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March 2009

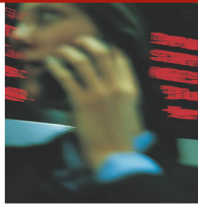
**INVESTMENT MANAGEMENT
UPDATE****Electronic Filing and Revision of Form D**

On March 16, 2009, electronic filing of amended Form D via the SEC's Electronic Data Gathering, Analysis and Retrieval system (EDGAR) will become mandatory, and paper filings of the previous version of Form D will no longer be accepted. Form D serves as the notice of an offering of securities made without registration under the Securities Act of 1933, as amended, pursuant to an exemption provided by Regulation D, and must be filed with the SEC no later than 15 calendar days after the first sale of securities. An issuer's Form D filing will be available to the public through the SEC's web site.

SUMMARY OF AMENDMENTS TO INFORMATION REQUIREMENTS

The SEC made the following changes to the information requirements of Form D:

- Permitting filers to identify all issuers in a multiple-issuer offering in one Form D filing;
- Deleting the current requirement to identify as "related persons" owners of 10 percent or more of a class of the issuer's equity securities;
- Replacing the current requirement to provide a business description of the issuer with a requirement to classify the issuer by industry from a pre-established list of industries;
- Requiring revenue range information for the issuer, or net asset value range information in the case of hedge funds (subject to an option to decline to disclose);
- Requiring more specific information on the registration exemption claimed by the issuer in the Form D notice as well as information on any exclusion claimed from the definition of "investment company" under the Investment Company Act of 1940, as amended;
- Requiring reporting of the date of first sale in the offering;
- Requiring reporting of whether the offering is expected to last more than one year;
- Limiting reporting of the minimum investment amount accepted in the offering to the amount accepted from outside investors, so as not to adversely affect employee stock ownership incentive plans;
- Requiring Central Registration Depository numbers for both individual recipients of sales compensation and associated broker-dealers;
- Replacing the current requirement to disclose information on a wide variety of expenses and applications of proceeds with a requirement to report expenses only as to amounts paid for sales commissions and, separately stated, finders' fees, and report use of proceeds only as to the amount of proceeds used to make payments to executive officers, directors and promoters;

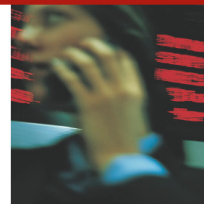


- Replacing the current federal and state signature requirements with a combined signature requirement that includes an undertaking to provide offering documents to regulators on request (subject to applicable law), a consent to service of process and a certification that the issuer is not disqualified by rule from relying on an exemption claimed; and
- Permitting a limited amount of free writing in “clarification” fields to the extent necessary to clarify certain information provided.

AMENDMENT OF PREVIOUSLY FILED FORM D

In addition to amending the information requirements of Form D as set forth above, the SEC sought to clarify when, how and why an amendment to a Form D notice may or must be filed. Current information must be provided in response to all requirements of Form D, regardless of why the amendment is filed. The SEC revised Rule 503 of Regulation D to require amendments to a Form D notice in these three instances:

- To correct a material mistake of fact or an error in the previously filed Form D notice (as soon as practicable after discovery of the mistake or error);
- To reflect a change in the information provided in a previously filed Form D notice (as soon as practicable after the change), except that no amendment is required to reflect a change that occurs after the offering terminates or a change that occurs solely in the following information:
 - The address or relationship to the issuer of a related person identified in response to Item 3 of Form D;
 - An issuer’s revenues or aggregate net asset value;
 - The minimum investment amount, if the change is an increase or if the change together with all other changes in that amount since the previously filed Form D notice does not result in a decrease of more than 10 percent;
 - Any address or state(s) of solicitation shown in response to Item 12 of Form D;
 - The total offering amount, if the change is a decrease or if the change together with all other changes in that amount since the previously filed Form D notice does not result in an increase of more than 10 percent;
 - The amount of securities sold in the offering or the amount remaining to be sold;
 - The number of non-accredited investors who have invested in the offering, as long as the change does not increase the number to more than 35;
 - The total number of investors who have invested in the offering;
 - The amount of sales commissions, finders’ fees or use of proceeds for payments to executive officers, directors or promoters, if the change is a decrease or if the change together with all other changes in that amount since the previously filed Form D notice does not result in an increase of more than 10 percent; and



- Annually, on or before the first anniversary of the filing of the Form D or the filing of the most recent amendment, if the offering is continuing at that time.

CHANGES TO FORM D FILING PROCEDURES

When the electronic filing requirement goes into effect on March 16, issuers will need to have EDGAR access codes. Prior paper filers may retain their Central Index Key number, but they will need to convert from paper filer status to electronic filer status. Additional filing information regarding EDGAR access codes is available at <http://www.sec.gov/divisions/corpfin/formdfunding.htm>.

Issuers making continuous offerings, such as most hedge funds, will be required to file an updated Form D annually by the anniversary of their last filing.

State securities regulators still require paper Form D filings, but many are expected to convert to electronic filings by the end of 2009. States will accept a copy of the electronic submission filed with the SEC, but some will still require filings to be supplemented by the paper appendix to the old Form D, which requests state-specific offering information.

FOR MORE INFORMATION

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