

# THINKING OF RAISING CAPITAL FOR YOUR BUSINESS?

Seeking investors for your business may involve state and federal securities laws.

## *Things you should know before you try to raise money:*

- A security is defined very broadly, and includes such things as a note; stock; bond; debenture; evidence of indebtedness; certificate of interest or participation in any profit sharing agreement; membership interest in an LLC; investment of money or money's worth including, in some cases, goods furnished or services performed in support of a venture; and many other types of debt or equity.
- Offering a security can involve legal and financial consequences that may result in civil liability and money damages against you.

## *Things you should do before you offer a security:*

- Review Alaska and federal securities law and regulations. Review the laws of other states if you offer to sell to investors outside of Alaska.
- In almost all cases, prior to meeting certain securities law requirements, you may not advertise to find investors. This includes print media and electronic media such as Facebook, Twitter, and Craigslist, Alaska's List, your own or other websites that provide a similar platform.
- You must provide potential investors with enough information to identify and quantify the risks of the business before they invest. This may include a business plan, financial information, statement of risks related to the business, and any negative factors that might affect the outcome of the investment.
- Before proceeding with any offer to sell a security you should consult professionals who are knowledgeable regarding securities transactions.



To review the Alaska Securities Act (AS 45.55) and regulations, please visit:

<http://commerce.alaska.gov/bsc/regs.htm>

Division of Banking and Securities Hotline: 1-888-925-2521



Division of Banking and Securities  
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