

Regulation D Filing Guide

SEC Form D — Rule 506(b) & 506(c) Exemption Analysis

The Exchange Building — Floors 4–8 · Silk Road Group, LLC

Prepared February 18, 2026 · 9 North Second Street, Memphis, TN 38103

DISCLAIMER: This document is for informational and planning purposes only and does not constitute legal advice. Silk Road Group, LLC should retain qualified securities counsel licensed in Tennessee before filing Form D or accepting investor funds.

1. Is This Offering a Security?

Whether the sale of Floors 4–8 constitutes a "security" depends on how the transaction is structured, analyzed under the **Howey Test** (SEC v. W.J. Howey Co., 1946):

Howey Factor	Analysis
Investment of money	Yes — buyer pays purchase price
Common enterprise	Depends — if buyer operates independently, likely no. If profits are pooled or shared with Sponsor, likely yes.
Expectation of profits	The offering memorandum references "redevelopment potential," "financial projections," and "pro forma" — this leans toward yes.
From efforts of others	If Sponsor manages or operates the floors, yes. If buyer has full control, weaker argument.

Recommendation: The offering materials contain investment-oriented language (projections, returns, redevelopment potential) that could cause a regulator to characterize this as a securities offering. Filing a Regulation D exemption is prudent insurance regardless of structure — the cost is minimal and the protection is substantial.

2. 506(b) vs 506(c) Comparison

Feature	Rule 506(b) RECOMMENDED	Rule 506(c)
General solicitation / advertising	Not permitted — offering must be shared privately with pre-existing relationships	Permitted — can publicly market the offering
Investor types	Unlimited accredited investors + up to 35 sophisticated non-accredited investors	Accredited investors only — no exceptions
Accredited verification	Self-certification — investor represents their status (questionnaire / checkbox)	Must take "reasonable steps" to verify — tax returns (2 years), bank/brokerage statements, CPA letter, or attorney letter
Disclosure to non-accredited	Must provide disclosure documents similar to registered offerings, including audited financials	No specific disclosure requirements (but recommended)
Password-gated website	Compatible — site is not publicly accessible, consistent with no general solicitation	Compatible — but imposes heavier verification burden on each investor
Cost / complexity	Lower — simpler documentation	Higher — verification procedures add cost and friction

For your situation: Rule **506(b)** is the recommended path. The offering site is password-protected and shared only with known contacts, satisfying the "no general solicitation" requirement. This avoids the burden of formally verifying each investor's accredited status.

3. What You Need to File

A. SEC Form D (Federal Filing)

Filed electronically through the SEC's EDGAR system. **No filing fee.**

Information required on Form D:

- Issuer name: **Silk Road Group, LLC**
- CIK number (assigned upon EDGAR registration)
- IRS Employer Identification Number (EIN)

- State of organization: Tennessee
- Principal place of business: 9 North Second Street, Memphis, TN 38103
- Names of all executive officers, directors, and promoters (Gulam Umarov, Sardor Umarov, and any others)
- Type of exemption claimed: **Rule 506(b)**
- Type of securities: Real property interests / LLC membership interests
- Total offering amount (asking price for Floors 4–8)
- Total amount sold to date
- Number of investors (accredited and non-accredited)
- Minimum investment amount accepted
- Sales commissions / finder's fees (if any)
- States in which securities have been or will be offered

B. EDGAR Registration (Prerequisite)

Before filing Form D, the issuer must register on the SEC's EDGAR system:

1. Complete **Form ID** — application for EDGAR access
2. Notarize the form (required by SEC)
3. Submit electronically to SEC
4. Receive **CIK** (Central Index Key) and **CCC** (CIK Confirmation Code) — typically within 2–3 business days
5. Use credentials to file Form D through EDGAR

C. Tennessee State Notice Filing (Blue Sky)

Tennessee requires a state-level notice filing for Regulation D offerings:

- Filed through **NASAA Electronic Filing Depository** (nasaaef.org)
- Filing fee: approximately **\$500**
- Required documents: Copy of Form D, Consent to Service of Process (Form U-2)
- Deadline: Within **15 days** of first sale to a Tennessee investor

D. Other State Filings

If investors reside in states other than Tennessee, notice filings are required in each investor's home state.

Fees typically range from \$100 to \$750 per state. Common states and approximate fees:

State	Approximate Fee
Tennessee	\$500

New York	\$1,200
California	\$300
Texas	\$500
Florida	\$0 (no fee)
Georgia	\$250

4. Timeline

When	Action
Now	Engage securities attorney; begin EDGAR registration (Form ID)
Before first sale	Prepare Private Placement Memorandum (PPM), Subscription Agreement, Operating Agreement (if LLC interests), and Investor Questionnaire
Within 15 days of first sale	File Form D with SEC via EDGAR
Within 15 days of first sale in each state	File Blue Sky notice filings in applicable states
Annually (if ongoing)	File Form D amendment to update offering status

Key point: You do NOT need to file before showing the offering materials or having conversations with potential investors. The 15-day clock starts from the **first sale** (when an investor signs a subscription agreement and is irrevocably committed), not from first marketing.

5. Required Legal Documents

In addition to Form D, a properly structured 506(b) offering typically includes:

- 1. Private Placement Memorandum (PPM)** — Detailed disclosure document describing the property, risks, financial projections, use of proceeds, management team, and legal structure. This is the primary investor disclosure document.
- 2. Subscription Agreement** — The contract between issuer and investor. Contains investor representations (accredited status, sophistication, investment intent), purchase terms, and signature blocks.

3. **Investor Questionnaire / Accredited Investor Certification** — Form for investor to self-certify accredited status under Rule 501(a) of Regulation D.
4. **Operating Agreement** (if structured as LLC) — Governs the rights, obligations, and economics of LLC members.
5. **Purchase and Sale Agreement** (if direct property sale) — Standard real estate PSA adapted for this transaction.

6. Estimated Costs

Item	Estimated Cost
SEC Form D filing	\$0 (free)
EDGAR registration	\$0 (free)
Tennessee Blue Sky filing	~\$500
Additional state filings (if needed)	\$100–\$1,200 per state
Securities attorney (PPM + Form D + subscription docs)	\$5,000–\$15,000
Total estimated range	\$5,500–\$17,000

7. Enforcement & Penalties

Failure to file Form D can result in significant penalties:

- In 2024, the SEC charged companies with fines of **\$60,000 to \$195,000** for failure to timely file Form D
- Loss of Regulation D exemption — the offering could be deemed an unregistered securities offering, subjecting the issuer to rescission rights (investors can demand their money back) and potential civil/criminal liability
- State-level penalties for failure to make Blue Sky filings vary by jurisdiction

Critical: The cost of filing (\$500 + attorney fees) is trivial compared to the risk of an unregistered offering. Even if the transaction is arguably a direct property sale and not a security, a protective Reg D filing eliminates regulatory ambiguity.

8. Current Protective Measures in Place

The offering portal (exchange-offering.vercel.app) currently includes:

- **Password gate** — SHA-256 hashed access code required; not publicly accessible (supports 506(b) "no general solicitation" requirement)
- **Confidentiality notice** — Recipients agree to hold contents confidential
- **No offer/solicitation disclaimer** — Expressly states this is informational only
- **Not a securities offering disclaimer** — States the transaction is structured as a direct property sale; references Reg D compliance if deemed a security
- **No representations/warranties** — Projections disclaimed
- **Investment risk disclosures** — Standard real estate risk factors
- **Accredited investor notice** — May be limited to accredited investors
- **Forward-looking statements disclaimer**
- **Tennessee governing law / Shelby County venue**

These measures provide reasonable interim protection while the formal Reg D filing is prepared. The combination of password-gating + comprehensive disclaimers + no executed sales creates a defensible position.

9. Recommended Next Steps

1. **Retain a Tennessee securities attorney** — Look for attorneys experienced in real estate private placements and Regulation D filings in Memphis or Nashville.
2. **Register on EDGAR** — Submit Form ID to obtain CIK/CCC credentials (can be done immediately; takes 2–3 business days).
3. **Determine offering structure** — Work with counsel to decide: direct property sale vs. LLC membership interests. This determines whether Reg D is mandatory or precautionary.
4. **Prepare PPM and subscription documents** — Attorney drafts based on offering terms.
5. **File Form D within 15 days of first sale** — Attorney files via EDGAR.
6. **File Tennessee Blue Sky notice** — Within 15 days of first sale to TN investor.

This document was prepared for internal planning purposes for Silk Road Group, LLC.
It does not constitute legal, tax, or investment advice. Consult qualified professionals before taking action.

