

# Broker-Sold Regulation D Offerings Summary Statistics\*

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## I. Introduction

The Regulation D (“Reg D”) offerings sold by U.S. broker-dealers account for 14% of all Reg D offerings and 39% of the total dollar amount offered. This installment of our blog post series on the Reg D market reports summary statistics for Reg D offerings sold by at least one U.S. broker-dealer.

## II. Overall Summary Statistics

Table 1 reports aggregate summary statistics of the Reg D offerings sold by broker-dealers between January 2009 and July 2022. There were 39,969 unique broker-sold offerings. \$7.7 trillion had been sold by broker-dealers as of the most recent Form D filing in each offering and the aggregate maximum broker-sold offering amount across all broker-sold offerings was \$9.9 trillion. Thus, between \$7.7 trillion and \$9.9 trillion in exempt securities were sold by broker-dealers between January 2009 and July 2022. The maximum sales commissions for selling the entirety of the maximum broker-sold offering amount are \$39.4 billion, of which \$32.4 billion has been paid out to broker-dealers as of the most recent Form D filings.

Table 1: Broker-Sold Reg D Offerings Aggregate Summary Statistics, January 2009 - July 2022

Broker-Sold Offerings	Broker-Sold Amount (\$)	Maximum Broker-Sold Offering Amount (\$)	Realized Commissions (\$)	Maximum Commissions (\$)
39,969	\$7.7T	\$9.9T	\$32.4B	\$39.4B

Table 2 reports median summary statistics of the broker-sold Reg D offerings. The median maximum offering size was \$10 million, the median number of investors as of the last Form D filing in each offering was 23 and the median days between first sale and last filing was 17 days. Compared to the Reg D offerings not sold by any broker-dealer, the broker-sold Reg D offerings tend to be larger and sold to more investors.<sup>1</sup> The median maximum commissions paid out to broker-dealers for selling a Reg D offering was \$54,000, and more than half of the broker-sold Reg D offerings were sold by a single broker-dealer.

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<sup>1</sup>See Table 2 in “Regulation D Offerings Summary Statistics”, SLCG Economic Consulting, LLC, 2022.

Table 2: Broker-Sold Reg D Offerings Median Summary Statistics, January 2009 - July 2022

Median Maximum Broker-Sold Offering Amount (\$)	Median Maximum Commissions (\$)	Median Investors of Broker-Sold Offerings	Median Number of Broker-Dealers	Median Days Between First Sale and Last Filing
\$10M	54,000	23	1	17

Table 3 reports the frequency of exemption choices in broker-sold Reg D offerings from January 2009 to September 2013 and from October 2013 to July 2022.<sup>2</sup> After September 2013, 91.3% of broker-sold Reg D offerings elected exemption under Rule 506(b) which allows for sales to nonaccredited investors and only 8% elected exemption under 506(c) which limits sales to only accredited investors.

Table 3: Percentages of Broker-Sold Reg D Offerings by Exemptions, January 2009 - July 2022

	Rule 504	Rule 505	Rule 506	Rule 506(b)	Rule 506(c)	Rule Other
Jan 2009 - Sep 2013	0.5%	0.9%	98.3%	NA%	NA%	0.3%
Oct 2013 - Jul 2022	0.2%	0.1%	NA%	91.3%	8%	0.4%

Table 4 reports the distribution of security types identified in the Form D filings of broker-sold offerings. 58.7% of the offerings are identified as equity securities, 28.4% are identified as pooled investment fund interests and 6.9% are identified as debt securities.<sup>3</sup>

Table 4: Percentages of Broker-Sold Reg D Offerings by Securities Type, January 2009 - July 2022

Equity	Pooled Investment Fund Interests	Debt	Other	Limited Partnership Interests	Option, Warrant or Other Right
58.7%	28.4%	6.9%	3.8%	1.4%	0.9%

### III. Industry Distribution

Table 5 and Figures 1(a)-(b) describe the industry distribution of broker-sold Reg D offerings sold between January 2009 and July 2022. Pooled Investment Fund (“PIF”) is the largest industry group by any measure of broker-sold Reg D offerings, leading the other industries by a large margin. PIF issuers account for 45% of the broker-sold Reg D offerings and 91.2% of the aggregate maximum broker-sold offering amount. The Real Estate industry ranks second in terms of the total number of broker-sold offerings and aggregate maximum commissions for broker-dealers. Financial Services ranks second in terms of aggregate maximum broker-sold offering amount. Among the seven industries with more than 1,000 broker-sold offerings, the Health Care industry has the highest average commissions rate (3.8%) while PIF issuers pay the lowest commissions (0.3%).<sup>4</sup> Broker-sold Reg D offerings account for 25.8% of all Reg D offerings in the Real Estate industry, a percentage higher than any other industry.

<sup>2</sup>The SEC adopted amendments to Reg D to replace Rule 506 with Rule 506(b) and Rule 506(c) in September 2013.

<sup>3</sup>Form D allows issuers to select “Pooled Investment Fund” as their industry group (Item 4) and “Pooled Investment Fund Interests” as the type of securities offered (Item 9).

<sup>4</sup>The average commissions rate is calculated as the aggregate maximum commissions divided by the aggregate maximum broker-sold offering amount.

Table 5: Industry Distribution of Broker-Sold Reg D Offerings, January 2009 - July 2022

Industry	Broker-Sold Offerings	% of All Offerings	Broker-Sold Amount (\$)	Maximum Broker-Sold Offering Amount (\$)	Realized Commissions (\$)	Maximum Commissions (\$)	Average Commissions Rate	Median Maximum Broker-Sold Offering Amount (\$)	Median Investors of Broker-Sold Offerings
Pooled Investment Fund	17,970	19.2%	\$7.1T	\$9T	\$21.8B	\$24.5B	0.3%	\$77.7M	25
Real Estate	8,881	25.8%	\$122B	\$229B	\$2.8B	\$4.8B	2.1%	\$125K	123
Other	3,025	7.5%	\$59.4B	\$73.5B	\$1.3B	\$1.6B	2.1%	\$3M	7
Financial Services	2,764	20.4%	\$284B	\$340B	\$2.3B	\$2.6B	0.8%	\$10.1M	11
Health Care	2,684	10.6%	\$36.8B	\$48B	\$1.4B	\$1.8B	3.8%	\$5.9M	10
Technology	1,767	3.8%	\$61.7B	\$72.9B	\$1.1B	\$1.3B	1.8%	\$5M	9
Energy	1,645	17.5%	\$46.3B	\$62.1B	\$1B	\$1.9B	3%	\$5.4M	6
Manufacturing	498	9.5%	\$11.8B	\$13.6B	\$256M	\$312M	2.3%	\$4.3M	9
Retailing	277	7.3%	\$5.2B	\$6B	\$157M	\$182M	3%	\$3.5M	8
Business Services	160	5.5%	\$3.5B	\$4.4B	\$114M	\$132M	3%	\$5M	6
Agriculture	155	10.4%	\$7.8B	\$12.3B	\$63.6M	\$82.7M	0.7%	\$5.5M	6
Restaurants	96	4.3%	\$831M	\$1.2B	\$33.6M	\$65.7M	5.3%	\$3M	8
Travel	47	4.9%	\$4.6B	\$4.8B	\$88.3M	\$93.7M	1.9%	\$10.4M	28

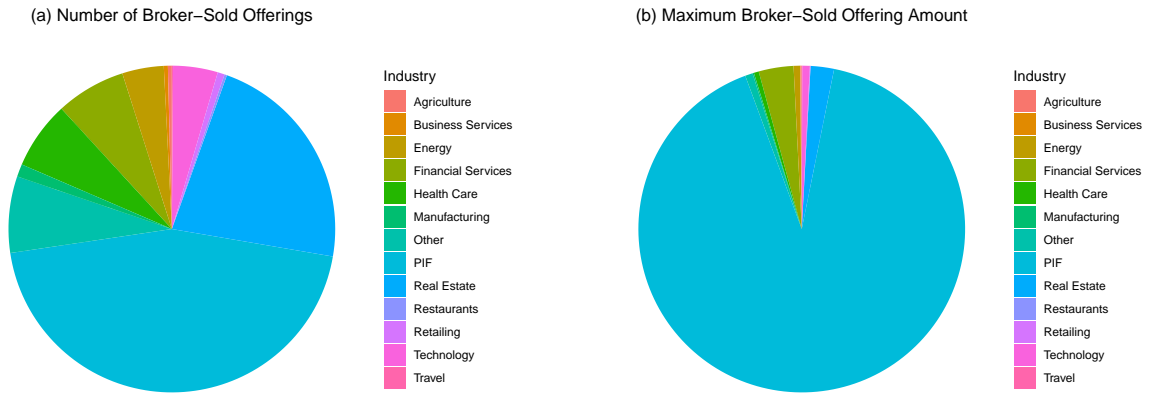


Figure 1: Broker-Sold Offerings and Maximum Broker-Sold Offering Amount by Industry

The issuers in the PIF industry tend to raise more money per broker-sold offering. The securities in the Real Estate industry tend to be sold to more investors per broker-sold offering. See Figures 2(a)-(b).

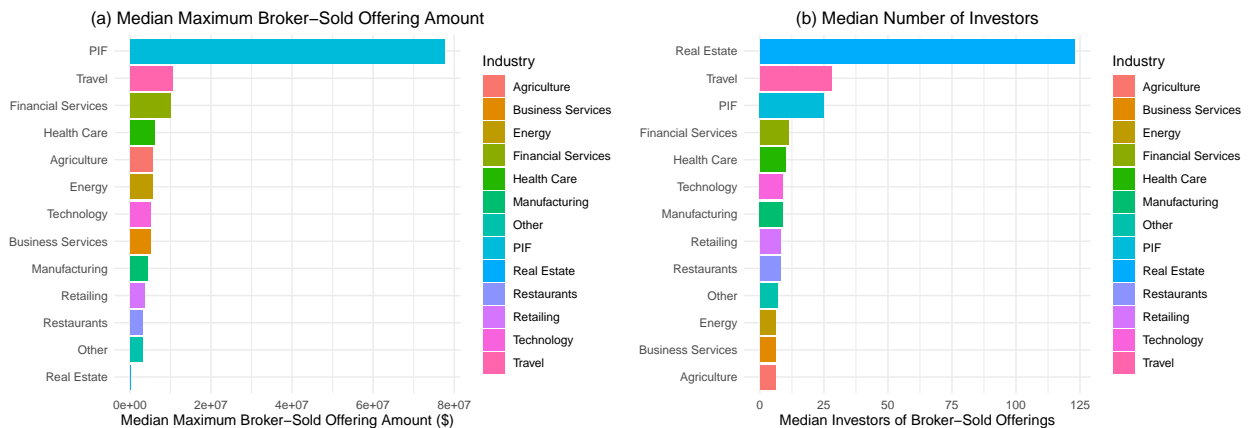


Figure 2: Median Maximum Offering Amount and Investors by Industry, Broker-Sold Offerings

Figures 3(a)-(b) illustrate the distributions of the exemption claimed and the type of securities involved in broker-sold Reg D offerings, respectively, across the top five industries ranked by the total number of broker-sold offerings. Most broker-sold Reg D offerings claim Rule 506(b) as the reason for exemption. 15%

of the broker-sold offerings in the Financial Services industry claim exemption under Rule 506(c), highest across the five industries. The majority of broker-sold Reg D securities are Equity – Equity securities account for more than three quarters of the broker-sold Reg D offerings in Real Estate, Health Care and Technology, while about 40% of the broker-sold offerings in PIF and Financial Services industries are based on Equity. Financial Services is the industry where Debt securities are the most frequently used, with 29% of the broker-sold offerings in Financial Services using Debt securities. 14% of the broker-sold offerings in Financial Services involve securities from the “Other” category, higher than any other industry.

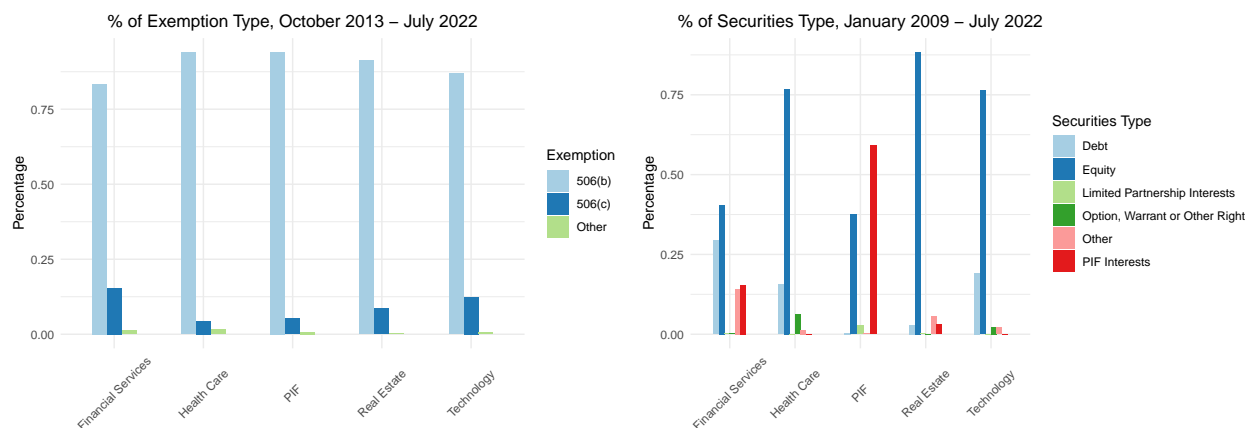


Figure 3: Percentages of Exemption and Securities Type by Industry, Broker-Sold Offerings

## IV. Time Trends

Presented below are various statistics measuring the intensity of broker-sold Reg D offerings in each year between 2009 and 2021 in the entire market as well as in each of the top five industries ranked by the total number of broker-sold offerings.

### All Industries

Figure 4(a) shows that the number of broker-sold Reg D offerings has been steadily increasing since 2009. Figure 4(b) illustrates that the aggregate amount sold by broker-dealers has also been moderately trending upwards since 2011 although there were more fluctuations around the trend. Figure 5(a) shows that the median number of investors in broker-sold offerings stayed at 29 between 2012 and 2018 before rising above 30 in 2020 and 2021. Figure 5(b) shows that the median amount sold by broker-dealers almost tripled from 2009 to 2015 before plateauing between 2016 and 2020. There was a large year-over-year increase in the aggregate amount and the median amount sold by broker-dealers from 2020 to 2021. See Figures 4(b) and 5(b).

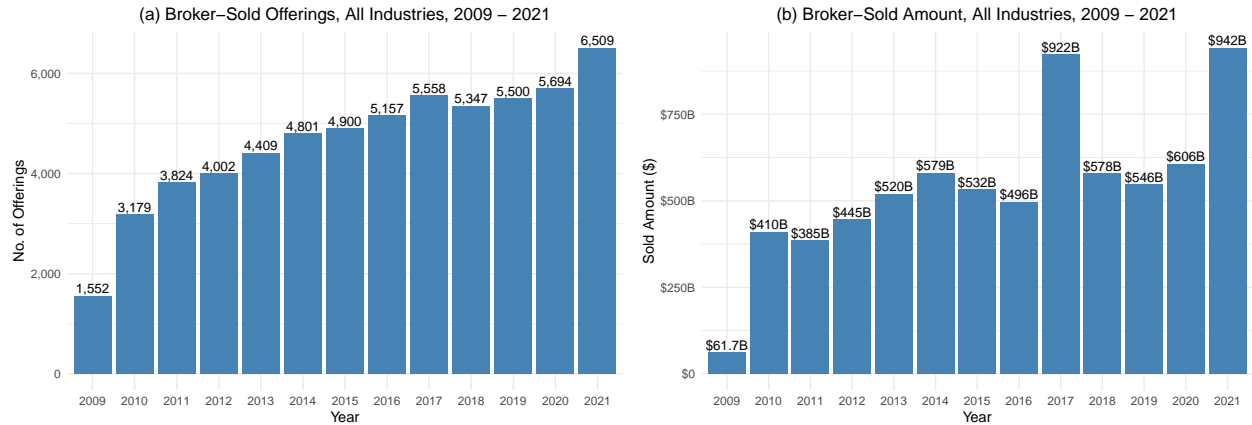


Figure 4: Broker-Sold Offerings and Sold Amount by Year, All Industries

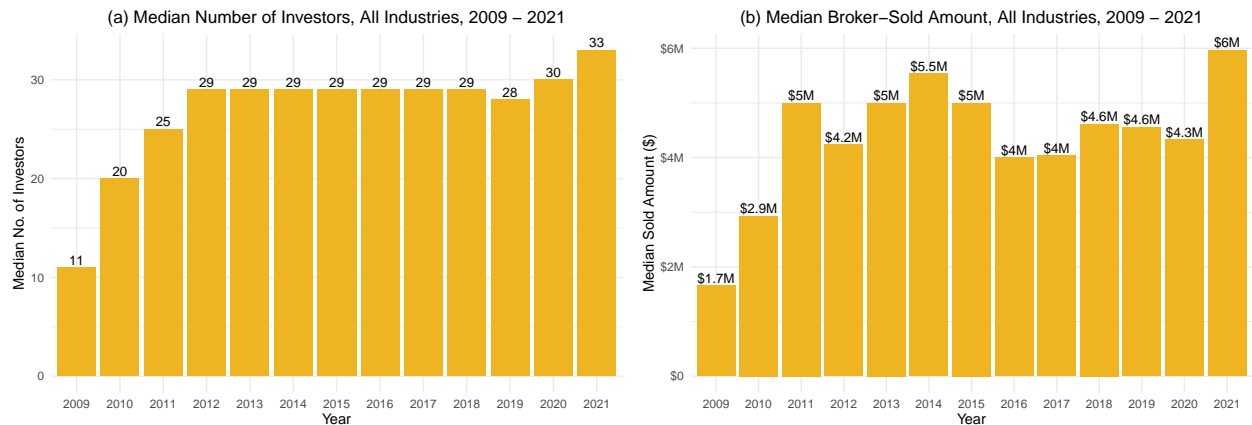


Figure 5: Median Investors and Sold Amount in Broker-Sold Offerings by Year, All Industries

## Pooled Investment Fund

Figures 6(a)-(b) show that the number of PIF offerings sold by broker-dealers has been continuously rising since 2009, and the aggregate amount sold by broker-dealers in PIF offerings also has an upward trend. PIF offerings sold by broker-dealers between 2016 and 2021 tend to be sold to fewer investors than those sold between 2011 and 2015, although the median number of investors buying PIF offerings from broker-dealers was increasing in the past three years. See Figure 7(a).

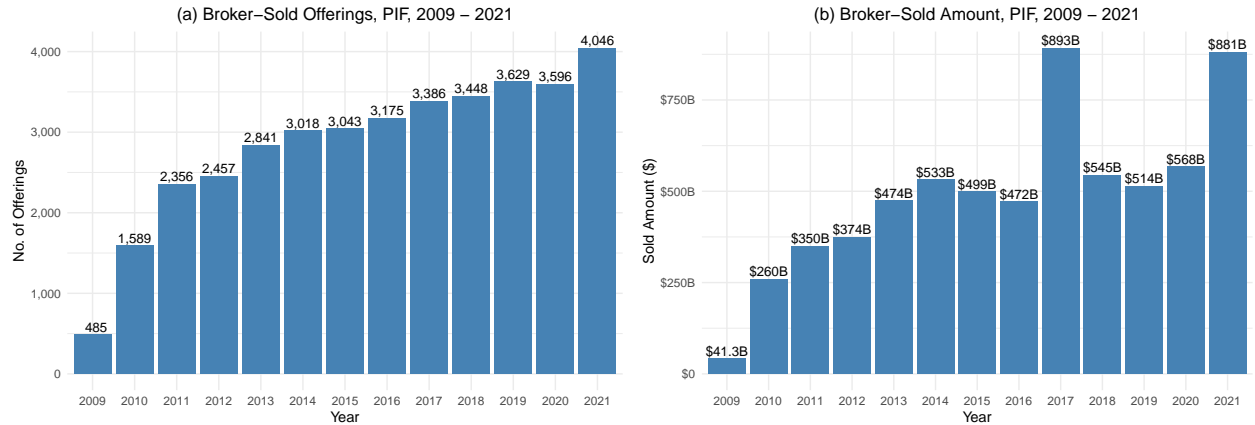


Figure 6: Broker-Sold Offerings and Sold Amount by Year, PIF

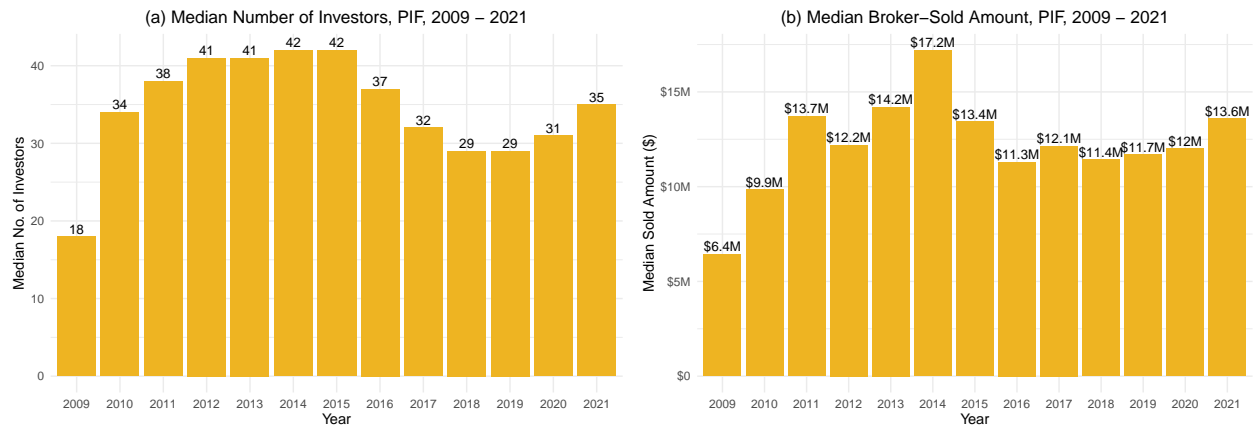


Figure 7: Median Investors and Sold Amount in Broker-Sold Offerings by Year, PIF

## Real Estate

Figures 8(a)-(b) show that the market for broker-sold offerings in the Real Estate industry has grown rapidly since 2009 as measured by either the number of offerings or the aggregate amount sold by broker-dealers. Figure 9(a) illustrates that broker-sold Real Estate offerings tend to attract more investors in recent years. The median amount sold by broker-dealers in Real Estate offerings is also higher in the period of 2019-2021 compared to the period of 2012-2014. See Figure 9(b).

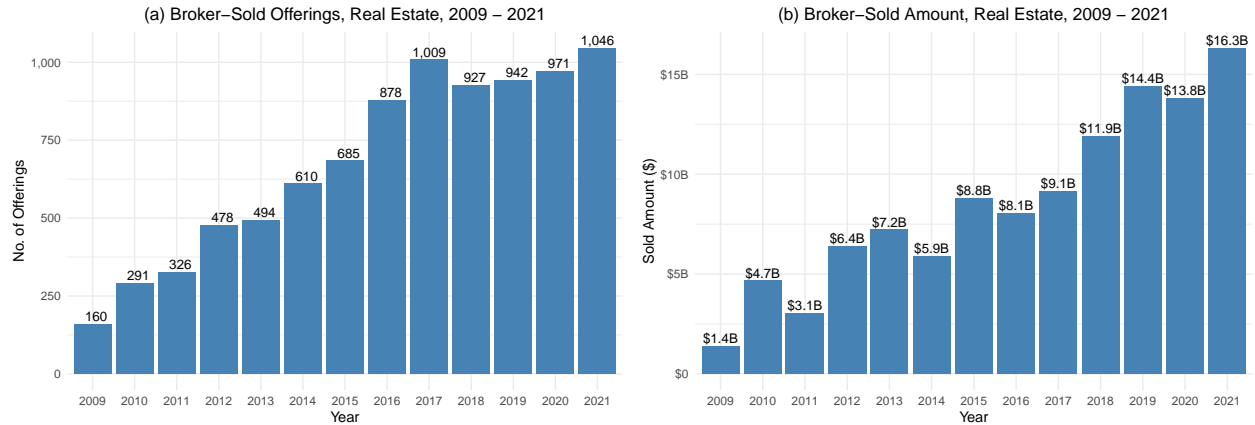


Figure 8: Broker-Sold Offerings and Sold Amount by Year, Real Estate

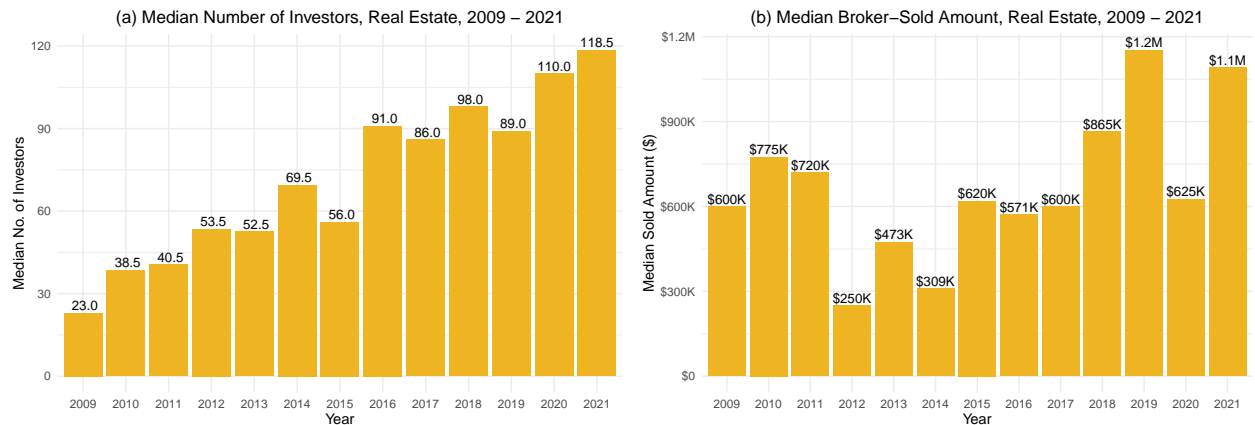


Figure 9: Median Investors and Sold Amount in Broker-Sold Offerings by Year, Real Estate

## Financial Services

Figures 10(a) shows that the number of broker-sold offerings in the Financial Services industry was steadily increasing between 2009 and 2017, fell almost by half in 2018 and rose sharply in 2020 and 2021. While more than half of the broker-sold offerings in the Financial Services industry were sold to a single investor in each year of 2013-2017, the median number of investors in broker-sold Financial Services offerings jumped to 11 in 2018 and continued to rise afterwards. See Figure 11(a). Figure 11(b) illustrates that the median broker-sold amount in Financial Services offerings has been trending upwards since 2012.

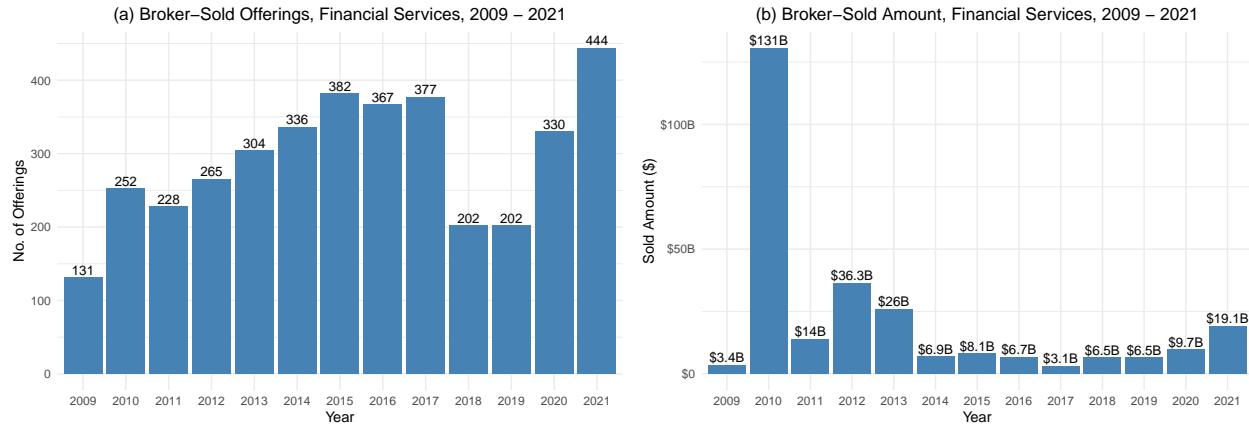


Figure 10: Broker-Sold Offerings and Sold Amount by Year, Financial Services

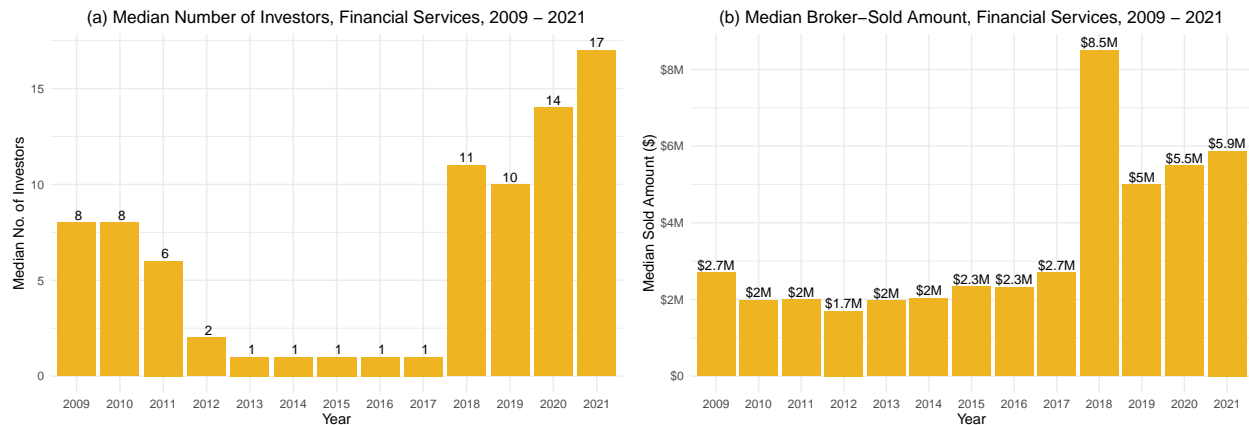


Figure 11: Median Investors and Sold Amount in Broker-Sold Offerings by Year, Financial Services

## Health Care

Figures 12(a)-(b) show that both the number of broker-sold offerings and the aggregate amount sold by broker-dealers in the Health Care industry have been trending upwards since 2009. The median broker-sold amount in Health Care offerings increased by almost 200% from 2018 to 2021. See Figure 13(b).

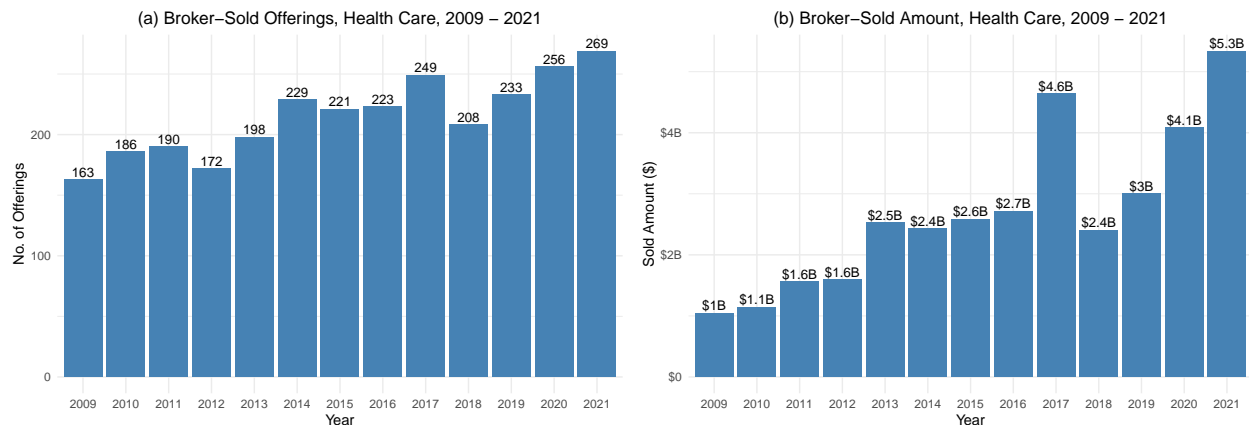


Figure 12: Broker-Sold Offerings and Sold Amount by Year, Health Care



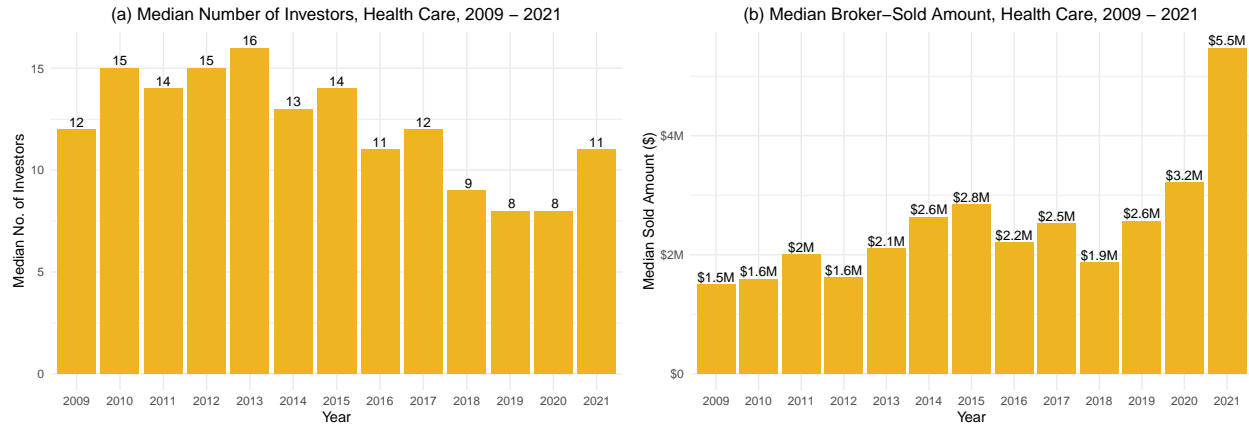


Figure 13: Median Investors and Sold Amount in Broker-Sold Offerings by Year, Health Care

## Technology

The number of Technology Reg D offerings sold by broker-dealers was rising from 2009 to 2015, fell back to the 2009-level in 2019 and increased sharply again in 2020 and 2021. See Figure 14(a). Figure 15(b) shows that the median amount sold by broker-dealers in Technology offerings was increasing quickly between 2016 and 2021, with the year-over-year increase from 2020 to 2021 exceeding 150%.

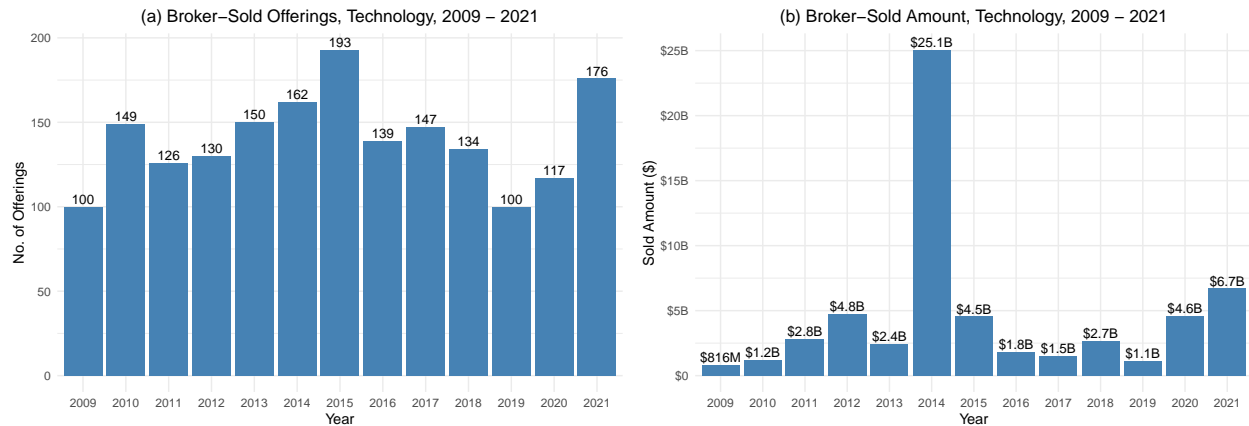


Figure 14: Broker-Sold Offerings and Sold Amount by Year, Technology

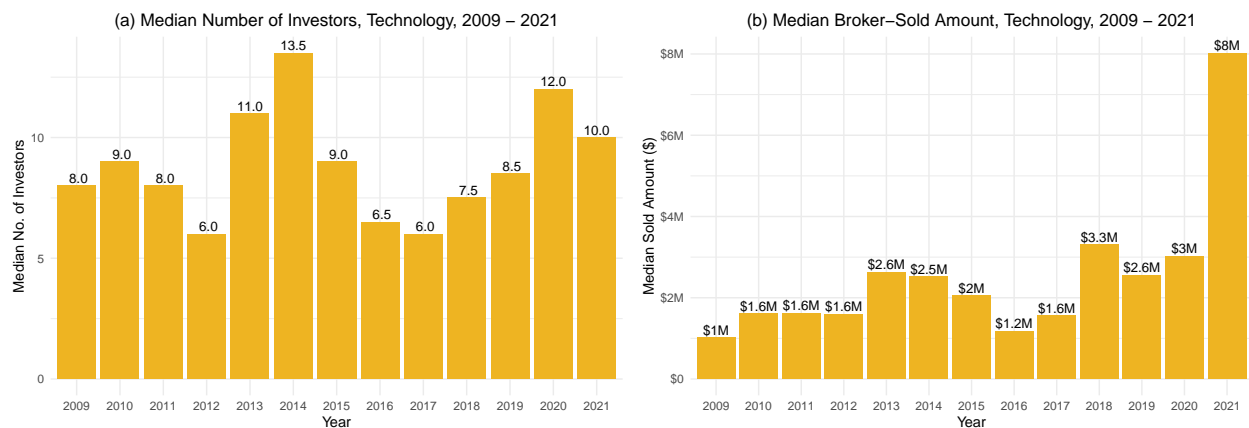


Figure 15: Median Investors and Sold Amount in Broker-Sold Offerings by Year, Technology

## V. Broker-Dealers Selling the Most Non-PIF Offerings

In this section we publish a list of medium- and large-sized broker-dealers that sold Reg D offerings with an issuer *not* from the Pooled Investment Fund (PIF) industry.<sup>5</sup> 427 medium- and large-sized broker-dealers sold at least one non-PIF offering in 2015 or later. 87 (or 20.4%) of these broker-dealers sold at least 50 non-PIF offerings. Table 6 reports the 87 broker-dealers selling at least 50 non-PIF offerings between 2015 and 2022, ranked by the total non-PIF offering amount sold divided by the number of brokers employed.<sup>6</sup>

Table 6: Broker-Dealers Selling 50 or More Non-PIF offerings Between 2015 and 2022

Broker-Dealer	Non-PIF Offerings	Non-PIF Offering Amount Sold	Brokers Employed	Non-PIF Offerings Per Broker	Non-PIF Offering Amount Sold Per Broker	Ranking
DFPG INVESTMENTS, INC.	253	\$11.1B	253	1.0	\$44M	1
CONCORDE INVESTMENT SERVICES, LLC	350	\$14.3B	369	0.9	\$38.6M	2
WEALTHFORGE SECURITIES, LLC	520	\$8B	229	2.3	\$34.9M	3
SANDLAPPER SECURITIES, LLC	164	\$4.1B	118	1.4	\$34.6M	4
NATIONWIDE PLANNING ASSOCIATES INC.	101	\$3.9B	117	0.9	\$33.4M	5
ARKADIOS CAPITAL	137	\$6.8B	206	0.7	\$32.9M	6
COLORADO FINANCIAL SERVICE CORPORATION	198	\$4.8B	158	1.3	\$30.4M	7
CENTER STREET SECURITIES, INC.	137	\$5.6B	208	0.7	\$27.1M	8
EMERSON EQUITY LLC	401	\$11.8B	442	0.9	\$26.7M	9
WESTPARK CAPITAL, INC.	150	\$6.1B	237	0.6	\$25.6M	10
DEMPSEY LORD SMITH, LLC	107	\$4.6B	193	0.6	\$24.1M	11
KALOS CAPITAL, INC.	182	\$6.1B	265	0.7	\$22.9M	12
GREAT POINT CAPITAL LLC	226	\$7.8B	345	0.7	\$22.7M	13
NEWPORT GROUP SECURITIES, INC.	130	\$7.7B	342	0.4	\$22.5M	14
INLAND SECURITIES CORPORATION	83	\$2.9B	146	0.6	\$19.6M	15
IBN FINANCIAL SERVICES, INC.	85	\$3.2B	163	0.5	\$19.4M	16
THE STRATEGIC FINANCIAL ALLIANCE, INC.	159	\$5.5B	293	0.5	\$18.6M	17
ADVISORY GROUP EQUITY SERVICES LTD.	79	\$3.4B	201	0.4	\$16.7M	18
ORCHARD SECURITIES, LLC	86	\$2B	125	0.7	\$16.2M	19
CROWN CAPITAL SECURITIES, L.P.	168	\$8.2B	529	0.3	\$15.4M	20
CABOT LODGE SECURITIES LLC	131	\$5.3B	353	0.4	\$15.1M	21
H.C. WAINWRIGHT & CO., LLC	248	\$2.3B	181	1.4	\$12.9M	22
AUSDAL FINANCIAL PARTNERS, INC.	90	\$5.3B	424	0.2	\$12.5M	23
GROWTH CAPITAL SERVICES, INC.	243	\$2.7B	225	1.1	\$12M	24
COASTAL EQUITIES, INC.	79	\$3.2B	284	0.3	\$11.2M	25
MOLONEY SECURITIES CO., INC.	55	\$2.8B	259	0.2	\$10.8M	26
ALEXANDER CAPITAL, L.P.	78	\$1.6B	150	0.5	\$10.7M	27
ARETE WEALTH MANAGEMENT, LLC	114	\$3.9B	397	0.3	\$9.8M	28
PATRICK CAPITAL MARKETS, LLC	102	\$2.4B	245	0.4	\$9.7M	29
PERFORMANCE TRUST CAPITAL PARTNERS, LLC	146	\$3.2B	328	0.4	\$9.7M	30
SAXONY SECURITIES, INC.	53	\$1.8B	193	0.3	\$9.3M	31
BERTHEL, FISHER & COMPANY FINANCIAL SERVICES, INC.	120	\$5B	545	0.2	\$9.2M	32
FIRST LIBERTIES FINANCIAL	213	\$939M	104	2.0	\$9M	33
SANDLER O'NEILL & PARTNERS, L.P.	108	\$3.3B	395	0.3	\$8.4M	34
NEWBRIDGE SECURITIES CORPORATION	113	\$4.4B	559	0.2	\$7.8M	35
CENTAURUS FINANCIAL, INC.	210	\$7.6B	995	0.2	\$7.6M	36
CALTON & ASSOCIATES, INC.	98	\$5.6B	730	0.1	\$7.6M	37
KEEFE, BRUYETTE & WOODS, INC.	64	\$2.9B	402	0.2	\$7.1M	38
INTERNATIONAL ASSETS ADVISORY, LLC	108	\$3.6B	513	0.2	\$7M	39
LION STREET FINANCIAL, LLC	107	\$3.8B	548	0.2	\$6.9M	40
BOUSTEAD SECURITIES, LLC	89	\$789M	130	0.7	\$6.1M	41
MADISON AVENUE SECURITIES, LLC	58	\$2.8B	476	0.1	\$5.8M	42
M HOLDINGS SECURITIES, INC.	171	\$8.8B	1,524	0.1	\$5.8M	43
HERBERT J. SIMS & CO. INC.	54	\$1B	185	0.3	\$5.6M	44
INDEPENDENT FINANCIAL GROUP, LLC	166	\$7.3B	1,314	0.1	\$5.5M	45
WESTERN INTERNATIONAL SECURITIES, INC.	63	\$4.3B	807	0.1	\$5.3M	46
NORTH CAPITAL PRIVATE SECURITIES CORPORATION	374	\$1.3B	260	1.4	\$5.1M	47
HAYWOOD SECURITIES (USA) INC.	199	\$633M	138	1.4	\$4.6M	48
RAINMAKER SECURITIES	205	\$549M	123	1.7	\$4.5M	49
NEWPORT COAST SECURITIES, INC.	50	\$796M	202	0.2	\$3.9M	50
PIPER SANDLER & CO.	159	\$7.8B	2,053	0.1	\$3.8M	51
AMERICAN PORTFOLIOS FINANCIAL SERVICES, INC.	103	\$4.9B	1,336	0.1	\$3.7M	52

<sup>5</sup>Reg D offerings issued by Pooled Investment Funds, including hedge funds and private equity funds, are often sold to institutional investors rather than retail investors. Excluding these offerings from the data enables us to identify broker-dealers that potentially cause the most harm to retail investors. A broker-dealer is medium- or large-sized if it had 100 or more registered brokers between January 2015 and July 2022.

<sup>6</sup>The total non-PIF offering amount sold by a broker-dealer is calculated by adding the amounts sold in 2015 or later reported in all non-PIF offerings that list the broker-dealer as recipient of sales commissions. This is likely an overestimation of the actual amount sold by the broker-dealer because many broker-sold offerings report multiple broker-dealers as receiving sales commissions and only the total amount sold by all the broker-dealers combined.

Table 6: Broker-Dealers Selling 50 or More Non-PIF offerings Between 2015 and 2022 (*continued*)

Broker-Dealer	Non-PIF Offerings	Non-PIF Offering Amount Sold	Brokers Employed	Non-PIF Offerings Per Broker	Non-PIF Offering Amount Sold Per Broker	Ranking
PARKLAND SECURITIES, LLC	72	\$2.5B	678	0.1	\$3.6M	53
CANACCORD GENUITY INC.	113	\$2.3B	648	0.2	\$3.5M	54
INVESTACORP, INC.	87	\$3.1B	876	0.1	\$3.5M	55
MONEY CONCEPTS CAPITAL CORP.	56	\$3B	874	0.1	\$3.4M	56
PAULSON INVESTMENT COMPANY LLC	61	\$854M	254	0.2	\$3.4M	57
JEFFERIES LLC	53	\$12.9B	3,968	0.0	\$3.2M	58
TRIAD ADVISORS, INC.	137	\$6.8B	2,129	0.1	\$3.2M	59
AEGIS CAPITAL CORP.	93	\$2.8B	916	0.1	\$3.1M	60
ROTH CAPITAL PARTNERS, LLC	71	\$759M	249	0.3	\$3M	61
SIGMA FINANCIAL CORPORATION	87	\$2.9B	1,028	0.1	\$2.8M	62
MAXIM GROUP LLC	124	\$1.4B	541	0.2	\$2.5M	63
NATIONAL SECURITIES CORPORATION	126	\$4.4B	1,775	0.1	\$2.5M	64
1ST GLOBAL CAPITAL CORP.	78	\$3.2B	1,382	0.1	\$2.3M	65
EURO PACIFIC CAPITAL, INC.	50	\$741M	326	0.2	\$2.3M	66
UNITED PLANNERS' FINANCIAL SERVICES OF AMERICA	57	\$1.8B	1,043	0.1	\$1.8M	67
FIRST ALLIED SECURITIES INC.	61	\$3.5B	2,036	0.0	\$1.7M	68
PURSHE KAPLAN STERLING INVESTMENTS	99	\$5.6B	3,562	0.0	\$1.6M	69
AMERITAS INVESTMENT CORP.	80	\$3.5B	2,408	0.0	\$1.4M	70
FSC SECURITIES CORPORATION	62	\$3.4B	2,391	0.0	\$1.4M	71
NFP SECURITIES, INC.	50	\$5.1B	3,726	0.0	\$1.4M	72
LINCOLN FINANCIAL ADVISORS CORPORATION	110	\$5.3B	3,864	0.0	\$1.4M	73
LINCOLN FINANCIAL SECURITIES CORPORATION	54	\$2.3B	1,865	0.0	\$1.3M	74
WOODBURY FINANCIAL SERVICES, INC.	83	\$4.3B	3,445	0.0	\$1.2M	75
GOLDMAN, SACHS & CO.	51	\$19.8B	15,976	0.0	\$1.2M	76
SAGEPOINT FINANCIAL, INC.	95	\$4.6B	4,000	0.0	\$1.1M	77
CANACCORD GENUITY WEALTH MANAGEMENT (USA) INC.	94	\$120M	115	0.8	\$1M	78
CAMBRIDGE INVESTMENT RESEARCH, INC.	143	\$7.1B	7,317	0.0	\$971K	79
CETERA ADVISORS LLC	50	\$2.7B	3,220	0.0	\$847K	80
COMMONWEALTH FINANCIAL NETWORK	91	\$4.3B	5,057	0.0	\$845K	81
ROYAL ALLIANCE ASSOCIATES, INC.	87	\$4.4B	5,801	0.0	\$761K	82
AVANTAX INVESTMENT SERVICES, INC.	103	\$5B	7,466	0.0	\$668K	83
STIFEL, NICOLAUS & COMPANY, INCORPORATED	65	\$4.8B	7,986	0.0	\$596K	84
SECURITIES AMERICA, INC.	72	\$3.5B	6,850	0.0	\$504K	85
RAYMOND JAMES & ASSOCIATES, INC.	93	\$5.4B	11,423	0.0	\$470K	86
MORGAN STANLEY SMITH BARNEY LLC	55	\$5.3B	39,139	0.0	\$136K	87