

## Federal Securities Law Reporter, 1933 Securities Act Sec. 4(c), [Explanation of Exemption]

### 4(c)

**4(c)(1)** With respect to securities offered and sold in compliance with Rule 506 of Regulation D under this Act, no person who meets the conditions set forth in paragraph (2) shall be subject to registration as a broker or dealer pursuant to section 15(a)(1) of this title, solely because—

**4(c)(1)(A)** that person maintains a platform or mechanism that permits the offer, sale, purchase, or negotiation of or with respect to securities, or permits general solicitations, general advertisements, or similar or related activities by issuers of such securities, whether online, in person, or through any other means;

**4(c)(1)(B)** that person or any person associated with that person co-invests in such securities; or

**4(c)(1)(C)** that person or any person associated with that person provides ancillary services with respect to such securities.

**4(c)(2)** The exemption provided in paragraph (1) shall apply to any person described in such paragraph if—

**4(c)(2)(A)** such person and each person associated with that person receives no compensation in connection with the purchase or sale of such security;

**4(c)(2)(B)** such person and each person associated with that person does not have possession of customer funds or securities in connection with the purchase or sale of such security; and

**4(c)(2)(C)** such person is not subject to a statutory disqualification as defined in section 3(a)(39) of this title and does not have any person associated with that person subject to such a statutory disqualification.

**4(c)(3)** For the purposes of this subsection, the term "ancillary services" means—

**4(c)(3)(A)** the provision of due diligence services, in connection with the offer, sale, purchase, or negotiation of such security, so long as such services do not include, for separate compensation, investment advice or recommendations to issuers or investors; and

**4(c)(3)(B)** the provision of standardized documents to the issuers and investors, so long as such person or entity does not negotiate the terms of the issuance for and on behalf of third parties and issuers are not required to use the standardized documents as a condition of using the service.

**.001 Historical comment.—**

Act of December 4, 2015 (Fixing America's Surface Transportation Act of 2015), redesignated Section 4(b) of the Securities Act of 1933 as 4(c) effective December 4, 2015, H.R. 22, Sec. 76001, Pub. Law 114-94, 129 Stat. 1312.