

Tony Seruga Explains New Kid on the Block Rule 506(c)

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Tony Seruga, owner of Prospector Capital Partners, has shed light on the new Rule in Private Placements; Rule 506(c). Comparisons with its predecessor Rule 506(b) have also been briefly examined. Investors and private placement issuers are well versed in the traditional Rule 506(b). However most of them prefer to continue with the traditional Rule, without much consideration of the relatively new Rule 506(c) which could offer more valuable options.

Prospective Capital Partners, a private commercial real estate banking company, provides financing and loans to meet their clients' requirement for structured financial products. According to the JOB's Act, Rule 506(c) of the SEC Regulation D, it allows for issuers to offer securities who have not been prior clients of the business. In short, the securities can be generally advertised for sale. In recent years online marketing has been taking the lead as issuers tend to advertise more in this manner.

Rule 506(b) contrasts with the new rule in the way securities are sold for raising capital. The offers cannot be publicly announced, and instead are only offered to select few investors whom the issuers may already know and believe to be accredited.

Using the new Rule506(c), the investors, by general solicitation, publicly advertise their offers. This method

broadens their reach in attracting potential clients. According to 2014 SEC data, over $14 billion has been raised by private security issuers who adopted this new Rule. However, they are required to verify the investor's accreditation. This is emerging as a primary reason for many issuers to hold back and continue with Rule 506(b) instead.

Tony Seruga and Prospector Capital Partners, however, offer their assistance to clients by helping to ensure conformity with both Rules. The company aids in attracting investors while providing the essential service of verifying their accreditation as well.

Backed by private banks and other institutions, Tony Seruga, https://www.linkedin.com/in/tonyseruga, and his Wall Street firm provide real estate and commercial financing solutions to their clients. This includes help in preparing and marketing private placements to raise debt or equity capital, form private real estate funds or start a private equity fund or hedge fund. Clients are urged to search for more information, request loans or contact them through their website http://www.prospectorcapital.com.

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Prospector Capital Partners

Prospector Capital Partners offers many debt/equity strategies for real estate investors including first trust deeds, bridge loans, mezzanine, DIP, Super C, triage loans, fundraising, capital formation and capital placement.

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