



# ***PRIVATE PLACEMENT MARKETS***

*Bridge to NASDAQ IPO*

*For established / operating private companies*

# REGULATION A+

## *Bridge to NASDAQ Listing*

### What is Regulation A+:

Regulation A+ is the colloquial name given to the SEC rules that amended and expanded a rarely used offering exemption named Regulation A. Regulation A+ can be thought of as an alternative to a ***small registered IPO*** and as either an alternative or a complement to other securities offering methods that are exempt from registration under the Securities Act of 1933.

As amended, Regulation A+ provides an exemption for U.S. and Canadian companies to raise up to \$75 million in a 12-month period. The rules also make the exemption available, subject to limitations on the amount, for the sale of securities by existing stockholders.

Regulation A+ provides two tiers of offerings:

1. Tier I, which consists of securities offerings of up to \$20 Million USD in any 12-month period.
2. Tier II, which consist of securities offerings of up to \$75 Million USD in any 12-month period.

For offerings of up to \$20 million, the issuer could elect whether to proceed under Tier 1 or Tier II.

**Industry estimations are that during 2020, the total amount of capital raised via Regulation A+ Offerings was \$1.48 BILLION USD!!**

### What Companies are Eligible to use Regulation A+:

The exemption is generally available to any U.S. and Canadian company, including existing reporting companies (i.e., companies reporting under Section 13 or 15(d) of the Securities Exchange Act of 1934). However, the following issuers are not eligible to use the exemption:

- An Investment Company registered or required to be registered under the Investment Company Act of 1940, or a business development company as defined in Section 2(a)(48) of the Investment Company Act of 1940.
- A Blank Check Company
- An issuer that is disqualified under the SEC's "Bad Actor" disqualification rules.

Previous iterations of Regulation A+ contained an exclusion prohibiting existing reporting companies from using Regulation A+, which the SEC removed in its December 2018 amendments to Regulation A+ pursuant to the directives of the Economic Growth, Regulatory Relief, and Consumer Protection Act.

### What Companies are Eligible to use Regulation A+:

The securities that may be offered under Regulation A+ are limited to equity securities, including warrants, debt securities and debt securities that are convertible into or exchangeable into equity interests, including guarantees of such securities.

# REGULATION A+

## Mini-IPO

### What is the General Process:

The Regulation A+ offering process is initiated when a company “files” an offering statement known as **SEC Form 1-A** with the SEC (*via the SEC Edgar System*). After SEC review, the SEC Form 1-A offering statement is declared “*qualified*” by a “**notice of qualification**” (*as opposed to “effective” in a traditional IPO context*). After a Regulation A+ offering statement has been “*qualified*,” companies may begin selling securities. Companies that have not previously sold securities under a qualified Regulation A+ offering may submit a **Draft Offering Statement** for *confidential SEC staff review*. The non-public Draft Offering Statement and any amendments to it must be publicly filed on EDGAR no less than 21 calendar days prior to the qualification of the public filing.

### Differences Between Reg. A+ Tier I & Tier II:

Tier 1 and Tier 2 offerings under Regulation A+ have different requirements concerning financial statements, ongoing reporting obligations and investor eligibility standards. The table on the following page highlights the key provisions of Tier 1 and Tier 2 offerings.

### Key Provisions of Tier I vs. Tier II Offerings:

#### Annual Offering Limits:

- *Tier I*: \$20 Million USD, including no more than \$6 Million USD on behalf of selling security holders that are affiliates of the issuer.
- *Tier II*: \$75 Million USD, including no more than 30% on behalf of selling security holders that are affiliates of the issuer.

#### Preemption of State Securities Laws:

- *Tier I*: No preemption
- *Tier II*: Preemption of State Securities Law Registration and Qualification requirements for securities offered or sold to “qualified purchasers”, which is defined to be any person to whom securities are offered or sold in a Tier II Offering, or where securities are listed on a National Securities Exchange (NYSE-MKT, OTC Market, NASDAQ).

#### Limitations of Investors:

- *Tier I*: No Limit
- *Tier II*: Impose an investment limit for non-accredited investors. A non-accredited investor may invest no more than: (1) Ten Percent of the greater of annual income or net worth (for natural persons); or (2) Ten Percent of the greater of annual revenue or net assets at fiscal year-end (for non-natural persons). The investment limit does not apply if the securities are to be listed on a national securities exchange at the consummation of the Offering.

# REGULATION A+

## Mini-IPO

### Key Provisions of Tier I vs. Tier II Offerings (Cont.):

#### SEC Filing Requirements:

- *Tier I:* (1) Issuers must file with the SEC a **Form 1-A** (named, the “Offering Circular”), which is reviewed and qualified by the SEC; (2) Confidential SEC review of the Offering Circular is permitted, so long as the Offering Circular is publicly filed no later than 21 calendar days before qualification; and (3) Permit continuous or delayed offerings.
- *Tier II:* Same as Tier I above.

#### Solicitation Materials:

- *Tier I:* Issuers may “test the waters” with the general public either before or after the filing of the Offering Circular.
- *Tier II:* Same as Tier I above.

### Key Provisions of Tier I vs. Tier II Offerings:

#### Required Financial Statements (Tier I Only):

- Balance Sheets and related financial statements for the Two Previous Fiscal Year Ends (or for such shorter time that they have been in existence).
- Financial Statements must be dated not more than Nine Months before the date of non-public submission, filing or qualification, with the most recent annual or interim balance sheet not older than nine months. If interim financial statements are required, they must cover a period of at least six months.
- *Unaudited* – The Financial statements prepared for Tier I Offerings need to be audited. However, if an audit was obtained for other purposes and that audit was performed in accordance with U.S. generally accepted auditing standards or the standards of the Public Company Accounting Oversight Board (PCAOB) by an independent auditor, those audited financial statements must be filed. The Auditor does not need to be registered with the PCAOB

#### Required Financial Statements (Tier II Only):

- Same as Tier I above.
- Audited: The financial statements prepared for Tier II Offerings **MUST** be audited in accordance with either U.S. generally accepted auditing standards or the standards of the PCAOB by an independent auditor. The auditor does not need to be registered with the PCAOB.
- Interim financial statements may be unaudited.



# REGULATION A+

## Mini-IPO

### Key Provisions of Tier I vs. Tier II Offerings (Cont.):

#### Ongoing Reporting:

- *Tier I:* Require a company to file an exit report on the SEC Edgar System no later than thirty (30) calendar days after termination or completion of an Offering.
- *Tier II:* Require a company to file annual and semi-annual reports, as well as current event reports, on the SEC Edgar System. An existing reporting company that has filed all reports required to be filed by Section 13 or 13(d) of the Exchange Act during the 12-months preceding the due date of the filing will be deemed to have satisfied its Regulation A+ periodic reporting obligations.

### Offering Communication Restrictions:

A company engaged in a Regulation A+ Offering has substantial flexibility regarding Offering communications. At any time before the qualification of the Offering Statement, including the filing of the Offering Statement with the SEC, a company or any person authorized to act on behalf of a company may communicate orally or in writing with potential investors to determine whether there is any interest in the contemplated Securities Offering. This is referred to as “*testing the waters*.” *Testing the Waters* involves oral or written communications to determine whether prospective investors could be interested in the Offering. By soliciting potential investors, businesses can gauge the market interest in their Securities before formally launching the Offering. Testing the Waters may not involve solicitation or acceptance of payment or a commitment to future payment for Securities. The anti-fraud provisions of the Federal Securities Laws apply to these communications as well as certain legend requirements.

### Ongoing Reporting Requirements:

Companies who complete a Tier I Offering are not required to file ongoing reports with the SEC, other than an exit report (**SEC Form 1-Z**) at the completion of an Offering. Companies who complete Tier II Offerings are subject to an ongoing reporting regime and are required to file **annual**, **semi-annual** and **current event reports** with the SEC. Tier II companies are required to file:

- Annual Reports on SEC Form 1-K
- Semi-Annual Reports on Form 1-SA
- Current Reports on Form 1-U
- Special Financial Reports on Form 1-K and Form 1-SA
- Exit Reports on Form 1-Z

The **SEC Form 1-K** Annual Report is due within 120 calendar days of the company’s fiscal year end and requires disclosures about the company’s business and operations for the preceding three fiscal years (*or since inception if less than three years*), related party transactions, beneficial ownership, executive officers and directors, executive compensation, MD&A, and two years of audited financial statements. The **SEC Form 1-SA** semi-annual report is similar to a **SEC Form 10-Q**, although with scaled disclosure requirements. The current report on **SEC Form 1-U** is required to announce fundamental changes in the company’s business, entry into bankruptcy or receivership proceedings, material modifications to the rights of security holders, changes in accountants, non-reliance on audited financial statements, changes in control, changes in key executive officers, and sales of 10 percent or more of outstanding equity securities in exempt offerings. **SEC Form 1-U** must be filed within four business days of the triggering event.

# REGULATION A+

## Mini-IPO

### Ongoing Reporting Requirements (Cont.):

Pursuant to the amendments adopted by the SEC, an existing reporting company that has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the 12 months preceding the due date of the filing will be deemed to have satisfied its Regulation A+ periodic reporting obligations. Thus, it is possible for an existing reporting company to undertake a Regulation A+ offering without incurring any additional ongoing reporting obligations.

### Are Reg A+ Securities “Free Trading”:

**Yes**, the securities sold in a Regulation A+ offering are not considered “*restricted securities*” under Securities Act Rule 144. As a result, sales of securities by persons who are not affiliates of the issuer are not subject to any transfer restrictions under Rule 144. Affiliates continue to be subject to the limitations of Rule 144, other than the holding period requirement. This is important when an issuer seeks to develop an active trading market for its securities.

However, the company’s securities may not be listed or quoted on a securities exchange without registration under **Section 12(b) of the Exchange Act**.

### Will the Company Need to Register its Class of Securities Under Section 12(g) of the Securities Exchange Act of 1934:

Section 12(g) of the Securities Exchange Act of 1934 provides that an issuer must register a class of equity securities with the SEC if, on the last day of the issuer’s fiscal year, the issuer had **total assets in excess of \$10 million and a class of equity securities held of record by either (1) 2,000 persons or (2) 500 persons who are not accredited investors**. In the case of a bank, savings and loan holding company, or a bank holding company with total assets in excess of \$10 million, Section 12(g) requires the issuer to register any class of equity securities held of record by 2,000 or more persons. Regulation A+ provides a limited exemption for securities issued in a Tier 2 offering from this Section 12(g) holder of record threshold when the issuer is subject to, and current in, its Regulation A+ periodic reporting obligations (and is not an existing reporting company). To benefit from this conditional exemption, an issuer must retain the services of a transfer agent and have a public float of less than \$75 million or, in the absence of a float, revenues of less than \$50 million. An issuer that exceeds the Section 12(g) threshold will have a two-year transition period before it is required to register its class of securities under Section 12(g) of the Exchange Act.

# REGULATION A+

## Mini-IPO

### Listing Regulation A+ Securities on the OTC Market / New York Stock Exchange / NASDAQ:

Regulation A+ permits an issuer not already reporting under Section 13 or 15(d) under the Exchange Act (a “nonpublic issuer”) in a **Tier II Offering** to voluntarily register a class of Regulation A+ securities under the Exchange Act.

In the absence of the relief provided in the rules, a non-public issuer that completed a Regulation A+ offering and sought to list a class of securities on a national securities exchange would have incurred the costs and the timing delays associated with preparing and filing a separate long form registration statement on **SEC Form 10**.

A non-public issuer engaged in a Tier II Offering that has provided disclosure in Part II of **SEC Form 1-A** that complies with Part I of Form S-1 (*or for REITs, Form S-11*) is permitted to file an **SEC Form 8-A** short form Registration Statement to list its securities on a National Securities Exchange. This short form registration statement process is similar to a traditional IPO where a **Form 8-A** is filed along with a **Form S-1** (*or S-11 for REITs*). A non-public issuer that follows this path would thereafter be subject to Exchange Act reporting requirements and enters the reporting regime as an emerging growth company.

### Completed Regulation A+ Companies on National Exchanges:

- ShiftPixy: *\$12 Million USD (NASDAQ)*
- Adomani, Inc.: *\$14.3 Million USD (NASDAQ)*
- Myomo, Inc.: *\$5 Million USD (NYSE-MKT)*
- Chicken Soup for the Soul Entertainment, Inc.: *\$30 Million USD (NASDAQ)*
- Arcimoto, Inc.: *\$19 Million USD (NASDAQ)*
- FAT Brands, Inc.: *\$24 Million USD (NASDAQ)*
- Level Brands, Inc.: *\$12 Million USD (NYSE-MKT)*
- Edison Nation, Inc.: *\$6.5 Million USD (NASDAQ)*
- Soliton, Inc.: *\$10.8 Million USD (NASDAQ)*

# REGULATION A+

## Mini-IPO

### Our Associated (*third-party*) FINRA Broker Dealer:

- 50 State Registered Broker-Dealer with a top track-record of Primary Issuance Service.
- Full-service investment banking for 17 years
- Deep Institutional, Private Equity, Venture Capital & Family Office relationships
- Marketing guidance and experienced securities regulation compliance review
- Deep relationships with securities and regulatory counsel to help prepare and coordinate necessary filings
- Media and publisher knowledge & experience
- Regulation A+ Broker-Dealer Marketplace Platform distribution partners
- Marketing and PR company guidance

### No Upfront Fee NYSE / NASDAQ Listing Process:

- Engagement
- Mini IPO Round - Regulation A+ Tier 1 Offering
- Mini IPO Round - Institutional Investor RoadShow
- Mini-IPO Round - Engage Broker Dealer
- Mini-IPO Round - Reverse Auction of Round 1 Securities
- **Mini-IPO Round - Secure First Round Capitalization**
- NASDAQ IPO Round - Convert Regulation A+ Tier I Offering to a Tier II Offering
- NASDAQ IPO Round – Complete Reg A+ Tier II Financial Audit
- NASDAQ IPO Round – Engage NYSE Market Maker & Stock Transfer Agent
- NASDAQ IPO Round – Complete NYSE Listing Application & Register Shares with DTC
- NASDAQ IPO Round – Complete SEC Reg A+ Tier II SEC Registration
- NASDAQ IPO Round - National Marketing & National Institutional Investor RoadShow
- **NASDAQ IPO Round - List on the NASDAQ**



# PRIVATE PLACEMENT MARKETS – EQUITY MARKETS

## *IPO Pricing Determination - Blind Reverse Auctions*



The Private Placement Markets utilize a Blind Reverse Auction process for the placement of all types of Equities.

A Blind Reverse Auction is a price / interest rate discovery process in which the auctioneer starts with the highest, or lowest, asking price / interest rate and lowers it, or raises it, until it reaches a price level where the bids received will cover the entire offer quantity. Blind Reverse Auctions are appropriate for instances where a large quantity of an item is being offered for sale, as opposed to just a single item.

A Blind Reverse Auction can be used for an IPO to figure out the optimum price for a stock offering. They are also used by government agencies for the public offering of Treasury Bills, Notes and Bonds.

***The Blind Reverse Auction Process:*** In the Blind Reverse Auction process for Equities, the Underwriter does not set a price for the Equity Securities being sold by the Issuer. The Issuer decides on the number of Equity Shares to be sold and the “***asking price***” per Share.

Investors submit “***price bids***” and the number of shares they would like to purchase. After all shares being offered have been sold, the Underwriter and/or Issuer creates a single list with the ***highest bid prices at the top*** and the ***lowest bid prices at the bottom***. In the event that more shares are sold than are offered, the Underwriter and/or Issuer works down the list of the over sale starting at the highest bid price buyer and working down the list until the desired number of shares have been sold.

# PRIVATE PLACEMENT MARKETS – EQUITY MARKETS

## IPO Pricing Determination - Blind Reverse Auctions



Assume that the Underwriter schedules a Blind Reverse Auction for an Issuer to price equity shares for a Company. In this scenario, let's say the Issuer is auctioning 400,000 Common Stock Shares, with an **asking price of \$5 per share**. **NOTE: The below is not a realistic example and involves large differences in bid prices which is not realistic, but is being utilized here to cover multiple scenarios.**

### Bidders:

- *Investor A:* Places a bid for 60,000 Shares at \$5.25 USD per Share
- *Investor B:* Places a bid for 50,000 Shares at \$5.20 USD per Share
- *Investor C:* Places a bid for 50,000 Shares at \$5.15 USD per Share
- *Investor D:* Places a bid for 70,000 Shares at \$5.05 USD Per Share
- *Investor E:* Places a bid for 80,000 Shares at \$5.00 USD Per Share
- *Investor F:* Places a bid for 70,000 Shares at \$4.95 USD Per Share
- *Investor G:* Places a bid for 60,000 Shares at \$4.90 USD Per Share
- *Investor H:* Places a bid for 50,000 Shares at \$4.85 USD Per Share
- *Investor I:* Places a bid for 30,000 Shares at \$4.80 USD Per Share
- *Investor J:* Places a bid for 20,000 Shares at \$4.75 USD Per Share
- **TOTAL: 540,000 BIDS**

### Investments Automatically Accepted / Accepted by Issuer at Below Market / Investment Bids Rejected:

- *Investor A:* 60,000 Shares Automatically Issued at \$5.25 USD Per Share (\$315,000 USD)
- *Investor B:* 50,000 Shares Automatically Issued at \$5.20 USD Per Share (\$260,000 USD)
- *Investor C:* 50,000 Shares Automatically Issued at \$5.15 USD Per Share (\$257,500 USD)
- *Investor D:* 70,000 Shares Automatically Issued at \$5.05 USD Per Share (\$353,500 USD)
- *Investor E:* 80,000 Shares Automatically Issued at \$5.00 USD Per Share (\$400,000 USD) – **310,000 Total Shares Issued**
- ***Investor F: 70,000 Shares May Be Issued at \$4.95 USD upon Issuer Acceptance of Below Asking Price Bid.***
- ***Investor G: 20,000 of 60,000 Shares Bid at \$4.90 USD May be Issued if Below Asking Price Bid is Accepted by Issuer.***
- *Investor H:* Full Bid of 50,000 Shares at \$4.85 USD is Automatically Rejected
- *Investor I:* Full Bid of 30,000 Shares at \$4.80 USD is Automatically Rejected
- *Investor J:* Full Bid of 20,000 Shares at \$4.75 USD is Automatically Rejected.

# Equity Capital Markets – Institutional Investors RoadShow

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Types of Equity Capital offered through the  
Private Placement Markets  
([www.PPMEquity.com](http://www.PPMEquity.com)):

- Common Shares
  - Restricted Voting Shares
  - Preferred Shares
  - Rights & Warrants
- 

## Private Placement Markets:

- Private Offering Underwriter & Securities / Offering Compliance
- Institutional Investor Introductions & RoadShows
- The Management of the Private Placement Markets do not engage in the sale or solicitation of any securities (this is the role of the Broker Dealer and/or market maker, or the Issuer).



## What is a RoadShow?

By conducting a RoadShow, you can make contact with potential new institutional investors and strengthen your investor relations. A RoadShow enables your management team to meet with our Institutional Investors and their analysts, fund managers and top executives at several locations – throughout the United States or abroad – and present them with the company's **equity story**. A successful presentation and a charismatic appearance from management can convince potential investors to buy your shares.

## RoadShow Locations include (but are not limited to):

- Family Offices
- Institutional Asset Managers (*Mutual Funds, Life Insurance Company, etc*).
- Registered Investment Advisors
- Hedge Funds
- Private Equity Groups
- Investment Banks
- Pension Fund Managers
- Broker Dealers / Market Makers
- Select Private Investors & Investment Groups

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## **Raise Investor Interest at RoadShows and Build Confidence**

At the RoadShow presentation, the Issuer (*the group raising capital*) presents their Equity Story with the aim of influencing the investment decision of participating investors in their favor. After the RoadShow presentation, potential investors have the opportunity to ask specific questions so that the Issuer is given the chance to convincingly convey key facts and figures.

## **A RoadShow is an effective measure to build trust with the Institutional Investment Groups.**

The management of the Private Placement Markets schedules meetings for Issuers to meet new Institutional Investors independent of banks through our large network of contacts spread across the United States and around the Globe. With our many years of experience in RoadShow Management, we will help you meet new investors. Whether its Fund Managers, Private Wealth Managers, Family Offices or Investment Advisors you are looking for, we have the contacts and relationships that can put you in contact with them.





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#### NASDAQ STOCK EXCHANGE:

One Liberty Plaza  
165 Broadway  
New York City, New York 10006  
<http://www.NASDAQ.com>

#### FOUNDED:

February 4th, 1971

#### MANAGEMENT:

Ms. Adena Friedman  
President & CEO



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#### **NASDAQ BACKGROUND:**

The NASDAQ Stock Market started electronic trading in 1971 and was officially recognized as a stock exchange by the United States Securities and Exchange Commission as of June 1<sup>st</sup>, 2006. Over the past forty-five years, the NASDAQ has evolved into the preferred trading market for Technology and biotechnology companies.

The NASDAQ is split into three tiers: (1) the ***Global Select Market***, (2) the ***Global Market***, and (3) the ***Capital Market***. All tiers of the NASDAQ are much more volatile than the trading markets of traditional stock exchanges. This volatility results in more shares being traded per day on the NASDAQ than any other U.S. Exchange.

Many Issuers will choose to list on the NASDAQ Capital Market as its barrier for entry is generally the first one achievable, though Private Placement Markets will detail the IPO Listing requirements for each NASDAQ Market Tier in the following slides.





## NASDAQ LISTING REQUIREMENTS:

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Requirements	Equity Standard	Market Value of Listed Securities Standard (3)	Net Income Standard
Net Income from Continuing Operations ( <i>in latest fiscal year <u>or</u> in 2 of the last 3 years</i> )	N/A	N/A	\$750,000
Net Tangible Assets	N/A	N/A	N/A
Market Value of Publicly Held Stock	\$15,000,000	\$15,000,000	\$5,000,000
Market Value of Listed Securities (2)	N/A	\$50,000,000	N/A
Number of Shares Publicly Held	1,000,000	1,000,000	1,000,000
Bid Price or Closing Price	\$4.00	\$4.00	\$4.00 / \$3.00



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### **NASDAQ LISTING REQUIREMENTS:**

Requirements	Equity Standard	Market Value of Listed Securities Standard (3)	Net Income Standard
Number of Public Board Shareholders	300	300	300
Shareholders Equity	\$5,000,000	\$4,000,000	\$4,000,000
NASDAQ Market Makers	Three	Three	Three
Operating History	Two Years	N/A	N/A

- 1) Publicly held shares is defined as “total outstanding, less any shares held directly or indirectly by Officers, Directors or any person who is the beneficial owner of more than 10% of the total shares outstanding of the Company”. Entities in which an Officer, Director, or 10% owner has voting and/or dispositive power, such as a typical Employee Stock Option Plan, are excluded from publicly held shares.
- 2) The term, “Listed Securities”, is defined as “securities listed on NASDAQ or another national securities exchange”.
- 3) Seasoned companies (those companies already listed or quoted on another marketplace) qualifying under the Market Value Standard must meet the market value of listed securities and the bid price requirements for 90 consecutive trading days prior to applying for listing.



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**NASDAQ LISTING REQUIREMENTS:**

TOTAL SHARES OUTSTANDING	ENTRY FEE
Up to 15 Million	\$50,000, including \$5,000 Application Fee
Over 15 Million	\$75,000, including \$5,000 Application Fee

TOTAL SHARES OUTSTANDING	ANNUAL FEE Domestic and Foreign Issuers (excluding American Depository Shares)
Up to 10 Million	\$42,000
Ten Million to Fifty Million	\$55,000
Over Fifty Million	\$75,000



**NASDAQ LISTING REQUIREMENTS:**

Requirements	Income Standard	Equity Standard	Market Value Standard (3)
Pre-Tax Income Last Year ( <i>in latest fiscal year <u>or</u> in 2 of the last 3 years</i> )	\$1,000,000	N/A	N/A
Total Assets and Total Revenue ( <i>In latest fiscal year or in 2 of last 3 fiscal years</i> )	N/A	N/A	N/A
Market Value of Publicly Held Stock	\$8,000,000	\$18,000,000	\$20,000,000
Market Value of Listed Securities (2)	N/A	N/A	\$75,000,000
Number of Shares Publicly Held	1,100,000	1,100,000	1,100,000
Trading Price of Listed Securities	\$4.00	\$4.00	\$4.00

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### **NASDAQ LISTING REQUIREMENTS:**

Requirements	Income Standard	Equity Standard	Market Value Standard (3)
Number of Public Board Shareholders	400	400	400
Shareholders Equity	\$15,000,000	\$30,000,000	N/A
NASDAQ Market Makers	Three	Three	Four
Operating History	N/A	Two Years	N/A

- 1) Publicly held shares is defined as "total outstanding, less any shares held directly or indirectly by Officers, Directors or any person who is the beneficial owner of more than 10% of the total shares outstanding of the Company". Entities in which an Officer, Director, or 10% owner has voting and/or dispositive power, such as a typical Employee Stock Option Plan, are excluded from publicly held shares.
- 2) The term, "Listed Securities", is defined as "securities listed on NASDAQ or another national securities exchange".
- 3) Seasoned companies (those companies already listed or quoted on another marketplace) qualifying under the Market Value Standard must meet the market value of listed securities and the bid price requirements for 90 consecutive trading days prior to applying for listing.





## NASDAQ LISTING REQUIREMENTS:

TOTAL SHARES OUTSTANDING	ENTRY FEE
Up to 30 Million	\$125,000, including \$25,000 Application Fee
30 Million to 50 Million	\$150,000, including \$25,000 Application Fee
50 Million to 100 Million	\$200,000, including \$25,000 Application Fee
Over 100 Million	\$225,000, including \$25,000 Application Fee

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**NASDAQ LISTING REQUIREMENTS:**

TOTAL SHARES OUTSTANDING	ANNUAL FEE Domestic and Foreign Issuers (excluding American Depository Shares)
Up to 10 Million	\$45,000
10 Million to 50 Million	\$55,000
50 Million to 75 Million	\$75,000
75 Million to 100 Million	\$100,000
100 Million to 125 Million	\$125,000
125 Million to 150 Million	\$135,000
Over 150 Million	\$155,000

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### NASDAQ LISTING REQUIREMENTS:

Requirements	Earnings Standard	Capitalization with Cash Flow Standard	Capitalization with Revenue Standard
Pre-Tax Income	Aggregate in prior three Fiscal Years greater than \$11,000,000, and each of the two most recent years greater than \$2,200,000, and each of the prior three fiscal years greater than \$0.00	N/A	N/A
Cash Flows	N/A	Aggregate in prior three fiscal years greater than \$27,500,000, and each of the prior three fiscal years greater than \$0.00	N/A
Net Tangible Assets	N/A	N/A	N/A
Market Value of Listed Securities	N/A	Average greater than \$550,000,000 over prior twelve months	Average greater than \$850,000,000 over prior twelve months



#### NASDAQ STOCK EXCHANGE:

One Liberty Plaza  
165 Broadway  
New York City, New York 10006  
<http://www.NASDAQ.com>

#### FOUNDED:

February 4th, 1971

#### MANAGEMENT:

Ms. Adena Friedman  
President & CEO



### **NASDAQ LISTING REQUIREMENTS:**

Requirements	Earnings Standard	Capitalization with Cash Flow Standard	Capitalization with Revenue Standard
Market Value of Publicly Held Securities (1)	\$45,000,000	\$45,000,000	\$45,000,000
Number of Shares Publicly Held (2)	1,250,000	1,250,000	1,250,000
Public Shareholders	450	450	450
Trading Price of Listed Securities	\$4.00	\$4.00	\$4.00
Shareholders Equity	N/A	N/A	N/A
NASDAQ Market Makers	3 or 4	3 or 4	3 or 4
Operating History	N/A	N/A	N/A





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### **NASDAQ LISTING REQUIREMENTS:**

- 1) Seasoned Companies currently trading on another market are required to have a market value of publicly held shares of \$110,000,000 or a market value of publicly held shares of \$100,000,000 and \$110,000,000 in shareholders' equity.
- 2) Issuers listing concurrently with an initial public offering or as a spin-off may alternatively have 2,200 total shareholders. Seasoned companies currently trading on another market or affiliated companies of listed NASDAQ Global Select Markets may alternatively have 2,200 total shareholders or 550 total shareholders and 1,100,000 average monthly trading volume over the last 12 months





**NASDAQ LISTING REQUIREMENTS:**

TOTAL SHARES OUTSTANDING	ENTRY FEE
Up to 30 Million	\$125,000, including \$25,000 Application Fee
30 Million to 50 Million	\$150,000, including \$25,000 Application Fee
50 Million to 100 Million	\$200,000, including \$25,000 Application Fee
Over 100 Million	\$225,000, including \$25,000 Application Fee

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**NASDAQ LISTING REQUIREMENTS:**

TOTAL SHARES OUTSTANDING	ANNUAL FEE Domestic and Foreign Issuers (excluding American Depository Shares)
Up to 10 Million	\$45,000
10 Million to 50 Million	\$55,000
50 Million to 75 Million	\$75,000
75 Million to 100 Million	\$100,000
100 Million to 125 Million	\$125,000
125 Million to 150 Million	\$135,000
Over 150 Million	\$155,000

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## Private Placement Markets

1055 West 7<sup>th</sup> Street  
Los Angeles, California 90017  
Direct: (310) 463-5122

**Private Placement Equity Markets:** [www.PPMEquity.com](http://www.PPMEquity.com)

**Private Placement Debt Markets:** [www.PPMDebt.com](http://www.PPMDebt.com)

**Paralegal:** [www.SteveMuehlerParalegal.com](http://www.SteveMuehlerParalegal.com)

**Investment Banking:** [www.SteveMuehlerSecurities.com](http://www.SteveMuehlerSecurities.com)

**Annuities:** [www.SteveMuehlerAnnuities.com](http://www.SteveMuehlerAnnuities.com)

**Debt Capital Markets:** [www.SteveMuehlerDebtCapital.com](http://www.SteveMuehlerDebtCapital.com)

**Equity Capital Markets:** [www.SteveMuhlerEquityCapital.com](http://www.SteveMuhlerEquityCapital.com)

**Real Estate Loans:** [www.SteveMuehlerLoans.com](http://www.SteveMuehlerLoans.com)

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**Equity Lock Residential:** [www.EquityLockResidential.com](http://www.EquityLockResidential.com)

**Equity Lock Commercial:** [www.EquityLockCommercial.com](http://www.EquityLockCommercial.com)

**Bail Bonds / Immigration Bonds:** [www.SteveMuehlerBail.com](http://www.SteveMuehlerBail.com)