

REGULATION A+

The following table summarizes various limitations and requirements of offerings under the two tiers of Regulation A+.

	<u>Tier One</u>	<u>Tier Two</u>
Offering limit	Up to \$20 million in a 12-month period, with not more than \$6 million offered by affiliate selling security-holders	Up to \$50 million in a 12-month period, with not more than \$15 million offered by affiliate selling security-holders
Offering circular on Form 1-A required?	Yes	Yes
Financial statements required for two most recent fiscal years?	Yes	Yes
Must financial statements in offering statement be audited?	No, unless audited statements are already available	Yes
SEC approval of offering circular required?	Yes	Yes
“Test the waters” allowed?	Yes	Yes
Form 1-Z information required?	Yes – in Form 1-Z filing 30 days after termination or completion of offering	Yes – in Form 1-K annual report or in Form 1-Z to terminate reporting obligation when eligible
Other ongoing reporting requirements?	No	Yes, but time period may be limited if issuer has fewer than 300 shareholders of record
Non-accredited investors allowed?	Yes	Yes
Limitations on non-accredited investors?	No limitations	Unlimited number, but each non-accredited investor is limited in the amount they may purchase
Subject to state law review requirements?	Yes. NASAA coordinated review process available	No (but filing requirements and anti-fraud rules apply)
Integration with other offerings?	Generally, no	Generally, no
Section 12(g) registration implicated?	Yes - if Section 12(g) limits are exceeded: total assets exceed \$10 million and a class of equity securities held by either 2,000 persons or 500 non-accredited investors	No - exempt from the provisions of Section 12(g) so long as the issuer (i) is current in ongoing reporting obligations, (ii) has engaged the services of a registered transfer agent, and (iii) has a public float of less than \$75 million (or, in the absence of a public float, annual revenues of less than \$50 million)
Ineligible issuers exclusion applicable?	Yes	Yes