

Attorneys**Partner**

- Stephen M. Goodman

Partner Stephen Goodman Authors Legal Update About SEC Ruling That Transaction-Based Compensation Triggers Registration Requirement

For many years, finders (people who assist companies in finding private funding and are paid with a percentage of the amount raised) have been advised that they did not have to register as “brokers” with the Securities and Exchange Commission (SEC) if they limit their activities to making introductions and they do not otherwise participate actively in the transaction.

In a new Legal Update, Pryor Cashman Corporate Partner Stephen M. Goodman reports on an SEC no-action letter issued in May, 2010 which stresses that even making introductions can trigger the registration requirement if the finder receives “transaction-based compensation” (*i.e.*, a percentage of the amount raised).

To read the Legal Update, entitled *SEC Says Again: Transaction-Based Compensation Triggers Registration Requirement*, please [click here](#).