

# NASAA Coordinated Review of Regulation A Offerings

## Review Protocol

Adopted March 7, 2014

1. Applicants desiring coordinated multi-jurisdictional review of an offering to be conducted under Section 3(b) of the Securities Act of 1933 and Regulation A shall file a request for coordinated review, along with required exhibits and filing fees, through the Electronic Filing Depository. The State of Washington is the program coordinator. Applicants shall indicate in what jurisdictions the offering is to be registered through coordinated review. A listing of all jurisdictions that participate in coordinated review shall be maintained on NASAA's website.

If at the time of application, electronic filing is not available through the Electronic Filing Depository, then the applicant shall remit via e-mail an electronic copy of the application, along with required exhibits, to the program coordinator who shall redistribute the application materials to the jurisdictions indicated on the application. Filing fees must be submitted to the individual states in accordance with their filing procedures. A table of filing fees and remittance addresses for Regulation A offerings by jurisdiction shall be maintained on NASAA's website.

2. Washington will contact all participating jurisdictions to identify both a lead merit examiner and a lead disclosure examiner. If the issuer has not applied in a jurisdiction that applies merit standards, only a lead disclosure examiner will be identified. The lead examiner(s) will be identified within three (3) business days after receipt of the application for coordinated review.
3. The lead examiner(s) will draft and circulate a comment letter to the participating jurisdictions within ten (10) business days after their identification as lead examiner(s) by the program administrator. If the issuer has applied in a jurisdiction that applies merit standards, the lead merit examiner will include comments consistent with applicable NASAA Statements of Policy. The lead merit examiner shall apply and draft comments based on the applicable statements of policy, with the following exceptions:
  - a. The Statement of Policy Regarding Promoters' Equity Investment shall not apply;
  - b. The Statement of Policy Regarding Promotional Shares shall apply except that one-half (1/2) of any promotional shares required to be locked-in or escrowed shall be released on the first and second anniversary of the date of completion of the offering such that all shares shall have been released from lock-in or escrow by the second anniversary of the date of completion of the offering; and
  - c. The Statement of Policy Regarding Loans and Other Material Affiliated Transactions shall apply except that the disclosure document shall not be required to include representations by counsel to the issuer as contemplated in Section VII.C.3. of the policy.

4. The participating jurisdictions shall have five (5) business days from the circulation of the draft comment letter by the lead examiners to submit additional comments or corrections to the lead examiners. If a jurisdiction does not submit comments to the lead examiners within five (5) business days, the lead examiners can assume the jurisdiction has no comments. After the expiration of the five (5) business days for review of the draft letter by the participating jurisdictions, the lead examiner(s) shall have three (3) business days to make any necessary revisions and send the initial comment letter to the issuer.
5. If the initial application is amended by adding more participating jurisdictions, the initial ten (10) business day review period will be extended to five (5) business days from the date the final amendment is received. Amendments to the application for purposes of adding jurisdictions must be made prior to the expiration of the initial ten (10) business day review period. If an issuer seeks to add a jurisdiction after this time, the issuer may be required to pursue registration independently and be subject to non-coordinated review standards in each of the additional jurisdictions.
6. The lead examiners will communicate with the applicant and participating jurisdictions, as necessary, to resolve any outstanding comments. The lead jurisdictions will reply to each issuer's response to each coordinated review letter no later than five (5) business days after receipt of the issuer's response.
7. Participating jurisdictions will receive same-day notice from the lead disclosure examiner and the lead merit examiner when that lead examiner clears the application.
8. Once the lead disclosure examiner has cleared the application, all participating disclosure jurisdictions agree to clear the application.
9. Once the lead merit examiner has cleared the application, all participating merit jurisdictions agree to clear the application.