How the SEC's New Crowdfunding Rules Are Creating Options for Oil and Gas Financing

In an industry known for its inventiveness, energy companies may turn to a new source of capital outside traditional debt or equity markets or even large asset sales, reports **Sidd Dadhich** in **an article** posted on the website of *The Texas Journal of Oil, Gas, and Energy Law*.

"The crowdfunding phenomenon has given entrepreneurs passed over by institutional investors access to much needed capital. The 2012 Jobs Act made equity crowdfunding, which gives investors a piece of the company they fund, easier for accredited investors," according to the article.

The SEC did not open up equity crowdfunding to individuals (or couples) with net worths below $1 million, but newly released rules will enable non-accredited investors to join in equity crowdfunding under certain constraints, beginning in January 2016.

"If companies and crowdfunding portals can adequately manage the litigation risk, the possibility of opening investment opportunities to the 'little guy' will be a welcome prospect for all parties involved," Dadhich writes.

Read the article.