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Via E-mail

June 23, 2016

Michael Pieciak, Chair
NASAA Corporation Finance Section
Department of Financial Regulation
89 Main Street
Montpelier, VT 05620-3101

RE: Comments of the ABA Committee on State Securities Regulation on the Proposed NASAA Model Rule and Uniform Notice Filing Form for Federal Crowdfunding Offerings

Dear Mr. Pieciak:

The ABA Committee on State Securities Regulation appreciates the opportunity to comment on a Proposed NASAA Model Rule and Uniform Notice Filing Form for Federal Crowdfunding Offerings (“Proposed Rule”).

Before we comment on the Proposed Rule, we would like to commend the efforts of NASAA and NASAA members in spearheading the establishment of intrastate crowdfunding exemptions under state securities laws during the period when the SEC was formulating its rules under the JOBS Act for interstate crowdfunding. Intrastate crowdfunding is a useful and viable option for local start-up businesses seeking capital which will be enhanced by proposed changes to SEC Rule 147. NASAA and its member jurisdictions should be proud of their positive contribution to small business capital formation represented by intrastate crowdfunding options available in so many states.

We also would like to commend NASAA on its recent adoption of a uniform notice for those states that request a filing with respect to a Tier 2 offering made under SEC Regulation A (the “Reg. A Notice”). The Reg. A Notice provides a very straightforward elicitation of information from issuers who also are required to file documents with the SEC.

Although in a perfect world we think it best that NASAA adopt a “wait and see” position before deciding to impose a mandated filing regime on start-up and small business issuers with respect to crowdfunding offerings which, by definition, are limited to \$1 million annually and which are subject to strict limitations on individual investments, we believe this must be weighed in context of promoting a uniform approach to permitted state filings for certain issuers involved in making offerings under SEC Regulation Crowdfunding (“Regulation CF”). Therefore, we will focus our comments on issues which we hope will facilitate compliance by start-up and small business issuers while imposing the least possible costs burdens on them.

1. The Proposed Rule will impose burdensome transactional costs on start-up and small businesses that are least able to afford them.

The enclosed chart indicates that, between May 16, 2016 when Regulation CF became effective and June 20, 2016, 42 issuers have filed SEC Form C. Of those issuers, the average target size of the offering has been \$133,583 with a median target size of \$55,000. Hence, the costs of complying with the Proposed Rule will fall on those start-up and small business issuers engaged in smaller capital raises that will be least able to afford them.

The economic analysis contained in the SEC’s release adopting Regulation CF (“Final Release”)¹ estimated that, for offerings of \$100,000 or less, the fee to the financial intermediary would range from \$2,500 to \$7,500; the cost of preparing SEC forms would be \$2,500 and the associated compliance costs would be \$1,667.² Using the lower figure of \$2,500 for compensation to the financial intermediary, the minimum transactional costs estimated by the SEC to be borne by crowdfunding issuers would be \$6,667.

Applying this to the average target size of crowdfunding offers filed with the SEC to date and assuming a successful capital raise, the minimum transactional costs to be borne by the issuer based on the SEC’s economic analysis would constitute approximately 6% of the offering. As practitioners, we think these transactional costs could turn out to be significantly higher than the minimum amount estimated by the SEC and, for smaller capital raises, easily could exceed 10% of the entire offering. It also should be noted that the SEC’s economic analysis did not address the costs incurred by issuers complying with state filing requirements.

Therefore, as suggested herein, we strong urge that the Proposed Rule be modified to impose the least possible transactional costs on those required to make state filings. We think this is consistent with NASAA’s historical concern for small business capital formation as well as the intent of Congress in permitting state filings by certain crowdfunding issuers.

¹ SEC Release No. 33-9974.

² Final Release at p. 415.

2. If NASAA adopts the Proposed Rule, it should not include a filing fee or an annual filing requirement.

We think it highly likely that, without modification, adoption of the Proposed Rule may be perceived as another state revenue raising scheme. It is instructive that the SEC has not imposed any fee with respect to any filing required to be made under Regulation CF. Given that issuers making crowdfunding offerings will be start-up and small business enterprises that can least afford to pay fees and transactional costs, a strong recommendation by NASAA (through deletion from the Proposed Rule) not to impose a filing fee would be viewed positively by the small business community. Furthermore, it is unlikely that any fee that may be imposed on a crowdfunding issuer making a state filing, in the aggregate, will result in any significant revenue gain to the state and, in reality, may cost more to administer through salary and overhead costs than the amount of filing revenue received.

Including an annual filing requirement would serve only to revive previous criticism levelled at NASAA members that the filing requirements have everything to do with revenue generation and little, if anything, to do with investor protection. NASAA and its members should take the opportunity to demonstrate that this is not the case by deleting the annual filing requirement. As an example, Pennsylvania, by statute, has prohibited the imposition of a filing fee on any notice filing made by an issuer relying on the crowdfunding exemption in Section 4(a)(6) of the 1933 Act.³

Furthermore, due to the provisions of the crowdfunding exemption in Section 4(a)(6) of the Securities Act of 1933, as amended (“1933 Act”) which limits the availability of the exemption to \$1 million every 12 months, it is hard to conceive of a situation where any crowdfunding offering would be ongoing for more than a 12-month period.

3. Due to the incorporation by reference provision in the Proposed Notice Form and the consent to service of process contained therein, the Proposed Rule should require only the filing of the Proposed Notice Form.

The Proposed Rule indicates that issuers must file a Uniform Notice of Federal Crowdfunding Offering Form (“Proposed Notice Form”) or copies of all documents filed with the SEC. However, Item 8 of the Proposed Notice Form states that “All documents previously or subsequently filed with the Securities and Exchange Commission under the file number for this offering indicated above are hereby incorporated by reference with this notice.”

We very much support inclusion of Item 8 whereby all documents filed with the SEC are incorporated by reference into the Proposed Notice Form without the need for the issuer to separately file those documents with the state as state regulators easily can access those

³ 70 Purdon’s Pennsylvania Statutes §1-211(b)(3).

documents through EDGAR. We suggest that this incorporation by reference provision eliminates the need for the option in the Proposed Notice Form to file copies of all documents filed with the SEC. The Proposed Notice Form will provide each state with sufficient information to obtain all SEC-filed documents through EDGAR and eliminate the burden of an issuer possibly having to file paper copies EDGAR-filed documents with a state.

Furthermore, the Proposed Notice Form also incorporates a consent to service of process provision which would avoid the possibility that a stack of SEC-filed documents and a Form U-2 and a filing fee would land on the desk of a state securities administrator without any other distinguishing filing information. Also, incorporation by reference will eliminate the need to file an amendment directly with the state as SEC Form C/A will be incorporated by reference into the original state filing.

Therefore, we suggest that mandating only the use of the Proposed Notice Form, as modified as suggested herein, will provide a state with sufficient information for it to obtain access to all documents filed with the SEC through EDGAR and will relieve the issuer of any burden physically to file paper documents with the state that already have been filed with the SEC.

4. The Proposed Rule raises some ambiguities relating to the mechanics of filing.

Where the issuer is required to file with a state due to 50% of more of the purchasers of the aggregate amount of the issue being resident in that state, the Proposed Rule requires an initial state filing to be made when the issuer becomes aware that such purchases have met this threshold or in no event later than 15 days from the date of completion of the offering.

We are concerned about the timing between when a crowdfunding offering successfully hits its target amount and when the issuer receives the names and addresses of the purchasers from the funding portal, broker or escrow agent which might invoke a state filing based upon the state of the purchasers of 50% or more of the aggregate amount of the issue. It is not outside the realm of possibility that more than 15 calendar days could elapse between the time the offering closes, the funding portal or broker validates the purchases and purchasers, all funds clear the banking system, the escrow agent releases the investor funds and the issuer receives the names, addresses and purchase amounts of the bona fide purchasers in the offering. In other words, through no fault of its own, a crowdfunding issuer could be in violation of a state filing requirement before it even knows that it needs to comply with a state filing requirement.

There also are two interpretational issues that should be addressed. First is when will sales be deemed to have occurred for triggering the 50% or more requirement. Is it when (1) the target amount has been met, (2) investor funds clear the banking system, (3) the escrow agent releases funds to the issuer or (4) the issuer receives the investors' funds from the escrow agent?

Another interpretational issue which should be addressed is what constitutes the “aggregate amount of the issue”? Is this the gross proceeds or is it the amount of funds received by the issuer net of fees paid to the funding portal or broker which is deducted from the amount delivered to the issuer by the escrow agent?

We suggest that NASAA, in the Proposed Rule, clarify that, with respect to a state filing triggered by the 50% or more requirement, the aggregate amount of the issue is the amount of net proceeds received by the issuer and the state filing must be made within 30 days of the issuer receiving the net proceeds of the offering from the escrow agent. We think this is the appropriate point in the crowdfunding process at which to trigger the filing requirement since receipt of net proceeds from the escrow agent will constitute the point of sale of the securities wherein the issuer will receive the definitive list of purchasers in the offering and their respective purchase amounts.

5. The Proposed Rule should define “principal place of business” of the issuer, specify how to determine the state residency of investors and clarify whether a filing with more than one state will be required.

Section 18(c)(2)(F) of the 1933 Act authorizes a state filing where (1) the principal place of business of the issuer is in that state or (2) the state in which the purchasers of 50% or greater of the aggregate amount of the issue are residents.

This raises two important issues for which issuers will need regulatory guidance. The first concerns the interpretation of Section 18(c)(2)(F) of the 1933 Act as to permitted state filings. Use of the disjunctive “or” in Section 18(c)(2)(F) could be interpreted by issuers as Congress providing a mutually exclusive state filing provision wherein an issuer is required only to make a filing with the state where it maintains its principal place of business or the state where purchasers of 50% or more of the aggregate amount of the issue reside. However, it is not outside the realm of possibility that NASAA members could read the disjunctive “or” in Section 18(c)(2)(F) as a conjunctive “and.”

If NASAA members subscribe to the latter interpretation, it is only fair that the Proposed Rule put issuers on notice that they may have to make a filing with up to three states: the state where the issuer maintains its principal place of business and up to two additional states if there is an even split of purchasers of 50% of the aggregate amount of the issue residing in two different states in addition to the state where the issuer maintains its principal place of business.

It is self-evident that requiring a filing in more than one state serves to impose higher compliance costs and burdens on start-up and small business issuers. NASAA would be doing small business issuers a great service if the Proposed Rule affirmatively stated that issuer needed only to file the Proposed Notice Form with one state.

Ideally for purposes of investor protection, the Proposed Rule should require that the issuer need only file the Proposed Notice Form with the state where it maintains its principal place of business at the time it files Form C with the SEC. This would provide the state where the issuer maintains its principal place of business with timely notification of a crowdfunding offering being undertaken by an issuer located within its state. This also would make compliance easier for small business issuers in that they would know up front that they must make a filing with the state where they maintain their principal place of business at the same time they file Form C with the SEC.

The second issue is defining, for purposes of triggering a state filing requirement, what constitutes an issuer's "principal place of business" and how residency of a purchaser is determined. In conjunction with issuance of the Final Release, the SEC did propose a number of amendments to SEC Rule 147 which addressed the issue of principal place of business of the issuer and what constituted a resident of a state ("Rule 147 Release").⁴

In the Rule 147 Release, the SEC proposed defining the principal place of business of the issuer as the location in which officers, partners, or managers of the entity primarily direct, control and coordinate the activities of the issuer.⁵ This was intended to align the rule with modern business practices which, according to the Rule 147 Release, a significant number of companies are incorporated in states other than where the principal place of business is located.

With respect to the definition of "resident," the Rule 147 Release would require that the issuer have a reasonable belief that an individual is a resident of a state in which they maintain their principal residence.⁶ In this regard, the Rule 147 Release states that issuers could establish this reasonable belief through documentation such as a recently dated utility bill, paystub, information contained on a federal or state tax form or any state-issued documentation such as a driver's license or identification card.⁷ The reasonable belief standard is intended to replace the current requirement that the issuer obtain a written representation from each purchaser as to his or her residence.

We submit that the definitions provided by the Rule 147 Release are not satisfactory for purposes of complying with the Proposed Rule because of the unwarranted burden placed upon issuers to parse through the complexity of these definitions. For simplicity, we suggest that the Proposed Rule clarify that, for purposes of determining a state where the issuer maintains its principal place of business, such state shall be presumed conclusively to be the state appearing as the physical address of the issuer on SEC Form C.

⁴ SEC Release No. 33-9733.

⁵ This definition is consistent with definition of principal place of business in Rule 203A-3(c) of the Investment Advisers Act of 1940, as amended.

⁶ Rule 147 Release at p. 164.

⁷ *Id.* at p. 30.

In the case of an individual, a purchaser should be deemed to be a resident of the state contained in the address appearing on the individual's account maintained by the funding portal or broker. If more than one individual is on the account and such individuals have addresses on the account from different states, the state contained in the address of the first individual appearing on the account should control. For purposes of a purchaser which is a non-natural person, the state of residence should be the state under whose laws the non-natural person was organized.

6. Information in the Proposed Notice Form should parallel that required in the Reg. A Notice and be limited to information filed with the SEC.

Issuers are required by the Proposed Notice Form to represent that "any funding portal, broker-dealer, issuer-dealer, or securities salesperson licensing requirements have been satisfied in those jurisdictions where it is required." There is no similar provision in the Reg. A Notice adopted by NASAA nor is there any similar provision in SEC Form C or, for that matter, in SEC Form D which states receive as a notice filing under the same regulatory structure embodies in Section 18(c)(2) of the 1933 Act.

In addition to the absence of this provision in the Reg. A Notice which deals with much larger offering amounts over which there likely would be more state regulatory concern, including this provision in the Proposed Rule is problematic on a number of levels. First, it infers that there is state registration jurisdiction over SEC-registered funding portals and associated persons of those funding portals which is prohibited by Section 15(i)(2) of the Securities Exchange Act of 1934, as amended. Second, states lack statutory authority under Section 18 of the 1933 Act to require such a representation. Requiring issuers to make such a representation, in the words of the 2002 New York State Bar Association Position Paper on Private Offering Exemptions and Exclusions (quoting a House Report on the National Securities Markets Improvement Act of 1996 ("NSMIA")) would, "reconstruct in a different form the regulatory regime for covered securities that section 18 has preempted."⁸

Third, an issuer will not have the information as to which jurisdictions would be relevant for this analysis since all account openings and transactions will take place on the electronic platform of the SEC-registered funding portal or broker. Fourth, requiring the issuer to undertake such analysis would require the engagement of counsel thereby increasing substantially the compliance costs on start-up and small business issuers. Fifth, reference to issuer-dealers is irrelevant in this context as only SEC-registered funding portals and brokers can effect transactions exempt from registration under Section 4(a)(6) of the 1933 Act. Sixth, states lack any ability to independently verify the representation.

⁸ Committee on Securities Regulation of the New York State Bar Association, "Private Offerings and Exclusions under the New York State Martin Act and Section 18 of the Securities Act of 1933" (2002).

Therefore, this representation should be deleted from the Proposed Notice Form. In addition to the representation going beyond what is required by the SEC and not being required by NASAA with respect to the Reg. A Notice, we think that investor protection is well-served through the current registration and disclosure requirements set forth in SEC rules where intermediaries, which are defined in Regulation CF as SEC-registered funding portals or brokers and their associated persons, are obligated to:

- Be registered with the SEC and be a member of the Financial Industry Regulatory Authority;⁹
- Disclose to investors at the account opening stage as to the manner in which they will be compensated;¹⁰ and
- Inform investors at the account opening stage that any person who promotes an issuer's offering for compensation, whether past or prospective, or who is a founder or an employee of an issuer than engages in promotional activities on behalf of the issuer on the intermediary's platform, must clearly disclose in all communications on the platform the receipt of the compensation and the fact that he or she is engaging in promotional activities on behalf of the issuer.¹¹

In addition, we note that the Proposed Notice Form requires the issuer to provide the CRD number and street address and the jurisdictions in which the named person has solicited or intends to solicit investors whereas SEC Form C only requires the provision of the name, CIK number, SEC file number and CRD number of the intermediary through which the crowdfunding offering will be conducted. Again, we urge NASAA to conform the Proposed Notice Form to the Reg. A Notice which does not elicit this information and be mindful of the limitations imposed on the states wherein they can request only such information as has been filed with the SEC. Therefore, Item 7 of the Proposed Notice Form should be deleted.

Lastly, we think the Proposed Notice Form should parallel the Reg. A Notice and Item 6 concerning Related Persons should be deleted. There is no comparable provision in the Reg. A Notice and the information elicited by Item 6 is contained in contained in Items 3 and 4 of the optional question and answer offering statement contained in SEC Form C. Therefore, asking for the same information on the Proposed Notice Form which is contained in a document incorporated by reference therein and which is readily available to the state through EDGAR is duplicative and burdensome on start-up and small business issuers.

⁹ Final Release at p. 573; 17 CFR 227.300(c)(3).

¹⁰ Final Release at p. 577; 17 CFR 227.302(d)

¹¹ Final Release at 9. 277; 17 CFR 227.302(c).

7. With respect to imposing filing requirements for certain crowdfunding offerings, NASAA should avoid a repeat of the regulatory patchwork which developed after enactment of the National Securities Market Improvement Act of 1996 concerning Rule 506 offerings.

When establishing a regulatory filing requirement, we think it extremely important that the regulator thoroughly examine (1) the likelihood that the persons required to file the form will be aware of the filing requirement, (2) the likelihood that the person required to file the form will file it timely, (3) the appropriate consequences, if any, which should arise for a failure to file or a failure to timely file and (4) the implications of requiring a paper filing of a form in the absence of an online filing system. We believe that the state regulatory developments occurring after enactment of NSMIA should be instructive to NASAA with respect to the Proposed Rule.

For example, similar to the Proposed Rule, states adopted rules after enactment of NSMIA to require the filing of SEC Form D and payment of a filing fee for offerings of securities made in good faith reliance on Rule 506 of SEC Regulation D. In this regard, states adopted the same time period for filing of a copy of Form D which the SEC adopted in Rule 503 of Regulation D, i.e. 15 days after the first sale in the jurisdiction.

While Rule 508 of SEC Regulation D did not make a timely filing of Form D a condition for the availability of any exemption thereunder, various states have taken different positions as to whether failing to file Form D or an untimely filing of Form D constitutes a violation of state law requiring the filing of Form D within 15 days after the first sale in that jurisdiction. Some states have taken administrative enforcement action resulting in a public order and imposition of a monetary penalty (i.e. \$2,000)¹² whereas others have adopted a policy of accepting untimely filings but imposing a higher filing fee¹³ or stated that no civil liability arises for a failure to file or making an untimely filing.¹⁴ Furthermore, some states require an annual renewal of the Form D filing if the offering exceeds one year¹⁵ while others do not.¹⁶

We are very concerned that the Proposed Rule as written will evoke state regulatory responses similar to the patchwork which developed with respect to notice filings for Rule 506 offerings. We think it is more important that such patchwork not develop for crowdfunding offerings because, by definition, any annual capital raise is limited to \$1 million or less as

¹² E.g. Arkansas Securities Commission, *In the Matter of: Bluemountain CAIS CA L.P. and Blue Mountain Credit Alternative Fund, L.P.* (March 25, 2016).

¹³ E.g. Utah Division of Securities (\$500 late filing fee versus \$100 fee for timely filings); Kansas Securities Commissioner (late filing fee of the greater of \$500 or one-tenth of one percent of the dollar value of the securities sold to Kansas residents before the date on which the Form D was filed up to a maximum late filing fee of \$5,000 versus \$250 for timely filings); Iowa (\$250 late filing fee versus \$100 for timely filings); and Kentucky (\$500 fee for late filings versus \$250 for timely filings).

¹⁴ 70 Purdon's Pennsylvania Statutes §1-211(d).

¹⁵ E.g. South Carolina and Mississippi.

¹⁶ E.g. West Virginia and Wisconsin.

compared to Rule 506 offerings which have no maximum dollar limitation. In this regard, we would request that NASAA recommend to its members that crowdfunding issuers should not be subject to administrative action or higher filing fees for a failure to file or a failure to timely file. We also believe that adopting a position that crowdfunding issuers need only make a filing with the state where they maintain their principal place of business at the same time that they file SEC Form C would go a long way toward ensuring timely state filings by crowdfunding issuers.

This well could give the impression that NASAA members are more interested in maintaining bureaucratic prerogatives than in fostering small business capital formation. This would be a disappointing result particularly in light of all the positive work which NASAA has done heretofore in advocating intrastate crowdfunding exemptions for small businesses whilst the SEC labored away for too many years on developing its crowdfunding rules.

8. For the reasons stated herein, we suggest that the Proposed Rule and the accompanying Proposed Notice Filing be modified as follows.

- Due to the incorporation by reference provision in Item 8 of the Proposed Notice Form and the consent to service of process contained therein, the state only should require the filing of the Proposed Notice Form.
- There should be no filing fees, no requirement to file an amendment or annual renewal provision and Item 4 should delete references to “amendment” and “renewal.”
- Delete the third line of Item 4 as the exemption in Section 4(a)(6) of the 1933 Act is limited to a 12 month period.
- Delete the date of first sale in Item 4 as it is immaterial to events that may trigger the requirement to make a state filing and may create the impression on state regulatory staff who are familiar with filing requirements for Rule 506 offerings that the filing requirement for crowdfunding offerings is the same which, of course, it is not.
- Delete Items 6 and 7 their entirety.
- Delete the third representation in Item 8.
- Adopt a definition of “principal place of business” and how to determine state residency of purchasers as suggested herein as well as a definition of the terms “completion of the offering” and “aggregate amount of the issue.”

Michael Pieciak

June 23, 2016

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- Provide clarification on whether and under what circumstances an issuer may be subject to making a filing in more than one state with a preference that NASAA adopt a position that an issuer need only file in one state and that state should be the state where it maintains its principal place of business.
- Urge NASAA Members not to impose any late filing fee or commence an administrative enforcement action for failure to file or making an untimely filing of the Proposed Notice Form.

Again, we very much appreciate the opportunity to comment on the Proposed Rule and Proposed Notice Form and look forward to working with the NASAA Corporation Finance Section to address the comments set forth herein.

Respectfully submitted,



Martin Hewitt, Chair

ABA Committee on State Securities Regulation

Drafting Committee:

G. Philp Rutledge, Esq. (Bybel Rutledge LLP), Chair

Gary M. Emmanuel, Esq. (McDermott Will & Emery LLP)

Andrew D. Stephenson, Esq. (Crowdcheck, Inc.)

Enclosures: Chart on Crowdfunding Offerings Filed with the SEC (May 16, 2016 – June 20, 2016)

NASAA Uniform Notice of Regulation A – Tier 2 Offering

cc: Faith Anderson, Chair, NASAA Small Business/Limited Offerings Project Group

Anya Coverman, NASAA Deputy Director of Policy and Associate General Counsel

Mark Steward, NASAA Counsel

Issuer	Platform	Target Amount	Date Filed
Content Launch Solutions	FlashFunders	\$50,000	6/20/2016
Proof of Concept	Wefunder	\$50,000	6/17/2016
Hops and Grain Production	Wefunder	\$50,000	6/6/2016
Vigilante Gaming Bar	NextSeed	\$150,000	6/6/2016
Stratifund	SI Portal	\$200,000	6/2/2016
Pipeline Sports Network	StartEngine	\$300,000	6/2/2016
Popslate Media	Venture.co	\$250,000	5/25/2016
BYS Daily	Venture.co	\$400,000	5/25/2016
G Ride	TruCrowd	\$278,066	5/24/2016
Bomboard	Venture.co	\$250,000	5/24/2016
Cleveland Whiskey	Wefunder	\$100,000	5/20/2016
Shape Labs	Wefunder	\$50,000	5/19/2016
Still Company	Wefunder	\$50,000	5/19/2016
My Trail	Wefunder	\$50,000	5/18/2016
InvestFeed	Wefunder	\$25,000	5/18/2016
Turtlewise	StartEngine	\$99,999	5/17/2016
Sam Lee Laundry	Wefunder	\$50,000	5/17/2016
Kindred Brands	Wefunder	\$20,000	5/17/2016
Exemplars	Wefunder	\$50,000	5/17/2016
Nextdoorganics	Wefunder	\$50,000	5/17/2016
Kibin	Wefunder	\$25,000	5/17/2016
EveryFit	Wefunder	\$50,000	5/17/2016
Rocket Innovations	Wefunder	\$100,000	5/17/2016
SlingFin	Wefunder	\$50,000	5/17/2016
MobileSpike	FlashFunders	\$50,000	5/17/2016
Gigmor	StartEngine	\$300,000	5/16/2016
NextRX	StartEngine	\$80,000	5/16/2016
MF Fire	SI Portal	\$250,000	5/16/2016
Startmart Cleveland	SI Portal	\$200,000	5/16/2016
Qazing	StartEngine	\$22,400	5/16/2016
GameTree	StartEngine	\$100,000	5/16/2016
Graphic Armor	StartEngine	\$100,000	5/16/2016
Bloomery Investment Holdings	StartEngine	\$300,000	5/16/2016
TAXA Biotechnologies	Wefunder	\$400,000	5/16/2016
Urban Juncture	Wefunder	\$25,000	5/16/2016
Rodeo Donut	Wefunder	\$50,000	5/16/2016
N1CE USA	Wefunder	\$50,000	5/16/2016
Do	Wefunder	\$50,000	5/16/2016
Subsector Solutions	Wefunder	\$60,000	5/16/2016
Legion M Entertainment	Wefunder	\$500,000	5/16/2016
Beta Bionics	Wefunder	\$50,000	5/16/2016
Native Hostel Austin	NextSeed	\$275,000	5/16/2016

Average Target Size	\$133,583
Median Target Size	\$55,000

UNIFORM NOTICE OF REGULATION A – TIER 2 OFFERING

Pursuant to Section 18(b)(3) and (c)(2) of the Securities Act of 1933

Item 1. Issuer's Identity

Name of Issuer <input type="text"/>	Previous Name(s) <input checked="" type="checkbox"/> None <input type="text"/> <input type="text"/> <input type="text"/>	Entity Type (Select one) <input checked="" type="checkbox"/> Corporation <input checked="" type="checkbox"/> Limited Partnership <input checked="" type="checkbox"/> Limited Liability Company <input checked="" type="checkbox"/> General Partnership <input checked="" type="checkbox"/> Business Trust <input checked="" type="checkbox"/> Other (Specify) <input type="text"/>
Jurisdiction of Incorporation/Organization <input type="text"/>		
Year of Incorporation/Organization: <input type="text"/>		
CIK Number for Issuer: <input type="text"/>		

Item 2. Principal Place of Business

Street Address Line 1 <input type="text"/>	Street Address Line 2 <input type="text"/>		
City <input type="text"/>	State/Province/Country <input type="text"/>	ZIP/Postal Code <input type="text"/>	Phone No. <input type="text"/>

Item 3. Contact Person

Directions: Provide the name and contact information for the person to contact with questions about the filing of this notice.

Last Name <input type="text"/>	First Name <input type="text"/>	Firm Name <input type="text"/>
Street Address Line 1 <input type="text"/>	Street Address Line 2 <input type="text"/>	
City <input type="text"/>	State/Province/Country <input type="text"/>	ZIP/Postal Code <input type="text"/>
Phone <input type="text"/>	Fax <input type="text"/>	E-mail <input type="text"/>

Item 4. Identification of Offering

Type of filing: New Notice Amendment Renewal

Type of security:

SEC File Number for this offering:

Date of SEC qualification of this offering: OR Not yet qualified by SEC

Item 5. Information about the Offering

Does the issuer intend this offering to last more than one year? Yes No

Total offering amount \$

Item 6. Jurisdictions where the Offering will be made

Mark the jurisdictions below where the Offering will be made and to which this notice filing is directed:

- | | | | |
|----------------------------------------------------------|---------------------------------------------------|----------------------------------------------------|--------------------------------------------------------|
| <input checked="" type="checkbox"/> Alabama | <input checked="" type="checkbox"/> Illinois | <input checked="" type="checkbox"/> Montana | <input checked="" type="checkbox"/> Puerto Rico |
| <input checked="" type="checkbox"/> Alaska | <input checked="" type="checkbox"/> Indiana | <input checked="" type="checkbox"/> Nebraska | <input checked="" type="checkbox"/> Rhode Island |
| <input checked="" type="checkbox"/> Arizona | <input checked="" type="checkbox"/> Iowa | <input checked="" type="checkbox"/> New Hampshire | <input checked="" type="checkbox"/> South Carolina |
| <input checked="" type="checkbox"/> Arkansas | <input checked="" type="checkbox"/> Kansas | <input checked="" type="checkbox"/> New Jersey | <input checked="" type="checkbox"/> South Dakota |
| <input checked="" type="checkbox"/> California | <input checked="" type="checkbox"/> Kentucky | <input checked="" type="checkbox"/> New Mexico | <input checked="" type="checkbox"/> Tennessee |
| <input checked="" type="checkbox"/> Colorado | <input checked="" type="checkbox"/> Louisiana | <input checked="" type="checkbox"/> New York | <input checked="" type="checkbox"/> Texas |
| <input checked="" type="checkbox"/> Connecticut | <input checked="" type="checkbox"/> Maine | <input checked="" type="checkbox"/> Nevada | <input checked="" type="checkbox"/> Utah |
| <input checked="" type="checkbox"/> Delaware | <input checked="" type="checkbox"/> Maryland | <input checked="" type="checkbox"/> North Carolina | <input checked="" type="checkbox"/> U.S. Virgin Island |
| <input checked="" type="checkbox"/> District of Columbia | <input checked="" type="checkbox"/> Massachusetts | <input checked="" type="checkbox"/> North Dakota | <input checked="" type="checkbox"/> Vermont |
| <input checked="" type="checkbox"/> Florida | <input checked="" type="checkbox"/> Michigan | <input checked="" type="checkbox"/> Oklahoma | <input checked="" type="checkbox"/> Virginia |
| <input checked="" type="checkbox"/> Georgia | <input checked="" type="checkbox"/> Minnesota | <input checked="" type="checkbox"/> Ohio | <input checked="" type="checkbox"/> Washington |
| <input checked="" type="checkbox"/> Hawaii | <input checked="" type="checkbox"/> Mississippi | <input checked="" type="checkbox"/> Oregon | <input checked="" type="checkbox"/> West Virginia |
| <input checked="" type="checkbox"/> Idaho | <input checked="" type="checkbox"/> Missouri | <input checked="" type="checkbox"/> Pennsylvania | <input checked="" type="checkbox"/> Wisconsin |
| | | | <input checked="" type="checkbox"/> Wyoming |

Item 7. Signature and Submission

By filing this notice, the issuer hereby represents that:

- The documents filed with the Securities and Exchange Commission under the file number for this offering indicated above are hereby incorporated by reference with this notice.
- The issuer hereby irrevocably appoints the Securities Administrator or other legally designated officer of the jurisdiction(s) in which this notice is filed, as its agents for service of process upon whom may be served any notice, process or pleading in any action or proceeding against it arising out of, or in connection with, the sale of securities and the undersigned does hereby consent that any such action or proceeding against it may be commenced in any court of competent jurisdiction and proper venue within the jurisdiction in which this notice is filed by service of process upon the officers so designated with the same effect as if the undersigned was organized or created under the laws of that jurisdiction and have been served lawfully with process in that jurisdiction. It is requested that a copy of any notice, process, or pleading served hereunder be mailed to:

Name

Address

- The issuer has included the required filing fees (if any) with the submission of this notice to each jurisdiction indicated.

The issuer has read this notice, knows the contents to be true, and has duly caused this notice to be signed on its behalf by the undersigned duly authorized person.

Signature

Name of Signer (Print)

Title

Date