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# **Direct Registration - Direct Registration S1 - Get The Facts**

Are you a business owner raising capital with a Regulation D Rule exemption (504, 505 or 506) also referred to as a Private Placement Memorandum, PPM or Offering Memorandum? If you are using this mechanism to raise capital then you'll, no doubt, have to have a solid comprehension of the most distinct and important part of the Private Placement Memorandum referred to as the 'Offering Circular'.

When your consultant or attorney is asking you for details on everything from business location to management, from dividends to risk details, you need to make sure that this information is complete and accurate. You'll need to audit the documents after they are completed. A solid Offering Circular has kept countless companies from being sued by investors that didn't get the investment return they were anticipating.

While the business plan is meant to grab the initial attention of the investor or funding source, the Offering Memorandum is meant to spell out the down and dirty details of the venture so that you are protected from lawsuits down the road, while simultaneously exposing the various ins and outs of your venture to give a 'reality check' to the investor before they hand over the cash.

The offering circular needs to be powerful yet very compact without the redundancies of using space to say the same things over and over again to pull the investors attention from the negative to the potential profit margins or management's impressive pedigree. With all this said, yes it's true the offering circular is one of the parts of a PPM spells out the technical aspects of the enterprise with a focus on inherent risk of investing but this can be done in a balanced way to also demonstrate the positive aspects of your venture by giving solid descriptions of your management team and, in place, distribution centers and contracts in place ready for capitalization.

When authoring the offering circular demonstrate the risks with a well balanced demonstration of the system in place to overcome these risks and dominate your market niche.

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