status without requiring private documents.

The software is hosted on an EC2 server, utilizing an RDS Database, full encryptions and a system of passwords that are salted and hashed assuring users that security and privacy is essential to the service.

The automated verification software responds to the concern that new regulations are cumbersome and compromise efficiency.

Worldwide Stock Transfer's clients can continue to operate with the confidence of knowing they are complying with every safe harbor provision outlined by Title II of the JOBS Act.