

Trowbridge Law Group LLP

MULTIFAMILY INTENSIVE
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Trowbridge Law Group
LLP

Gene's Career


- Serving over 600 Unique Clients
- 850 Offerings
- \$6.0 Billion in Equity raised



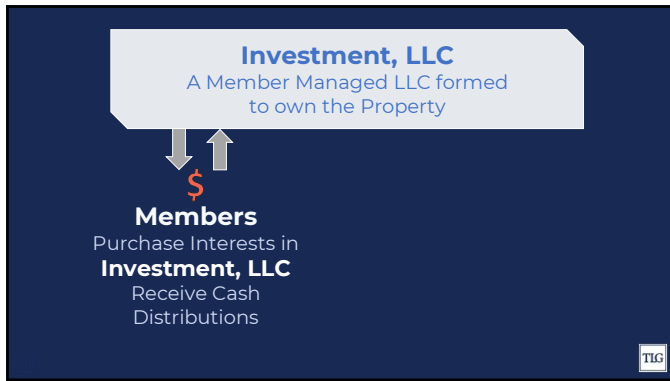

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SCOPE OF PRIVATE PLACEMENT OFFERINGS

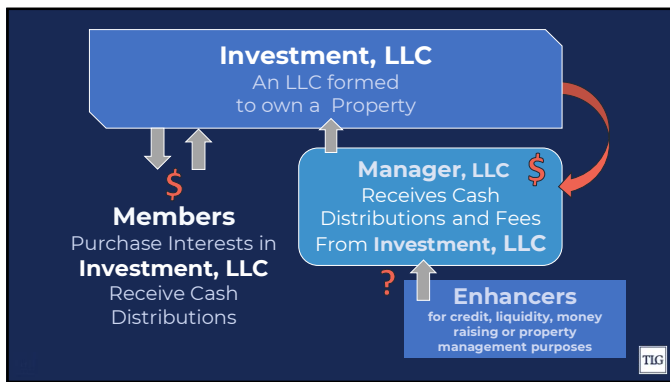
- Over \$2.1 Trillion Raised in 12 months of 2020-2021 in all offerings (\$1.8 Trillion previous year).
- More than 2/3 of offerings had less than 10 investors, with the average being 14 investors.
- \$1.9 Trillion raised in 506(b) in all private offerings (\$1.8 M median size)
- \$124 Billion raised in 506 (c) in all private offerings (\$900k median) Doubled previous year.
- 99% of all exempt capital is raised under Rule 506



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SOURCES OF REVENUE FOR YOU



- Ownership Interests
- Acquisition Fees
- Asset Management Fees
- Disposition Fees
- Share of Operational Cash Flows
- Share of Refinancing Proceeds
- Share of Sales Proceeds
- *Possible Real Estate Fees for Licensees

The slide features a photograph of several stacks of \$10,000 bills on the left. The text is on the right. A small 'TIG' logo is in the bottom left corner.

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SECURITIES LAWS

Designed to protect the public against:

- Fraudulent investments
 - Provide full disclosure
- Those who sell fraudulent investments
 - Prohibit deceit, fraud, and misrepresentation

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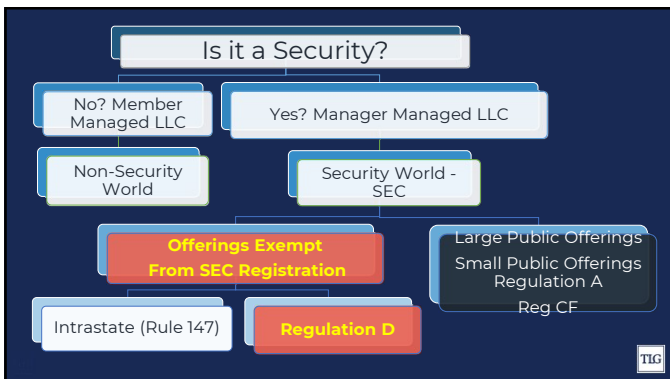
WHAT IS AN INVESTMENT CONTRACT?

“HOWEY” Test

- ✓ Investment of money
- ✓ In a common enterprise
- ✓ Expectation of profit
- ✓ Solely from the efforts of a promoter

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ACCREDITED INVESTORS

Individuals:

- Net Worth** in excess of \$1,000,000 (excluding primary residence)
 - Disregard primary residence if value is greater than loan amount, *but*
 - Must count the amount of loan that is greater than the value, *and*
 - Must count any loan if made within sixty days of investment
- or –
- \$200,000 **Annual Income** (\$300,000 if married filing joint)
- or –
- Smart Entities:** \$ 5,000,000 assets in many entities



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WHAT'S NEW: ACCREDITED INVESTORS

What's New?


- Licensed Professionals, regardless of net worth or income tests: Series 7, 65 and 82 (more to come?)
- "Spousal equivalency" can be used in meeting the net worth or income test
- Family offices, IRAs and 401Ks will qualify as an accredited entity if they own assets worth more than \$5,000,000
- Knowledgeable employees of the sponsor will be deemed accredited regardless of net worth or income test to invest in their own deals.



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Regulation D Rules 506 (b) and (c) Covered Securities

<p style="text-align: center;">Reg. D 506 (b)</p> <ul style="list-style-type: none"> • No limit on \$\$s raised • Unlimited Accredited Investors • Investors self certify • Max 35 Sophisticated Investors • PPM Recommended/Required • No advertising or solicitation 	<p style="text-align: center;">Reg. D 506 (c)</p> <ul style="list-style-type: none"> • No limit on \$\$s raised • Unlimited Accredited Investors • Sponsor to be "reasonably assured" • No sophisticated Investors • PPM Recommended • Advertising and solicitation allowed
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THREE WORDS

1. Sophisticated
2. Pre-Existing
3. Substantive



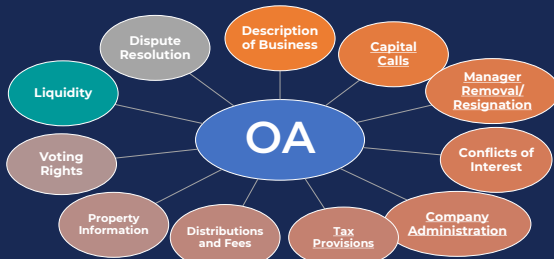
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ALL THIS NEEDS TO BE IN YOUR PPM



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OPERATING AGREEMENT



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SUBSCRIPTION AGREEMENT

Contract between you and the Investor

- Representations and Warranties
- Suitability
- Investment amount and title holding preference
- Offeree Questionnaire



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WHAT SYNDICATORS SAY

The **care and maintenance** of partners is overwhelming

The **risk** is greater than they expected



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VERY **BIG** MISTAKES

- Not having enough time to raise \$
- Taking investors' money before the **Investment, LLC** bank account is open
- Paying finders fees to anyone who does not have a securities license



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THE *BIGGEST* MISTAKES

- ✓ Drafting your own docs
- ✓ Not reading and following your docs
- ✓ Making cash distributions from reserves
- ✓ Cashing out investors with money from new investors




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