An Introduction to Reg A+

From ISSUERDIRECT
What is Reg A+

- Just in the last 90 to 180 days Reg A+ has presented itself as a wonderful opportunity for Entrepreneurs. Reg A+ is a legitimate, viable way to fund their startups.

- Reg A+ now allows an Issuer to raise up to $50 Million of securities over a 12 month period using public solicitation while being exempt from review by state securities administrators.

- Even venture capitalists are looking at Reg A+ as a unique way for them to gain liquidity.
What You Will Learn in this White Paper:

- Who is not eligible for Reg A+
- Who is Eligible for Reg A+
- A description of the Tier Options (Tier 1 and Tier 2)
- What SEC Reporting is Required
- How Issuer Direct can help with your Reg A+ needs
Who is Not Eligible for Reg A+

- Companies that are currently subject to the reporting requirements of the Exchange Act are not eligible.
- Investment companies registered or required to be registered under the Investment Company Act are also not eligible.
- Blank check companies are not eligible.
- Issuers thinking to offer asset-backed securities or fractional, undivided interest in oil, gas, or other mineral rights are not eligible.
- Issuers that have been subject to an order of the SEC denying, suspending, or revoking registration within the past five years are not eligible.
Who is Eligible for Reg A+

• Companies that voluntarily report or that used to report but suspended their reporting by such as filing a Form 15, are eligible.

• Subsidiaries of reporting companies are also eligible as long as the parent reporting company is not a guarantor or co-issuer in the offering.

• Shell companies are eligible as long they’re not also not a blank check company.
Tier 1 – Explained

- Tier 1 of Regulation A+, which does not preempt State law, allows for a raise of up to $20 million in any 12-month period.
- Tier 1 refills by existing selling shareholders including affiliates to a maximum of 30% of the total offering.
- Tier 1 has minimum basic requirements including the Issuer eligibility provisions and disclosure requirements.
- Tier 1 issuer are not required to be audited.
Tier 2 – Explained

• The new Tier 2, which does preempt State law, allows for a raise of up to $50 million in any 12-month period. Issuers may elect to proceed under either Tier 1 or Tier 2 for offerings of up to $20 million.

• Tier 2 refills by existing selling shareholders including affiliates to a maximum of 30% of the total offering.

• Tier 2 has minimum basic requirements including the Issuer eligibility provisions and disclosure requirements.
What SEC Reporting is Required?

• The Regulation A+ offering will be filed with the SEC on a Form 1-A. The Form 1-A will consists of three parts: Part I is Notification, Part II, the Offering Circular, and Part III, Exhibits.

• All filings will now be made via EDGAR.

• In the following slides we will cover Part I, Part II and Part III.
Part I on Form 1-A

- **Part I** is primarily designed to confirm eligibility and also give basic information about the offering in general.

- **This includes:**
  - Issuer name and address.
  - Eligibility information.
  - Confirmation that bad actor disqualifications do not apply.
  - Jurisdictions in which securities are to be offered.
  - Information regarding previous unregistered securities that have been sold.
Part II on Form 1-A

- **Part II** is the offering circular and is very similar to the prospectus in the registration statement.

- Part II will require basic information about the issuer and the offering including your risk factors.
Part III on Form 1-A

- **Part III** of the offering statement, up to Form 1-A is Exhibits, will include an exhibit list and be part of the offering statement.

- Issuers that have not previously sold under Regulation A or any other security-backed registration statement can submit their Form 1-A on a confidential basis.
Reg A+ and Issuer Direct

- Issuer Direct has one of the top regulatory compliance and shareholder communications platforms available in the market today.

- We’ll handle all of your Reg A+ filings and you will have the help of our professional corporate filings team every step of the way.
Issuer Direct can Help You with any Corporate Filing

Including:

• Document Formatting
• Typeset Services
• Reverse EDGAR
• Design, Print & Fulfillment
Additional Benefits Include:

- Timed submission with our news wire for earnings and transactional releases.
- Preparation of your EDGAR compliant documents in ASCII, HTML and XBRL.
- Conversion from word, rtf, text, excel, quark, InDesign, PDF and most other form types.
- Self-filing system for Section 16, 8-K’s and other popular form types.
Thank You!

We understand that concepts like Reg A+ can be difficult to understand. We are here to help you navigate and explore all of filing options with Reg A+.

Give Us a Call Today and we will be happy to help with any of your corporate filing needs.

Toll Free – 877.481.4014

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