

# Midwest Regional Review Program

## Introduction and Restrictions

### Introduction:

Coordinated regional review is available to issuers that desire to offer their equity securities in at least two of the ten Midwestern states, as specified herein, if the issuers comply with the North American Securities Administrators Association ("NASAA") Statement of Policy Regarding Small Company Registration. Participating states are Illinois, Indiana, Iowa, Kansas, Michigan, Missouri, Nebraska, North Dakota, South Dakota, and Wisconsin. If an issuer qualifies for an exemption from registration in a state, the issuer would not be precluded from using the program for registration in any or all of the other states. In addition, offering documents that comply with the forms of disclosure permitted by SEC Regulation A shall also be allowed under Coordinated Midwest Regional Review. A qualifying offering will be exempted from the application of "merit" or "fair and equitable" standards by the states in which the issuer files for coordinated review.

After an application has been received, the state that has been assigned the application for coordinated review (the "lead state"), will contact the issuer with any comments.

### Restrictions:

- A. Only equity offerings not exceeding \$5 million, consisting of common stock, preferred stock, membership interests, or units consisting of equity securities and warrants to purchase equity securities, will be considered for coordinated review.
- B. The Company issuing securities in connection with SEC Regulation A or Regulation D Rule 504 must comply with the requirements of the NASAA Statement of Policy Regarding Small Company Registration.
- C. If the proposed business of the company requires a minimum amount of proceeds to commence, or to proceed with the business in the manner proposed, there shall be established an escrow account with a bank or savings and loan association or other similar depository institution acting as independent escrow agent with which shall be immediately deposited all proceeds received from investors until the minimum amount of proceeds has been raised.

## Midwest Regional Review Application

1. Name of Issuer	Fax Number	E-Mail Address
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2. The issuer ("applicant") is filing for Coordinated Midwest Regional Review in the following states (please check all that apply; at least two must be checked):

- |                                   |                                   |  |                                   |
|-----------------------------------|-----------------------------------|--|-----------------------------------|
| <input type="checkbox"/> Illinois | <input type="checkbox"/> Kansas   | <input type="checkbox"/> Wisconsin     | <input type="checkbox"/> Nebraska |
| <input type="checkbox"/> Indiana  | <input type="checkbox"/> Michigan | <input type="checkbox"/> North Dakota  |                                   |
| <input type="checkbox"/> Iowa*    | <input type="checkbox"/> Missouri | <input type="checkbox"/> South Dakota* |                                   |

\*Offering may not exceed \$1 million

3. The applicant shall send to each state, a copy of this Application, accompanied by the exhibits (See Appendix A) and the fees required by that state (see Appendix B). These filings shall be made simultaneously in each state as checked in Item 2 above. The documents filed in each state shall be identical. (Note: Subsequent to the initial filing for Midwest Regional Review, the issuer may file a new application in at least two of the remaining participating states, but will then be subject to a new coordinated review.)

Type of filing (please check one):

- Small Company Offering Registration (SCOR Form U-7)
- Question/Answer Form Model A under Regulation A
- Offering Circular Model B under Regulation A Form 1-A (Traditional Disclosure)

4. Undertakings of Applicant:

The applicant agrees that it will file simultaneously in each state checked above.

The applicant waives automatic effectiveness in each state checked above.

The applicant agrees to resolve outstanding comments through the lead state and agrees to provide the lead state with a copy of the amended offering document marked to show changes. (Note: State-specific comments must be resolved with the state to which the comment applies.)

The applicant understands that the securities to be registered must be sold by an agent that is either registered or exempt from registration in the subject state. The applicant agrees not to allow sales by agents that have not been registered or are not exempt in the state in which they are selling. The applicant agrees to file all final documents with each state.

Applicant Representative Signature	Date
Print Name & Title	

## **Appendix A Exhibits**

The following exhibits must be filed in each state in which the applicant is filing for Coordinated Midwest Regional Review:

Offering Document (Form U-7 (SCOR) or Form 1-A);

Form U-1--Uniform Application to Register Securities;

Form U-2--Uniform Consent to Service of Process;

Form U-2A--Uniform Form of Corporate Resolution (if issuer is a corporation);

Form D (Rule 504 Offerings Only);

Copy of any resolutions by board of directors setting forth terms and provisions of stock to be issued;

Form of Selling Agency or Underwriting Agreement;

Copy of Subscription Agreement;

Specimen of Stock Certificate (including any legend restricting resale);

Articles of Incorporation;

Bylaws;

Escrow of Proceeds Agreement;

Accountant's Consent;

Legal Opinion;

Consent to inclusion in the disclosure document of tax advisor's opinion or description of tax consequences, if any;

Consent to inclusion in the disclosure document of any evaluation of litigation or administrative action by counsel, if any;

Schedule setting forth the name and residential street address of each officer, director, and principal shareholder, and

Copy of all advertising materials.

Appendix B (1)  
Fees & Other State-Specific Information

	Illinois	Indiana	Iowa	Kansas	Michigan
Agency	Office of the Secretary of State, Securities Department	Office of the Secretary of State, Securities Division	Iowa Securities Bureau	Office of the Securities Commissioner	Department of CIS, Office of Financial and Insurance Services
Address	520 South 2 <sup>nd</sup> St. Suite 200 Springfield, IL 62701	302 West Washington Room E111 Indianapolis, IN 46204	340 E. Maple St. Des Moines, IA 50319-0066	618 S. Kansas Ave. Topeka, KS 66603-3804	6546 Mercantile Way P.O. Box 30701 Lansing, MI 48909-8201
Contact	William Hanner Senior Examiner	Patrick Sanders Chief Counsel	Tom Alberts Staff Attorney	Steve Wassom Director of Finance	Karen Wildmo, Senior Securities Examiner
Telephone Number	(217) 785-4949	(317) 232-6687	(515) 281-4441	(785) 296-3307	(517) 241-6350
E-mail	bhanner@ccgate.sos.state.il.us	psanders@sos.state.in.us	tom.alberts@comm6.state.ia.us	swassom@cjnetworks.com	karen.d.wildmo@cis.state.mi.us
Fax Number	(217) 524-2172	(317) 233-3675	(515) 281-6467	(785) 296-6872	(517) 241-6356
Website	<a href="http://www.sos.state.il.us/depts/securities/sec_home.html">http://www.sos.state.il.us/depts/securities/sec_home.html</a>		<a href="http://www.state.ia.us/">http://www.state.ia.us/</a>	<a href="http://www.cjnetworks.com/~ksecom">http://www.cjnetworks.com/~ksecom</a>	<a href="http://www.cis.state.mi.us/corp/sec-info.htm">http://www.cis.state.mi.us/corp/sec-info.htm</a>
Checks Payable To	Illinois Secretary of State	Indiana Secretary of State	Iowa Securities Bureau	Kansas Securities Commissioner	State of Michigan
Rule 504 Filing Fees	Exam Fee: \$150 Filing Fee: \$250	No Fees	\$100	1/20 of 1% of amount to be registered in KS, minimum of \$100, maximum of \$500	1/10 of 1% of amount to be registered in MI, minimum of \$100, maximum of \$1000
Reg A Filing Fees	Exam Fee: \$150 Filing Fee: \$250	1/20 of 1% of amount to be registered in IN, minimum of \$250, maximum of \$1000	N.A.	1/20 of 1% of amount to be registered in KS, minimum of \$100, maximum of \$1500	1/10 of 1% of amount to be registered in MI, minimum of \$100, maximum of \$1250
Agent Issuer Fees and Filing and Testing Requirements	\$75 per agent + U-4. <sup>1</sup> Two exams: Series 62 or Series 7 + Series 63. Series 62 or 7 may be waived, upon request.	No fees, State Form 26203 (R/6-92) (instead of U-4), Reg A filings only.	\$10 per agent + U-4. Exams waived.	\$50 per agent + U-4. Exams waived if no commissions are to be received.	\$30 per agent +U-4 <sup>2</sup>
Post-effective Filing that requires fee	Amendments and supplements. Exam fee of \$25 for SCOR and \$50 for Reg A	N.A.	N.A.	\$100 plus fee above to increase amount registered	\$250 late fee for oversales, plus an additional \$1 per \$1000 to increase amount registered.

<sup>1</sup>Officers of an issuer may sell without being registered as a salesperson, provided no commission, discount or remuneration is paid or given, directly or indirectly, on account of any sale of the securities.

<sup>2</sup>Officers who effectuate transactions and are not paid a sales commission are excluded from the definition of agent. In this case, no examination is required.

Appendix B (2)  
Fees & Other State-Specific Information

	Missouri	Nebraska	North Dakota	South Dakota	Wisconsin
Agency	Office of the Secretary of State, Division of Securities	Department of Banking & Finance, Bureau of Securities	North Dakota Securities Commissioner	South Dakota Division of Securities	Department of Financial Institutions, Division of Securities
Address	600 West Main St. Jefferson City, MO 65101	1200 N St., Suite 311 Lincoln, NE 68508	600 East Boulevard Bismarck, ND 58505	118 West Capitol Pierre, SD 57501	PO Box 1768 Madison, WI 53701-1768
Contact	Melanie Moffat Securities Counsel	Karen A. Reynolds, Securities Analyst	Harold P. Kocher, Chief Examiner	Leonore Friez, Examiner	Randy Schumann, Counsel
Telephone Number	(573) 751-4136	(402) 471-3445	(701) 328-2910	(605) 773-4823	(608) 266-3414
E-mail	moffam@sosmail.state.mo.us	karenr@bkg.state.ne.us	hkocher@pioneer.state.nd.us	Leonore.friez@state.sd.us	randall.schumann@dfi.state.wi.us
Fax Number	(573) 526-3124		(701) 255-3113	(605) 773-5953	(608) 256-1259
Website	http://mosl.sos.state.mo.us	http://www.ndbf.org		http://www.state.sd.us/executive/dcr/securities	www.wdfi.org
Checks Payable To	Director of Revenue State of Missouri	ND Department of Banking & Finance	ND Securities Commissioner	Division of Securities	DFI
Rule 504 Filing Fees	\$100 + 1/20 of 1% of amt. to be registered in MO over \$100,000, min. fee \$100, max. fee \$1000	1/10 of 1% of the amount to be registered in NE. Minimum fee: \$100	1/10 of 1% of the 1st \$750,000, 1/20 of 1% thereafter, minimum of \$100, for registration.	\$200	\$750
Reg A Filing Fees	\$100 + 1/20 of 1% of amt. to be registered in MO over \$100,000, min. fee \$100, max. fee \$1000	1/10 of 1% of the amount to be registered in NE. Minimum fee: \$100	N.A.	\$100 minimum, \$1 per \$1000 up to \$500,000; \$.75 per \$1000 thereafter	\$750
Agent Issuer Fees and Filing and Testing Requirements	\$50 per agent + U-4. Exams waived at the discretion of the commissioner.	\$100 issuer fee plus Form B-D <sup>1</sup> \$40 per agent + U-4 Exams: Series 63 or 7	\$200 dealer fee, \$50 per agent. Exams waived for two officers of the issuer. <sup>2</sup>	\$125 agent \$150 company Exams: Series 63	\$30 per agent, U-4, WI supplement to U-4, and supervisory undertaking. Exams: Series 2, 7 or 62 + 63 or 66 <sup>3</sup>
Post-effective Filing that requires fee	N.A.	N.A.	N.A.	N.A.	Advertising \$10 per item (only if filed after registration is effective)

<sup>1</sup>Issuer must register separately as an issuer-dealer, using Form B-D, if it offers its own securities. Every individual who offers the issuer's securities and is not paid, directly or indirectly, for soliciting any person in Nebraska must pay a fee, file an application, and take the Series 63 exam. However, every individual who offers the issuer's securities and is paid, directly or indirectly, for soliciting any person in Nebraska must pay a fee, file an application, and take the Series 7 and Series 63 exams.

<sup>2</sup>Issuer must register separately as dealer, using ND forms, if it offers its own securities. Up to two officers may be registered as agents, using ND forms.

<sup>3</sup>Required only if individual is paid, directly or indirectly, for soliciting any person in Wisconsin.