

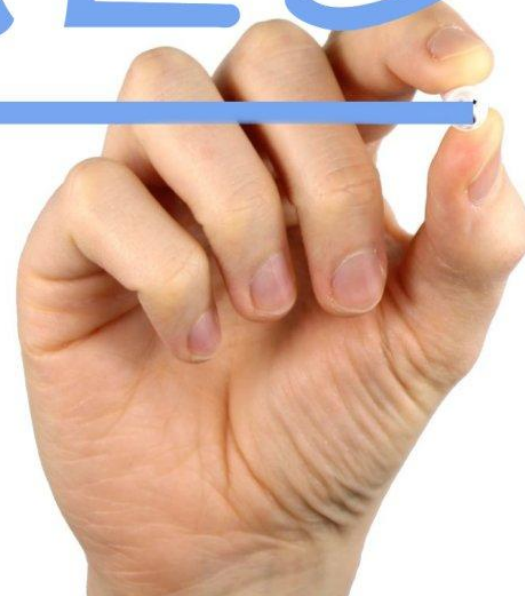
# Practicing Safe Syndications


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Mauricio J. Rauld, Esq

My Goal Today...

GOALS



- 
- Where the Legal piece fits into the overall Syndication Puzzle



## MAURICIO J. RAULD, ESQ

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- Founder and CEO of Premier Law Group
- Premier Syndication Attorney (100% of Practice)
- Helps real estate Syndicators stay compliant with Federal and State securities laws
- 20+ Years of Securities Experience
- Travels around the country educating investors and business owners how to scale their businesses using Syndication;
- Known as the "Anti-Lawyer"...

“Mauricio is one of  
the few lawyers that  
ACTUALLY speaks  
English”

Tom Wheelwright

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What is a Syndication?

The simple pooling  
of resources (often  
cash) in order to  
buy a piece of real  
estate.

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Simple Example..



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You want to buy a  
\$100,000 property.

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You get 4 of your friends to  
kick in \$25,000 each

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You do all the work

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Split the profits 5 ways  
(20% each)



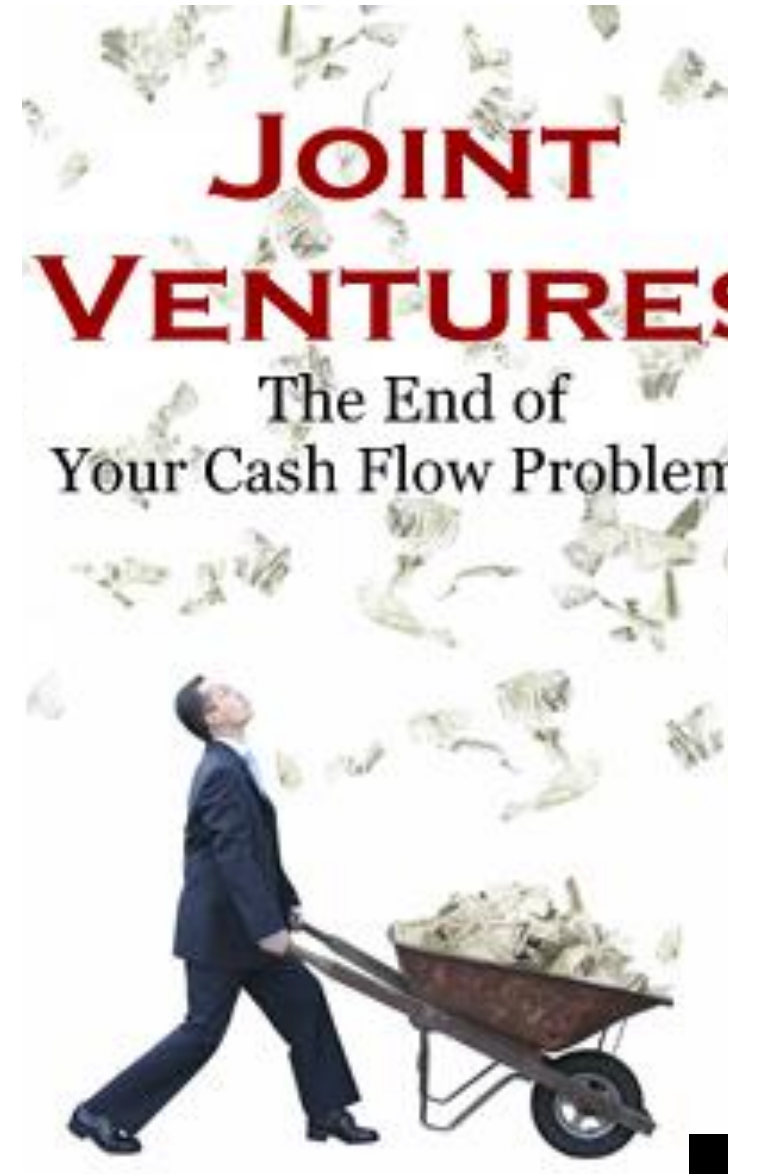
# What is a Security?

- Stocks
- Bonds
- Mutual Funds
- Promissory Notes
- LLCs/LPs
- Corporations
- Tenant-In-Common (TIC)
- Profit Sharing Agreements
- Handshakes
- High Fives

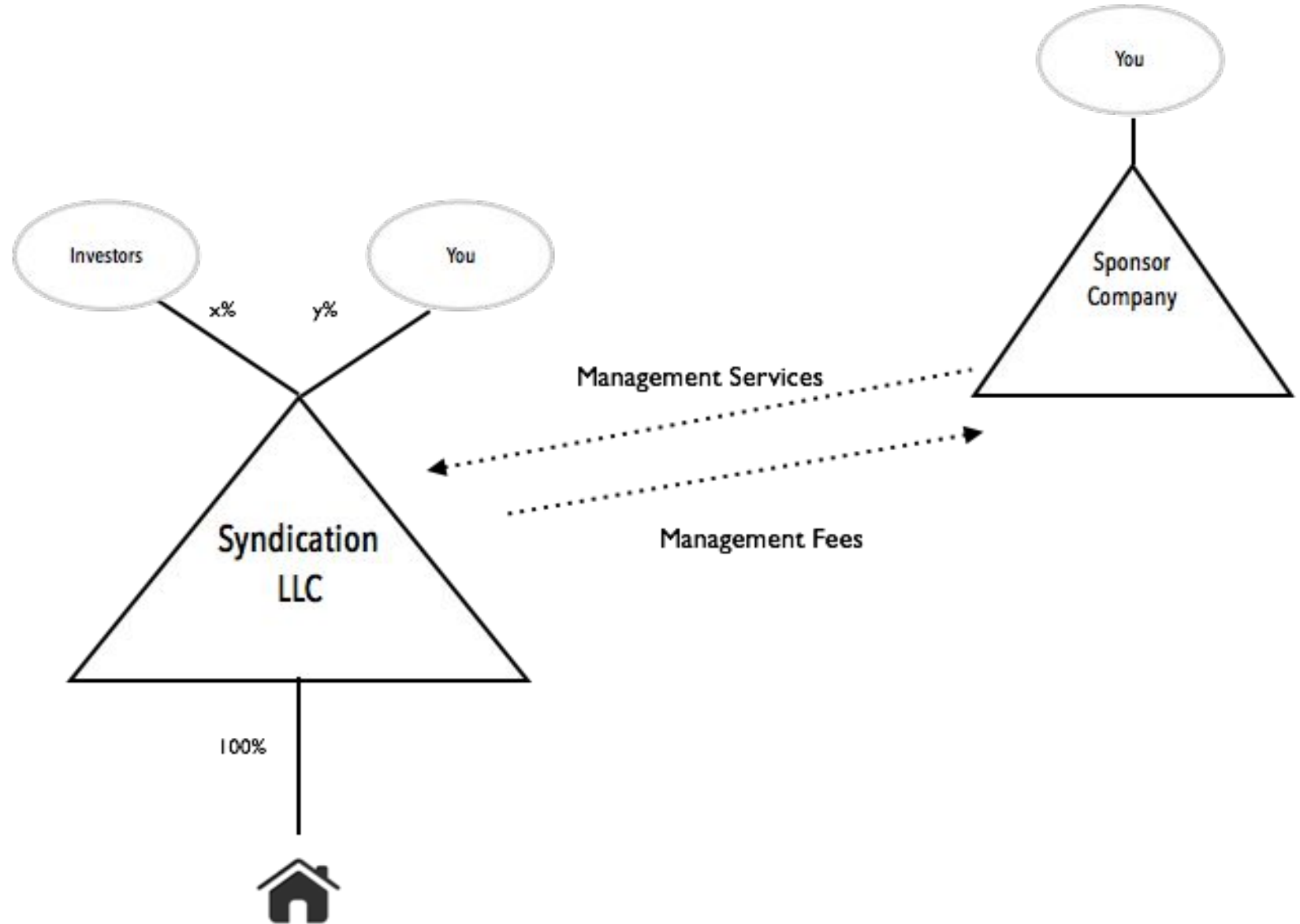


Any Time You Take Money From  
Investors Where The Returns  
Are Generated By YOUR Efforts

# What about Joint Ventures?



# Typical Syndication Structure



# 3 Things to Consider

**1. REGISTER** with the SEC

2. Find an **EXEMPTION**

3. OR....



**ILLEGAL**

# Examples of Non-Compliant Syndications

1. FAILING TO DISCLOSE ALL THE FACTS
2. ADVERTISING WHEN NOT SUPPOSED TO
3. PAYING PEOPLE TO HELP YOU RAISE MONEY
4. REFERRAL FEES

**REGISTER**

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**EXEMPTIONS**

# MOST COMMON EXEMPTIONS

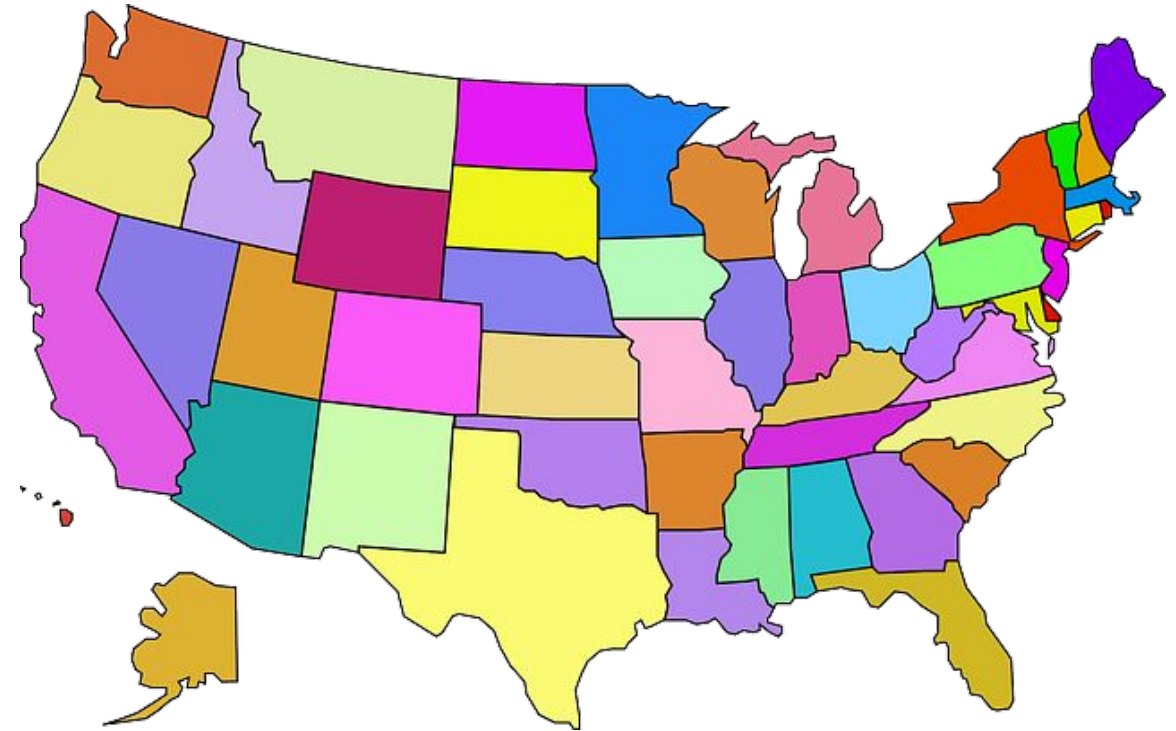
1. RULE 506 (B)

2. RULE 506 (C)

3. REG A+

# Why So Popular?

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# General Differences Between Advertising & Not Advertising

## 506 (B)

- Unlimited Raise
- Up to 35 Non-Accredited Investors Allowed
- No Advertising
- No General Solicitation
- In General, Need a Preexisting Relationship With Prospective Investor
- No Bad Actors Allowed as Syndicators or 20% Voting
- Pre-Emptis State Law
- Check The Box Verification OK

## 506 (C)

- Unlimited Raise
- Accredited Investors Only
- Advertising Allowed
- General Solicitation Allowed
- No Pre-Existing Relationships With Prospective Investor Needed
- No Bad Actors as Syndicators or 20% Voting
- Pre-Emptis State Law
- Take Reasonable Steps to Verify Investors

# Regulation Reg A+

1. RAISE UP TO \$50M
2. NEED APPROVAL FROM THE SEC
3. CAN ADVERTISE AND GENERALLY SOLICIT
4. ACCREDITED AND NON-ACCREDITED INVESTORS ALLOWED
5. AUDIT AND REPORT REQUIREMENTS



# Syndication Document Checklist

- Private Placement Memorandum (“PPM”)



# PPM



# Syndication Document Checklist

- Private Placement Memorandum (“PPM”)
- Operating Agreement
- Subscription Agreement
- Investor Questionnaire
- Business Plan
- Form D Filings





SOCIAL MEDIA ADVERTISING

# Three Buckets



- CLEARLY CAN DO
- CLEARLY CAN NOT DO
- GRAY AREA



# Paying Money Raisers to Help

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# 5 Things to Consider with Money Raisers

- 1. You **CAN NOT** pay some to raise money for you unless they are licensed as a Broker/Dealer.
- 2. If you pay them “transaction-based compensation” you are dead in the water. Game over. End of story. Period!
- 3. Not paying “transaction-based compensation” does not get you off the hook.
- 4. You still can not directly compensate people for raising money.
- 5. Your new business partner must be legitimate co-sponsors in the deal.



**5 THINGS**

— **EVERY** —

**SYNDICATOR**

**MUST KNOW TO STAY**

**OUT OF JAIL**

**BY MAURICIO J. RAULD, ESQ**

**#1 BEST-SELLING AUTHOR**



**PREMIER**  
**LAW GROUP**

Premier Syndication Attorneys

# Question & Answer

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