

MICHIGAN CORPORATION, SECURITIES AND LAND DEVELOPMENT BUREAU

RELEASE NO. 96-5-S

TO: ALL INTERESTED PARTIES

SUBJECT: Use Of Form U-7 For Regulation A Offerings

General Background:

On June 8, 1993, the Bureau adopted the Small Corporate Offering Registration ("SCOR") as set forth in Rule 803.11. The SCOR registration is intended to allow small corporations to conduct limited offerings of securities. SCOR registration uses a simplified offering format designed to provide adequate disclosure to investors concerning the issuer, the securities offered and the offering itself.

Form U-7 is the Disclosure Document used for making a SCOR offering. The SCOR format may be used for offerings in the maximum amount of \$1,000,000. A question has arisen whether the Form U-7 may be used for Regulation A offerings, which may be up to \$5,000,000.

Action or Interpretation:

The Bureau will accept Form 1-A (which includes Model A) as a recognized disclosure document for Regulation A offerings that are filed under Section 304 of the Michigan Uniform Securities Act, as amended (the "Act"). The Form 1-A will be substituted for the "prospectus instructions (Form PI)" referred to in Rule 704.1. All other provisions of this rule remain unchanged.

Authority: Act 265 of 1964, as amended, Section 412(a).

Signed by: Carl L. Tyson, Director
Corporation, Securities and Land Development Bureau

Dated: September 3, 1996