

NOTICE OF REQUEST FOR PUBLIC COMMENTS REGARDING UPDATES TO THE SCOR STATEMENT OF POLICY AND THE SCOR FORM (FORM U-7)

November 1, 2018

The North American Securities Administrators Association, Inc. (“NASAA”) is requesting public comments regarding proposed updates to the SCOR Statement of Policy and the SCOR Form (Form U-7). The SCOR Statement of Policy was last updated in 1996 and the SCOR Form was last updated in 1999. Since that time, the internet has been embraced as a method of raising capital in small offerings to retail investors through crowdfunding and the formatting tools available for offering documents have evolved. In addition, the offering amount limitation under federal Rule 504 was increased from \$1 million to \$5 million. NASAA is proposing updates to the SCOR Statement of Policy to increase the offering limit from \$1 million to \$5 million and to incorporate many of the investor protections that have been put in place under state and federal crowdfunding laws, including investment limits, sales report requirements, and ongoing reporting requirements. Other existing provisions from the SCOR Statement of Policy have been updated and modernized in the interests of both investor protection and capital formation. NASAA is also seeking comments on a comprehensive update of the SCOR Form. The updated SCOR Form includes updates drawn from intrastate crowdfunding forms, federal Form C, word processing features, and changes in federal law. Summaries of the proposed changes to the SCOR Statement of Policy and SCOR Form are discussed in further detail below.

Comments on the proposed changes are due by **December 3, 2018**. To facilitate consideration of comments, please send comments to Lisa Hopkins (lisa.hopkins@wvsao.gov), Chair of the Corporation Finance Section; Faith Anderson (faith.anderson@dfi.wa.gov), Chair of the Small Business/Limited Offerings Project Group; Christopher Staley (nasaacomment@nasaa.org), Assistant General Counsel, NASAA; and Mark Stewart (nasaacomment@nasaa.org), Counsel, NASAA. We encourage, but do not require, comments to be submitted by e-mail. Hard copy comments may be submitted at the address below.

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NASAA
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Washington, DC 20002

Note: After the comment period has closed, NASAA will post to its website the comments it receives as submitted by the authors. Parties should therefore only submit information that they wish to make publicly available. Further, the following notice will appear on NASAA’s website where comments are posted: NASAA, its agents, and employees accept no responsibility for the content of the comments posted on this Web page. The views, expressions, and opinions expressed in the comments are solely those of the author(s).

Introduction

The Securities and Exchange Commission (“SEC”) amended federal Rule 504¹ effective January 20, 2017 to increase the offering amount limitation thereunder from \$1 million to \$5 million.² In addition, the SEC amended the intrastate offering exemption in federal Rule 147³ and adopted a new intrastate exemption as Rule 147A⁴. The stated purpose of these amendments is “to facilitate capital formation, including through offerings relying upon intrastate crowdfunding provisions under state securities laws, while maintaining appropriate investor protections and providing state securities regulators with the flexibility to add additional investor protections they deem appropriate for offerings within their state.”⁵ In light of these changes, the members of the Small Business/Limited Offerings Project Group (“Project Group”) determined that updates to the SCOR program are appropriate to breathe new life into this program and to allow issuers to more fully take advantage of this program under the amended federal rules. In that vein, NASAA has proposed updates to the SCOR Statement of Policy and a comprehensive rewrite of the SCOR Form. Summaries of the changes to the Statement of Policy and the SCOR Form are set forth below.

Summary of Changes to the SCOR Statement of Policy

Various updates to the SCOR Statement of Policy have been proposed. The proposed amendments incorporate many of the investor protections that have been put in place under state and federal crowdfunding laws, including investment limits, sales report requirements, and ongoing reporting requirements.

Availability of SCOR

The proposed amended SCOR Statement of Policy amends the types of federally exempt offerings that can be registered at the state level under the SCOR Statement of Policy in light of changes in federal law since the Statement of Policy was last amended in 1996. Regulation A offerings would no longer be permitted under the Statement of Policy in light of the fact that offerings made under Regulation A must now be made using the federal Form 1-A and the offering amount is no longer capped at \$5 million.⁶ Further, the proposed amended Statement of Policy would additionally allow SCOR registration of intrastate offerings exempt under new federal Rule 147A.

¹ 17 C.F.R. § 230.504

² Exemptions to Facilitate Intrastate and Regional Securities Offerings, SEC Release Nos. 33-10238, 34-79161, Oct. 26, 2016, *available at* <https://www.sec.gov/rules/final/2016/33-10238.pdf>.

³ 17 C.F.R. § 230.147

⁴ 17 C.F.R. § 230.147A

⁵ *Id.*

⁶ Amendments to Regulation A, SEC Release No. 33-9741, Mar. 25, 2015, *available at* <https://www.sec.gov/rules/final/2015/33-9741.pdf>.

Offering amount limit

In light of the increase in the offering amount limit under federal Rule 504, the offering amount limit in the proposed amended SCOR Statement of Policy would be increased from \$1 million to \$5 million.

Offering price of securities offered

The existing SCOR Statement of Policy contains a requirement that the offering price for securities offered must be greater or equal to \$1.00 per share or unit of interest. The members of the Project Group believe this is a dated requirement that serves no useful investor protection purpose while limiting issuers in pricing their securities. Thus, this requirement is eliminated in the proposed amended Statement of Policy.

Financial statement requirements

The existing SCOR Statement of Policy requires the SCOR Form to include financial statements prepared in accordance with either US or Canadian generally accepted accounting principles and that all financial statements except interim financial statements be audited. The Statement of Policy provides that the financial statements may instead be reviewed if certain conditions are satisfied, including that the offering amount is \$1 million or less.

Several changes to these requirements have been proposed in the interest of balancing investor protection and facilitating capital formation. First, the proposed amended Statement of Policy would require that the issuer's chief executive officer and chief financial officer certify that the annual financial statements are true and complete in all material respects. Second, interim financial statements must be provided if the annual financial statements are dated more than 120 days prior to the date of filing. Third, the financial statements do not necessarily have to be audited. The proposed amended Statement of Policy provides tiered compilation, review, and audit requirements for the financial statements based on the amount of the offering. The tiers and requirements for the financial statements are represented in the table below.

Offering Amount	Financial Statement Requirement
\$0 to \$500,000	Unaudited
\$500,001 to \$999,999	Compilation
\$1,000,000 to \$1,999,999	Review
\$2,000,000 to \$5,000,000	Audit

The concept of a tiered approach to the level of review that must be obtained is based in part on the tiered approach to financial statements required under federal Regulation CF.⁷ The Project Group members determined not to follow the tiered requirements in Regulation CF and have proposed tiered requirements that are less onerous, however, based on the fact that offerings under the SCOR Statement of Policy would be registered and subject to review and comment by

⁷ 17 C.F.R. Part 227

state examiners, as opposed to Regulation CF offerings that are not reviewed by SEC staff. The tiered requirements proposed by the members of the Project Group also reflect our interest in facilitating capital formation in a manner that is competitive with other exempt offering types that provide for preemption of state law and that do not adequately protect investors (specifically Reg. D, Reg. A Tier 2, and Reg. CF).

In those states that adopt the SCOR Statement of Policy, it is intended that the financial statement requirements set forth in the SCOR Statement of Policy would supersede financial statement requirements that are set forth elsewhere in state law in the interest of uniformity and the facilitation of capital formation.

Bad actor disqualification

The proposed updated SCOR Statement of Policy includes amendments to the bad actor disqualification provision in light of changes to federal law since the Statement of Policy was last amended in 1996. Since that time, the SEC adopted a bad actor disqualification that is applicable in both Rule 506 and Rule 504 offerings. In addition, the bad actor disqualification in Regulation A was amended in the Commission's 2015 amendments. A comprehensive review of the federal bad actor provisions in comparison to the existing bad actor disqualification was completed and the proposed amended SCOR Statement of Policy includes a more complete disqualification provision that merges aspects of the federal bad actor provisions with the bad actor disqualification under the existing SCOR Statement of Policy. This new disqualification provision seeks to capture individuals materially participating in the offering or the operations of the issuer, as well as events that may indicate the potential for fraud, keeping in mind the nature of these offerings and the types of issuers that may conduct SCOR offerings. In addition, the proposed provision does not grandfather any bad acts that occurred prior to the adoption of the SCOR Statement of Policy unlike similar federal provisions.

Applicability of other NASAA Statements of Policy to SCOR offerings

In a new section, Section V, the proposed amended Statement of Policy provides that offerings will be reviewed for disclosure and for compliance with applicable Statements of Policy with certain modifications incorporated from NASAA's Coordinated Review Protocol for Regulation A offerings. Specifically, the proposed amended Statement of Policy provides that SCOR offerings will not be required to comply with the Statement of Policy Regarding Promoters' Equity Investment and the lock-in or escrow periods from the Statement of Policy Regarding Promotional Shares are shortened.

It is intended that the proposed amended SCOR Statement of Policy, when adopted in a jurisdiction, will render inapplicable any state specific merit requirements set forth elsewhere in state law with respect to a SCOR offering in favor of the uniform merit standards established by the NASAA Statements of Policy. This provision is bracketed to signify that its adoption is optional. States that apply merit review standards would be encouraged to adopt this bracketed provision while disclosure review jurisdictions could choose not to include it in their adoption of the Statement of Policy.

Investment Limits

The proposed amended SCOR Statement of Policy would incorporate the individual investment limits from federal Regulation CF. It is believed that such a limitation is appropriate to balance the investor protection concerns with the simplified disclosure and financial statement requirements provided for in SCOR offerings.

Sales report

The proposed amended SCOR Statement of Policy would incorporate a sales reporting requirement similar to that contained in intrastate crowdfunding laws and federal Regulation CF.

Ongoing reporting requirements

The proposed amended SCOR Statement of Policy would require an issuer to provide annual financial statements to the issuer's security holders, and upon request to the jurisdictions where the offering was registered, no later than 120 days after the end of the issuer's fiscal year. The financial statements would be required to be certified by the issuer's chief executive officer and chief financial officer to be true and complete in all material respects. The issuer would be permitted to provide the financial statements to its security holders by posting them on its website. While the financial statements would not be required to be audited, the issuer would be required to provide reviewed and/or audited financial statements if otherwise available.

These requirements are based on those contained in Regulation CF. These requirements are considered appropriate despite the fact that a SCOR offering will be subject to greater regulatory scrutiny than a Regulation CF offering because the offering amount limit is higher under the proposed amended SCOR Statement of Policy and a common complaint from investors in small businesses is the inability to obtain information from the company after the offering has been completed.

Summary of Changes to the SCOR Form (Form U-7)

NASAA is proposing a comprehensive update of the SCOR Form. In updating the SCOR Form, the Project Group sought to streamline the Form as much as possible without compromising the quality of disclosure elicited by the Form. The necessity and investor protection purpose of every item was questioned before including it within the proposed updated SCOR Form.

Items viewed as duplicative or unnecessary to ensure all material information is disclosed were eliminated. Word processing features are incorporated that allow sections to be expanded as necessary by clicking a button or the expansion of a text box as text is typed. The proposed amended SCOR Form includes some common standardized risk factors that may be checked off, other checkboxes, and dropdown lists. The instructions were moved from the main text of the document to instead appear as grey scale that disappears once the user starts completing that item. Page numbers were eliminated from the Table of Contents as our experience is that issuers often struggle with maintaining the accuracy of the page numbers, the page numbers provide limited value, and these offerings may move to an online platform where page numbers would be

irrelevant. Finally, consent to service of process language is included in the signature block of the Form.

Conclusion

Comments on the proposed updated SCOR Statement of Policy and SCOR Form are due **December 3, 2018**. The following documents are attached to this proposal:

- Proposed Amendments to the Small Company Offerings Registrations (SCOR) Statement of Policy – *Exhibit A*
- Proposed Amendments to the NASAA SCOR Form (Form U-7) – *Exhibit B*

Exhibit A

Small Company Offering Registrations (SCOR) Statement of Policy

Adopted April 28, 1996; Amended XX

I. Introduction

The following guidelines of the North American Securities Administrators Association, Inc. (“NASAA”) provide for the uniform treatment of Small Company Offering Registrations (“SCOR” offerings) which are exempt from federal registration under the Securities Act of 1933 pursuant to Rule 504 of Regulation D, Rule 147, or Rule 147A, to promote capital formation and are consistent with investor protection.

II. Application

The requirements contained in this Statement of Policy apply to registrations for offerings of up to \$5,000,000 in a twelve month period that utilize the SCOR Form (Form U-7) and are exempt from federal registration under (1) Rule 504 of Regulation D; (2) Rule 147 under the Securities Act of 1933; or (3) Rule 147A under the Securities Act of 1933.

III. Issuer Eligibility

Issuers seeking registration under this Statement of Policy must:

- A. Be an entity organized under the laws of the United States or Canada, or any State, Province, Territory or possession thereof, or the District of Columbia, with its principal place of business in the United States or Canada;
- B. Not be subject to the reporting requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934 or not be a reporting issuer under Canadian securities legislation;
- C. Not be an investment company registered or required to be registered under the Investment Company Act of 1940, or exempt from registration as such; not be excepted from the definition of an investment company under Section 3(c) of the Investment Company Act of 1940; or not be an investment fund under Canadian securities legislation;
- D. Not be issuing fractional undivided interests in oil or gas rights, or a similar interest in other mineral rights;
- E. Not be a development stage company that either has no specific business plan or purpose, or has indicated that its business plan is to merge with or acquire an unidentified company or companies; and
- F. Not be disqualified under Section VI of this Statement of Policy.

IV. Payment of Sales Commissions

Commissions, fees, or other remuneration for soliciting any prospective purchaser in connection with the offering in the state are only paid to persons who, if required to be registered or licensed, are appropriately registered or licensed in the state.

V. Financial Statements

- A. The issuer must file with the Securities Administrator (“Administrator”) and provide to investors annual financial statements, certified by the issuer’s chief executive officer and chief financial officer, or other individual serving in a similar capacity, to be true and complete in all material respects.
- B. The annual financial statements must be dated as of the end of the issuer's most recent fiscal year unless the issuer is newly organized and has not reached its fiscal year end, in which case the financial statements must be dated within one hundred twenty days prior to filing. If the date of the issuer’s most recent fiscal year end is more than one hundred twenty days prior to the date of filing, the issuer must also submit an unaudited balance sheet and unaudited statement of income or operations for the issuer's most recent fiscal quarter.
- C. The financial statements must be prepared in accordance with generally accepted accounting principles in the United States, and must include a balance sheet, statement of comprehensive income, statement of cash flows, statement of changes in stockholders’ equity and notes to the financial statements. If the issuer is organized under the laws of Canada or a province or territory of Canada, the issuer may alternatively provide equivalent financial statements that are prepared in accordance with generally accepted accounting principles in Canada. If the financial statements are not audited, they must be labeled as “unaudited.”
- D. The annual financial statements must meet the following standards:
 1. For offerings that have an aggregate offering amount of \$500,000 or less, the issuer may provide unaudited and unreviewed financial statements. If the issuer has obtained financial statements that have been compiled, reviewed, or audited by an independent certified public accountant, the issuer must provide those financial statements.
 2. For offerings that have an aggregate offering amount of more than \$500,000 but less than \$1,000,000, the financial statements must be compiled by an independent certified public accountant. If the issuer has obtained financial

statements that have either been reviewed or audited by an independent certified public accountant, the issuer must provide those financial statements.

3. For offerings that have an aggregate offering amount of \$1,000,000 to less than \$2,000,000, the financial statements must be reviewed by an independent certified public accountant. If the issuer has obtained financial statements that have been audited by an independent certified public accountant, the issuer must provide those financial statements.
4. For offerings that have an aggregate offering amount of \$2,000,000 or more, financial statements of the issuer must be audited by an independent certified public accountant.

VI. Bad Actor Disqualification

A. Unless the Administrator determines that it is not necessary under the circumstances to disqualify an offering under this Section, registration under these guidelines is not available to an issuer if, in the United States, or in circumstances determined by the Administrator to be comparable in a foreign jurisdiction, to the extent applicable under the laws, rules, requirements, policies, or directives of that jurisdiction, the issuer, any of the issuer's predecessors, any affiliated issuer, any of the issuer's directors, executive officers, other officers participating in the offering, general partners, beneficial owners of twenty percent or more of any class of its equity securities, promoters presently connected with the issuer in any capacity, or any selling agents of the securities to be offered, or any executive officer or other officer participating in the offering, director, or partner of such selling agent:

1. Within the last five years, has filed an application for registration which is the subject of a currently effective registration stop order entered pursuant to any federal or state securities law;
2. Within the last ten years, has been convicted of any felony or misdemeanor in connection with the offer, purchase, or sale of any security or any felony involving fraud or deceit, including but not limited to forgery, embezzlement, obtaining money under false pretenses, larceny, or conspiracy to defraud;
3. Is subject to court-imposed sanctions within the last five years due to a conviction on state, federal or international criminal charges for tax evasion or tax fraud, or is subject to any of the following in connection with such conviction: tax liens; court-ordered judgments; wage garnishments; bank levies; or treasury or refund offsets;
4. Is currently subject to any order, judgment, or decree of any court of competent jurisdiction, entered within the last five years, temporarily,

preliminarily or permanently restraining or enjoining such party from engaging in or continuing any conduct or practice:

- a. In connection with the purchase or sale of any security;
 - b. Involving the making of any false filing with any state or the Securities and Exchange Commission; or
 - c. Arising out of the conduct of the business of an underwriter, broker, dealer, municipal securities dealer, investment adviser, or paid solicitor of purchasers of securities;
5. Is subject to an order of a state securities commission (or an agency or officer performing like functions); a state authority that supervises or examines banks, savings associations, or credit unions; a state insurance commission (or an agency or officer performing like functions); an appropriate federal banking agency; the U.S. Commodity Futures Trading Commission; or the National Credit Union Administration that:
- a. At the time of application, bars the person from:
 - i. Association with an entity regulated by such commission, authority, agency, or officer;
 - ii. Engaging in the business of securities, insurance, or banking; or
 - iii. Engaging in savings association or credit union activities; or
 - b. Constitutes a final order based on a violation of any law or regulation that prohibits fraudulent, manipulative, or deceptive conduct entered within ten years before application;
6. Is subject to any state administrative enforcement order, or order of the Securities and Exchange Commission that, at the time of application:
- a. Suspends or revokes such person's registration as a broker, dealer, municipal securities dealer, or investment adviser;
 - b. Places limitations on the activities, functions, or operations of such person;
 - c. Bars such person from being associated with any entity or from participating in the offering of any penny stock;
7. Is subject to any order of the Securities and Exchange Commission, entered within five years of application that, at the time of such application, orders the person to cease and desist from committing or causing a violation or future violation of:
- a. Any scienter-based anti-fraud provision of the federal securities laws, including without limitation section 17(a)(1) of the Securities Act of 1933 (15 U.S.C. 77q(a)(1)), section 10(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78j(b)) and 17 CFR 240.10b-5, section 15(c)(1) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(c)(1))

and section 206(l) of the Investment Advisers Act of 1940 (15 U.S.C. 80b-6(1)), or any other rule or regulation thereunder; or

b. Any securities registration or prospectus requirements, including without limitation section 5 of the Securities Act of 1933 (15 U.S.C. 77e);

8. Is suspended or expelled from membership in, or suspended or barred from association with a member of, a registered national securities exchange or a registered national or affiliated securities association for any act or omission to act constituting conduct inconsistent with just and equitable principles of trade;
9. Has filed (as a registrant or issuer), or was named as an underwriter in, any registration statement or Regulation A offering statement filed with the Securities and Exchange Commission or state securities commission (or an agency performing like functions) that, within five years before application, was the subject of a refusal order, stop order, or order suspending the Regulation A exemption, or is, at the time of application, the subject of an investigation or proceeding to determine whether a stop order or suspension should be issued;
10. Is subject to a United States Postal Service false representation order entered within five years before application, or is, at the time of such application, subject to a temporary restraining order or preliminary injunction with respect to conduct alleged by the United States Postal Service to constitute a scheme or device for obtaining money or property through the mail by means of false representations; or
11. Is found to have violated any other law governing or regulating any aspect of the business of securities or banking or, within the past five years, has been the subject of an action of a securities regulator denying, revoking, or suspending the right to engage in the business of securities as a broker, dealer, agent, or investment adviser or is the subject of an action of any securities exchange or self-regulatory organization operating under the authority of a securities regulator suspending or expelling such person from membership in such exchange or self-regulatory organization.

B. The prohibitions of this Section do not apply if:

1. The jurisdiction which created the basis for disqualification determines upon a showing of good cause that it is not necessary under the circumstances that registration be denied;
2. If, before the application for registration is submitted, the court or regulatory authority that entered the relevant order, judgment, or decree advises in writing (whether contained in the relevant judgment, order, decree, or

separately to the securities administrator or its staff) that disqualification should not arise as a consequence of such judgment, order, or decree; or

3. The disqualifying events relating to any affiliated issuer occurred before the affiliation arose, provided the affiliated entity is not:
 - a. In control of the issuer; or
 - b. Under common control with the issuer by a third party that was in control of the affiliated entity at the time of such events.

C. It is a defense to a violation of this Section if the issuer sustains the burden of proof to establish that the issuer did not know and in the exercise of reasonable care could not have known that a disqualification under this Section existed.

VII. [Review Standards

A. Offerings will be reviewed for disclosure and for compliance with applicable NASAA statements of policy, modified as follows:

1. The Statement of Policy Regarding Promoters' Equity Investment does not apply; and
2. The Statement of Policy Regarding Promotional Shares applies except that one-half (1/2) of any promotional shares required to be locked-in or escrowed may be released on the first and second anniversary of the date of completion of the offering, such that all shares may be released from lock-in or escrow by the second anniversary of the date of completion of the offering.

B. The Administrator upon a showing of good cause may waive any applicable standard set forth in this Statement of Policy or applicable law.^{1]}

VIII. Investment Limits

A. In each sale of securities in a SCOR offering, the issuer must reasonably believe that the aggregate amount of securities sold to any investor by one or more issuers offering or selling securities under a SCOR offering during the twelve-month period preceding the date of sale, together with the securities sold by the issuer to the investor, does not exceed:

¹ This Section concerning Review Standards is bracketed to signify that its adoption is optional. States that apply merit standards are encouraged to adopt this provision while disclosure review jurisdictions may choose to exclude this provision in their adoption of this Statement of Policy.

1. The greater of \$2,000 or 5 percent of the lesser of the investor's annual income or net worth if either the investor's annual income or net worth is less than \$100,000; or
 2. 10 percent of the lesser of the investor's annual income or net worth, not to exceed an amount sold of \$100,000, if both the investor's annual income and net worth are equal to or more than \$100,000.
- B. For the purpose of determining the annual income of an investor under this section, the annual income of an investor is the investor's lowest annual net income out of the two most recently completed calendar or fiscal years, provided that the investor has a reasonable expectation of having at least that amount of net income in the current calendar or fiscal year.
- C. For the purpose of calculating the net worth of an investor under this section:
1. The investor's primary residence must not be included as an asset;
 2. Indebtedness that is secured by the investor's primary residence, up to the estimated fair market value of that primary residence at the time of the sale of securities, must not be included as a liability (except that if the amount of such indebtedness outstanding at the time of the sale of securities exceeds the amount outstanding sixty days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess must be included as a liability); and
 3. Indebtedness that is secured by the investor's primary residence in excess of the estimated fair market value of the primary residence must be included as a liability.

IX. Sales Report

- A. No later than 30 days after the termination or completion of an offering, the issuer must file a sales report with the Administrator.
- B. If an issuer's SCOR offering has not terminated or completed within twelve months of registration, the issuer must file a sales report containing the information required in Section VIII.A for the initial twelve months.

X. Ongoing Reporting Requirements

- A. For as long as securities issued in the SCOR offering remain outstanding, an issuer must provide annual financial statements to the issuer's security holders, and to the

Administrator upon request, no later than one hundred twenty days after the end of the fiscal year covered by the report. The financial statements must be certified by the issuer's chief executive officer and chief financial officer, or other individual serving in a similar capacity, to be true and complete in all material respects. An issuer may provide the report to its security holders by posting a copy of the report on the issuer's web site or via electronic mailing.

If an issuer has available financial statements that have either been reviewed or audited by an independent certified public accountant, those financial statements must be provided to security holders.

- B. The issuer is required to comply with the ongoing reporting requirements of this Section until the earlier of the following occurs:
1. The securities issued in connection with the SCOR offering are no longer outstanding; or
 2. The issuer liquidates or dissolves its business in accordance with applicable law.

Exhibit B

NASAA SCOR FORM

(Insert Company Logo)

(Exact name of Company as set forth in the organizational documents)

(Insert the names of any DBAs, if applicable)

Investing in a small business is often risky. You should not invest any money in this offering unless you can afford to lose your entire investment. You may not earn any income such as dividends or interest on this investment. You may not be able to sell your securities or recover any part of your investment and may have to hold the securities indefinitely because there is no market to readily sell the Company's securities. Following your investment, you may receive little information about the Company or about your investment. See Item 1 for a discussion of the risk factors that management believes present the most substantial risks to you.

The Offering

Type of securities offered

- Common stock
- Preferred stock
- Limited Liability Company Membership Interests
- Limited Partnership Interests
- Other (specify):

Price per security

\$
\$
\$
\$
\$

Sales commission, if any:

 %

Offering amount: Minimum:

 \$

Maximum:

 \$

The minimum offering deadline in this offering is

Principal Place of Business

Street Address Line 1

Street Address Line 2

City

State

ZIP/Postal Code

Website

Phone

Person to Contact at the Company with Respect to the Offering

Last Name

First Name

Title

Firm Name

Street Address Line 1

Street Address Line 2

City

State/Province/Country

ZIP/Postal Code

Phone

Fax

E-mail

The date of this Disclosure Document is

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You should carefully review and rely only on the information in this Disclosure Document when making a decision about investing. If anyone gives you more or different information, you should ignore it.

No government regulator is recommending these securities. No government regulator has verified that this document is accurate or determined that it is adequate. It is illegal for anyone to tell you differently.

RISK FACTORS

Securities laws require that a company warn prospective purchasers of all material risks that apply to the company and its offering. A company that fails to disclose all material risks may face liability under state and federal law.

1. The following is a summary of the material risks that apply to the Company and this offering. The Company has checked off risks that it has identified as applicable to this offering, and has included additional risk factors that are unique to the Company. You should carefully consider these risks prior to investing in this offering. Failure to disclose all material risks may cause the Company, its officers, directors, managers, and/or promoters to be liable for securities fraud.

Operating History

- The Company has limited or no operating history. As a new enterprise, the Company is likely to be subject to risks that management has not anticipated.
- Because the Company has only been operating for a short period of time, it has produced little or no profit. There is no assurance that it will ever produce a profit.
- You may lose your entire investment. You should not invest in this offering unless you can afford to lose your entire investment.

Limited Resources/Losses

- The Company has limited resources and will not be able to continue operating without the proceeds from this offering. It is possible that the proceeds from this offering and other resources may not be enough for the Company to continue operating.
- The Company expects to experience losses from its operations and cannot predict when or if it will become profitable. If the Company becomes profitable, it may not be sustainable.
- The Company has incurred losses since inception and may incur future losses. The Company has not yet generated a profit from operations. As of the date of the Company's most recent financial statements, it had an accumulated deficit of .

Experience of Management

- None of the Company's executive officers, directors, and/or managers has managed a company in this industry. The Company's ability to operate successfully may depend on its ability to attract and retain qualified personnel, who may be in great demand.
- None of the Company's executive officers, directors, and/or managers has experience in managing an enterprise that is in a development stage.
- Prior to organizing the Company, one or more of its executive officers, directors, and/or managers operated a business in which shareholders lost part or all of their investment. The Company's ability to operate successfully may depend on its executive officers, directors, and/or managers to succeed where they have failed before.
- The Company's executive officers, directors, and/or managers will continue to have substantial ownership and control over the Company after the offering.
- The Company's success depends substantially on the experience and knowledge of its executive officers, directors, and/or managers. The Company may be harmed if it loses their services and it is not able to attract and retain qualified replacements.

- The Company does not maintain key person life or disability insurance on executive officers, directors, and/or managers that are important to the Company's success. The loss of any of these individuals could have a substantial negative impact on the Company and your investment.

Competition

- The Company operates in a highly technical industry which is characterized by frequent introductions of new products and services into the market. The Company's success will depend in part on its ability to improve on such products or services, develop new products or services and provide necessary support.
- A large number of enterprises provide products or services similar to the Company's. The Company will be competing with established businesses that have an operating history, and greater financial resources, management experience and market share than the Company. There can be no assurance that the Company will be able to compete or capture adequate market share. The Company may not be profitable if it cannot compete successfully with other businesses.

Regulatory Risk

- The Company must comply with local, state and federal rules and regulations. If the Company fails to comply with a rule or regulation it may be subject to fines or other penalties, or its permit or license may be lapsed, revoked, or suspended. The Company may have to stop operating and you could lose your entire investment.

"Best-efforts" Offering

- The Company is offering these securities on a "best-efforts" basis. The Company has not contracted with an underwriter, placement agent, or other person to purchase or sell all or a portion of its securities and there is no assurance that it can sell all or any of the securities.

Dilution

- The price of a share in this offering is significantly higher than the book value of the securities. If you invest in this offering, you will incur immediate and substantial dilution of the book value of your investment.
- To the extent that outstanding options or warrants to purchase securities are exercised, you will incur further dilution of the book value of your investment.
- There are no limits in place to restrict the Company's ability to issue securities in the future. If the Company issues additional securities, you may experience further dilution of the value of your investment.

Lack of Investor Control

- The Company's executive officers, directors, managers, and/or key persons will continue to have substantial control over the Company after the offering. As such, you may have little or no ability to influence the affairs of the Company.

No Existing Market

- Because there is no market for the Company's securities, you may not be able to sell your securities or recover any part of your investment. If you may need to sell your investment and obtain cash, you should not invest.

Offering Price

- The offering price of the Company’s securities has been arbitrarily set and as such should not be considered an indication of the actual value of the Company.

Risks Related to the Business of the Company

Describe any risks that are specific to the business of the Company. Avoid generalized statements and ameliorative language, and include only those factors that are unique to the Company.

Litigation-related Risk

Describe any risks that relate to litigation, if any. Avoid generalized statements and ameliorative language, and include only those factors that are unique to the Company.

Other Risks

Describe any other risks that apply to the Company and/or the offering that have not yet been addressed above. Avoid generalized statements and ameliorative language, and include only those risk factors that are unique to the Company.

OVERVIEW OF THE COMPANY

The Business

2. Business of the Company:

Briefly describe the Company’s business, focusing on the products or services the Company sells or plans to sell. Include a description of the industry of the Company. Also include a description of the history and future objectives of the Company. Finally, describe how the Company plans to compete in the industry, naming and describing the principal competitors, and describing the Company’s strategy (whether it competes on price, service, or another basis).

3. How the Company plans to carry out its activities:

Describe in detail the anticipated business plan of the Company. Summarize the major steps the Company will take to meet its business objectives, and the methods for achieving these steps. Also, describe the Company's research and development activities, if any, including the amounts spent on research and development in the last 12 months.

4. Operations: The Company (select all that apply):

- has never conducted operations.
- is in the development stage.
- is currently operating.
- has shown a profit in the last fiscal year.

5. Summary Financial Information (most recent fiscal year-end):

Total Assets:	\$ _____
Cash & Cash Equivalents:	\$ _____
Accounts Receivable:	\$ _____
Short-term Debt:	\$ _____
Long-term Debt:	\$ _____
Revenues/Sales	\$ _____
Cost of Goods Sold:	\$ _____
Taxes Paid:	\$ _____
Net Income:	\$ _____

6. Organizational Information

Date of incorporation/formation:

Fiscal Year End (Month and Day):

State of incorporation/formation:

List any FKAs ("Formerly Known As"):

List the name of any FKAs.

Company Organization: The Company (select all that apply):

- has had or anticipates having a stock split, dividend, recapitalization, merger/acquisition, spin-off, or reorganization.
- has a parent, subsidiary, or affiliate.

If you checked any box, please provide additional information.

7. Suppliers: The Company (select all that apply):

- has material supply contracts.
- is currently, or expects to be, dependent upon a limited number of suppliers.
- has no suppliers.

Describe the Company's major suppliers and material supply contracts.

8. Customer sales and orders (products and services): The Company (select all that apply):

- has or anticipates having material sales contracts.
- had sales of products or services in the last 12 months.
- had, has, or anticipates having sales that are seasonal or cyclical.
- had, has, or anticipates having foreign sales.
- has a single customer or a limited number of customers that account(s) for a major portion of the Company' sales.
- has not yet had sales.

Describe the nature of the Company's sales and the material terms of major existing sales contracts.

9. Employees: Number of current employees:

10. Property/Assets: The Company (select all that apply):

- owns or leases buildings/real estate.
- owns or leases equipment or other assets.
- owns or leases intangible property, such as patents, licenses, copyrights, trademarks, etc.
- has no property.

Describe the Company's buildings, real estate, equipment, and intangible property, or lack thereof.

11. Governmental Regulation (select all that apply):

- The Company and/or its products are subject to material regulation by a government agency.
- The Company is required to have a license or permit (other than organizational licenses) to conduct business.
- The Company has obtained any required licenses or permits to conduct business.

Regulations can be imposed on a company by federal, state, or local government agencies. In completing your response to this Item, you should first identify the type of regulation and then, if it is material, disclose the impact of the regulation. Include additional risk factors in Item 1 as appropriate to highlight the risks that regulation and/or licensing or permitting requirements may negatively impact the success of the Company.

INFORMATION ABOUT THE SECURITIES OFFERED

Impound of Offering Proceeds

12. The Company must raise and place in an impound account \$ (“minimum offering amount”) before it can receive and use the offering proceeds. The Company cannot access any of the offering proceeds until this minimum offering amount has been raised.

If the Company does not raise the minimum offering amount by all funds will be returned to investors.

The impound account will be located at:

Provide name and address of the financial institution maintaining the impound account in which offering proceeds will be deposited.

Does the Company reserve the right to extend the impound period? Yes No

If yes, describe the circumstances under which the Company might extend the impound period.

If the offering proceeds are returned to investors at the end of the impound period, will investors receive any interest earned on impounded funds during the impound period? Yes No

Use of Proceeds

13. The Company plans to use the proceeds of this offering in order to do the following:

Describe for what purpose the Company is raising funds.

14. The net proceeds of the offering for the minimum and maximum offering amounts will be used as follows:

	Minimum Offering	Maximum Offering
Gross Proceeds from the Offering	\$	\$
Less: Offering Expenses	\$	\$
• Commissions and Finders Fees	\$	\$
• Legal fees	\$	\$
• Accounting fees		
• Copying and Advertising	\$	\$
Other (Specify):	\$	\$
Net Proceeds from the Offering	\$	\$

15. A detailed breakdown of how the Company intends to use the net offering proceeds is listed below in the order of priority, beginning with the highest priority.

Description of Use	Minimum Offering	Maximum Offering
	\$	\$

<i>Examples of uses of proceeds include:</i>	\$	\$
<i>Purchasing equipment or other assets</i>	\$	\$
<i>Discharging company debt</i>	\$	\$
<i>Developing new products or services</i>	\$	\$
<i>Hiring employees or consultants</i>	\$	\$
<i>Advertising or marketing</i>	\$	\$
	\$	\$
Total	\$	\$

16. Other sources of financing are described below:

Describe material sources of other funds that will be employed in conjunction with the offering funds. The Company may combine investor funds with other funding sources. Some of the typical outside sources of financing include bank loans and lines of credit, asset sales, lease financing, and consignment inventories.

17. Has the price of the securities in this offering been arbitrarily determined? Yes No

If no, explain the basis on which the price of the securities was determined. Typical factors include: the established public trading market that dictates the price, the net tangible book value per share or the earnings per share, or the stock prices of other similar companies.

18. The table below compares the existing shareholders' percentage ownership in the Company and the consideration paid for that ownership with that of purchasers in this offering.

		Shares Purchased		Total Consideration		Average Price per Share
		Number	Percent	Amount	Percent	
Existing holders	Min. offering					
	Max. offering					
New purchasers	Min. offering					
	Max. offering					

Description of Securities Offered

Your percentage of ownership in the Company may be reduced significantly due to a number of factors beyond your control, such as the rights and characteristics of other securities already issued by the Company, future offerings or other issuances of securities by the Company, and potential changes to the capital structure or control of the Company.

19. The securities being offered are:

- Common Stock
- Preferred Stock
- Limited Liability Company Membership Interests
- Limited Partnership Interests
- Debt Securities

Other (specify):

20. These securities have:

- Voting rights
- Preemptive rights or tag-along rights to purchase any new issue of securities
- Rights as to dividends or interest
- Restrictions on dividends or other distributions
- Preference upon liquidation or dissolution
- Anti-dilution rights
- Conversion rights
- Redemption rights
- Other special rights or preferences (specify):

If you checked any box, please provide additional information.

21. Is the offering subject to any purchaser restrictions? Yes No

If yes, describe the purchaser restrictions. Because purchasers of the securities will have an equity interest in your Company, you may want to place additional restrictions on who can invest for legal and administrative reasons. For example, a Company may choose to limit an offering to its employees, independent contractors, or franchisees, or to investors who meet certain financial requirements.

22. Are the securities subject to any resale restrictions by the Company? Yes No

If yes, describe the transfer restrictions. The Company is responsible for maintaining a register of all current shareholders and may want to restrict transfers for tax, administrative, or other purposes.

23. Will the Company issue physical securities certificates in this offering? Yes No

Record of Security Holders:

Please describe the manner in which records of security ownership will be maintained by the Company.

How the Securities will be Offered and Sold

24. Name and contact information of the Company's Chief Compliance Officer:

Name	
Address	
Telephone	
E-mail	

25. List of persons or companies who will offer and sell the securities on behalf of the Company:

Click to Add Table

Name	
Relationship to Company (if any)	
CRD #	
Address	
Telephone	
E-mail	
Internet Portal / website for offering	
Compensation received for selling securities	

Outstanding Securities and Principal Shareholders

26. Below is a description of each class of the Company's securities, including the total number of outstanding securities and the total number of securities the Company is authorized to issue.

Class of Securities	Total Securities Outstanding	Total Securities the Company is Authorized to Issue

Description of securities:

Describe the attributes of each class of outstanding securities, such as voting rights, preemptive rights or tag-along rights, dividends, interest, restrictions on dividends, preference upon liquidation, anti-dilution rights, conversion rights, or redemption rights.

27. Are there any resale restrictions on the Company's outstanding securities? Yes No

If yes, describe the restrictions and when they will terminate.

28. Below is a list of the total number of securities reserved or subject to issuance under outstanding securities purchase agreements, stock options, warrants, or rights.

Class of Securities	Number of Securities that may be issued under Outstanding Securities Purchase Agreements, Options, Warrants, or Rights

Describe any outstanding securities purchase agreements, stock options, warrants, or rights. Specify who holds the rights, and state the expiration dates and exercise prices.

29. Does the Company plan to issue or offer securities under purchase agreements, stock options, warrants, or rights in the future? Yes No

If yes, please provide additional information.

30. Has the Company sold or issued securities during the last 12 months? Yes No

If yes, describe the type of securities and the dollar amount sold. Indicate under which exemption or form of registration the securities were offered.

31. Names of the principal shareholders, including each Executive Officer, Manager, Director, and person who beneficially owns at least a 20% interest of any class of securities in the Company:

Name of Shareholder	Manager, Executive Officer, or Director? (specify)	Class of Securities	Number Securities Currently Held	Average Purchase Price of Securities	% of Total Outstanding Securities

INFORMATION ABOUT THE COMPANY'S MANAGEMENT

32. Information about each Executive Officer, Director, and key person (and any persons occupying a similar status or performing a similar function) of the Company is provided below.

Click to Add Table

Name	
Age	
Title	
Executive Officer/Director/Key Person (specify)	
Time Spent on Company Business (if less than full time)	
Prior Experience	<i>Include employers, titles, responsibilities, and relevant dates for the last 5 years. If the individual has relevant experience from more than 5 years ago, include that as well.</i>
Education	<i>Include degrees, schools, and dates of attendance.</i>

33. Compensation paid by the Company to executive officers, directors, managers, and key persons during the last fiscal year:

Compensation Paid by Company During Last Fiscal Year

<u>To Whom Paid</u>	<u>Cash</u>	<u>Other Compensation</u>
	\$	\$
	\$	\$
	\$	\$

Description of any amount of other compensation included in the table above:

Describe the compensation and how it is valued. This description should include any non-cash compensation, including the value of any options granted or securities given (and the terms under which they were granted), any annuity, pension or retirement benefits, bonus or profit-sharing plans, and any personal benefits (including transportation, access to athletic facilities, etc.).

34. The Company (select all that apply):

- expects compensation to change in the next year.
- owes compensation for prior years.

If you checked any box, please provide additional information.

35. The Company (select all that apply):

- has made loans to an Executive Officer, Manager, Director, or principal shareholder within the last two years.
- has one or more outstanding loans with an Executive Officer, Manager, Director, or principal shareholder.
- plans to make one or more loans to an Executive Officer, Manager, Director, or principal shareholder in the future.
- has done business with an Executive Officer, Manager, Director, or principal shareholder within the last two years.
- plans to do business with an Executive Officer, Manager, Director, or principal shareholder in the future.
- will use proceeds of the offering to acquire assets from an Executive Officer, Manager, Director, or principal shareholder in the future.
- will use proceeds of the offering to reimburse any Executive Officer, Manager, Director, or principal shareholder for assets previously acquired, services previously rendered, monies previously loaned or advanced, or for any other reason.
- has entered into employment or non-compete agreements with any Executive Officer, Manager, Director, or key person.
- plans to enter into employment or non-compete agreements with any Executive Officer, Manager, Director, or key person.

If you checked any box, please provide additional information, including the material terms of any such transactions. Include additional risk factors in Item 1 as appropriate to highlight the risks of engaging in transactions with affiliated parties on the potential profitability of the Company.

36. An Executive Officer, Manager, Director, or key person of the Company (select all that apply):

- has filed a petition for bankruptcy, receivership, or a similar insolvency proceeding, or had such a petition filed against him or her, within the past five years.

- has served as a manager, Executive Officer, or director for any business entity that was the subject of a petition for bankruptcy, receivership, or similar insolvency proceeding within the past five years.
- none of the above.

Provide details regarding any insolvency proceedings, including the court where filed, date filed, and current status.

OTHER RELEVANT INFORMATION

Litigation

37. The Company (select all that apply):

- has been involved in litigation or subject to administrative action in the last 5 years that has had a material effect upon the Company's business, financial condition, or operations.
- has pending litigation or administrative action that may have a material effect upon the Company's business, financial condition, or operations.
- is currently threatened by litigation or administrative action that may have a material effect upon the Company's business, financial condition, or operations.
- none of the above.

Disclose any litigation that is likely to have a material effect on the Company. Disclosure includes information not only about present pending litigation, but also includes past concluded litigation, and future unasserted claims of which the Company is aware. Disclosure is not limited to actions in which the Company is a party, but also includes separate litigation filed against the Company's officers, directors, managers, or key persons if the litigation is likely to have a material effect on the Company.

To fully respond to this item, you should include the name of the court where the proceeding is pending, a description of the facts underlying the claim and the relief sought.

Certain Legal Proceedings

Please answer the questions in this section with respect to the following persons associated with the Company:

- The Company, its predecessors, and affiliates
- All executive officers, other officers participating in the offering, directors, general partners, or managers of the Company
- All beneficial owners of 20% or more of any class of the Company's equity securities
- All promoters presently connected with the Company in any capacity
- Any selling agent, or any executive officer or other officer participating in the offering, director, or partner of such selling agent

38. Have any of the above-listed persons, within the last five years, filed an application for registration which is the subject of a currently effective registration stop order entered pursuant to any domestic or foreign securities law? Yes No

If yes, explain in detail.

39. Have any of the above-listed persons, within the last ten years, been convicted in the United States or in any foreign jurisdiction of any felony or misdemeanor in connection with the offer, purchase, or sale of any security or any felony involving fraud or deceit, including but not limited to forgery, embezzlement, obtaining money under false pretenses, larceny, or conspiracy to defraud? Yes No

If yes, explain in detail.

40. Are any of the above-listed persons subject to court-imposed sanctions in the United States or in any foreign jurisdiction within the last five years due to a conviction on state, federal or international criminal charges for tax evasion or tax fraud, or subject to any of the following in connection with such conviction: tax liens; court-ordered judgments; wage garnishments; bank levies; or treasury or refund offsets? Yes No

If yes, explain in detail.

41. Are any of the above-listed persons currently subject to any order, judgment, or decree of any court of competent jurisdiction, entered within the last five years in the United States or any foreign jurisdiction, temporarily, preliminarily, or permanently restraining or enjoining such party from engaging in or continuing any conduct or practice:

- In connection with the purchase or sale of any security;
- Involving the making of any false filing with any state or the Securities and Exchange Commission; or
- Arising out of the conduct of the business of an underwriter, broker, dealer, municipal securities dealer, investment adviser, or paid solicitor of purchasers of securities?

Yes No

If yes, explain in detail.

42. Are any of the above-listed persons subject to an order of a state securities commission (or an agency or officer performing like functions); a state authority that supervises or examines banks, savings associations, or credit unions; a state insurance commission (or an agency or officer performing like functions); an appropriate federal banking agency; the U.S. Commodity Futures Trading Commission; the National Credit Union Administration; or any similar foreign regulatory authority that:

1. At the time of application, bars the person from:
 - a. Association with an entity regulated by such commission, authority, agency, or officer;
 - b. Engaging in the business of securities, insurance or banking; or
 - c. Engaging in savings association or credit union activities; or
2. Constitutes a final order based on a violation of any law or regulation that prohibits fraudulent, manipulative, or deceptive conduct entered within ten years of the application?

Yes No

If yes, explain in detail.

43. Are any of the above-listed persons subject to any state administrative enforcement order, order of the Securities and Exchange Commission, or of a foreign jurisdiction that, at the time of application:

1. Suspends or revokes such person's registration as a broker, dealer, municipal securities dealer or investment adviser;
2. Places limitations on the activities, functions or operations of such person;
3. Bars such person from being associated with any entity or from participating in the offering of any penny stock? Yes No

If yes, explain in detail.

44. Are any of the above-listed persons subject to any order of the Securities and Exchange Commission or similar foreign regulatory authority, entered within five years of application that, at the time of such application, orders the person to cease and desist from committing or causing a violation or future violation of:
1. Any scienter-based anti-fraud provision of the federal securities laws of the United States or any foreign jurisdiction, including without limitation section 17(a)(1) of the Securities Act of 1933 (15 U.S.C. 77q(a)(1)), section 10(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78j(b)) and 17 CFR 240.10b-5, section 15(c)(1) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(c)(1) and section 206(l) of the Investment Advisers Act of 1940 (15 U.S.C. 80b-6(1)), or any other rule or regulation thereunder; or
 2. Any securities registration or prospectus requirements in the United States or any foreign jurisdiction, including without limitation section 5 of the Securities Act of 1933 (15 U.S.C. 77e)?
 Yes No

If yes, explain in detail.

45. Are any of the above-listed persons suspended or expelled from membership in, or suspended or barred from association with a member of, a registered national securities exchange or a registered national or affiliated securities association in the United States or any foreign jurisdiction for any act or omission to act constituting conduct inconsistent with just and equitable principles of trade? Yes No

If yes, explain in detail.

46. Have any of the above-listed persons filed (as a registrant or issuer), or been named as an underwriter in, any registration statement or Regulation A offering statement filed with the Securities and Exchange Commission, state securities commission (or an agency performing like functions), or similar foreign regulatory authority that, within five years before application, was the subject of a refusal order, stop order or order suspending the Regulation A exemption, or is, at the time of application, the subject of an investigation or proceeding to determine whether a stop order or suspension should be issued?
 Yes No

If yes, explain in detail.

47. Are any of the above-listed persons subject to a United States Postal Service false representation order entered within five years before application, or, at the time of such application, subject to a temporary restraining order or preliminary injunction with respect to conduct alleged by the United States Postal

Service to constitute a scheme or device for obtaining money or property through the mail by means of false representations? Yes No

If yes, explain in detail.

48. Have any of the above-listed persons been found to have violated any other law governing or regulating any aspect of the business of securities or banking or, within the past five years, been the subject of an action of a securities regulator denying, revoking, or suspending the right to engage in the business of securities as a broker-dealer, agent, or investment adviser or been the subject of an action of any securities exchange or self-regulatory organization operating under the authority of the securities regulator suspending or expelling such person from membership in such exchange or self-regulatory organization in the United States or any foreign jurisdiction?

Yes No

If yes, explain in detail.

Other Material Factors

49. Describe any other material factors that will or could affect the Company or its business or which are necessary to make any other information in this Disclosure Document not misleading or incomplete.

This section is a "catch all." Items in this Disclosure Document do not cover all industries and types of businesses. You may find it necessary to add material disclosure under this Item that is not covered elsewhere. If there is nothing further to include, please include an affirmative statement explaining there is no further information to be disclosed.

Any material misstatements or omissions may subject the Company, its officers, directors, managers, or promoters to liability for securities fraud.

Financial Statements

50. Attach the Company's financial statements for the most recently completed fiscal year, plus interim financial statements if the Company's fiscal year ended more than 120 days from the date of the filing of this document. The Company's Chief Executive Officer and Chief Financial Officer must certify that the financial statements are true and complete in all material respects. If the aggregate offering amount is more than \$500,000 but less than \$1 million, the annual financial statements must be compiled by an independent certified public accountant. If the aggregate offering amount is more than \$1 million but not more than \$2 million, the annual financial statements must be reviewed by an independent certified public accountant. For offerings of more than \$2 million, the annual financial statements must be audited. All financial statements must be prepared in accordance with U.S. GAAP, complete with appropriate footnote disclosure. If you do not have experience preparing financial statements in accordance with U.S. GAAP, you may want to obtain a compilation or review of your financial statements from a certified public accountant.

COMPANY'S CERTIFICATIONS AND SIGNATURE

The Company's executive officers, directors, and/or managers must sign this Disclosure Document. When they sign this Disclosure Document, they represent that they have diligently attempted to confirm the accuracy and completeness of the information in the Document. Failure to disclose material risks and other information may subject the Company, its officers, directors, and/or managers to liability for securities fraud.

When the Chief Financial Officer or Manager signs this Disclosure Document, he or she represents that the financial statements in the Document have been prepared in accordance with United States Generally Accepted Accounting Principles which have been consistently applied, except where explained in the notes to the financial statements and represents that the financial statements fairly state the Company's financial position and results of operations, or receipts and disbursements, as of the dates and period(s) indicated. He or she also represents that year-end figures include all adjustments necessary for a fair presentation under the circumstances.

The Company must submit all advertising and marketing materials to the state for review prior to use. Any advertisement must include or be accompanied by a disclaimer explaining (1) the advertisement does not constitute an offer to sell nor a solicitation of an offer to buy securities, (2) that securities are offered through the SCOR Form only, and (3) an investment in the Company is risky and investors should read the SCOR Form in its entirety before investing.

The Company must amend and resubmit the SCOR Form whenever there is a material change to the information contained herein. Amendments must be filed as soon as reasonably possible, and in any case, before the further offer and sale of securities under the SCOR Form.

Commissions, fees, or other remuneration for soliciting any prospective purchaser in connection with the offering in the state may only be paid to persons who, if required to be registered or licensed, the Company believes, and has reason to believe, are appropriately registered or licensed in the state.

The Company hereby irrevocably appoints the Securities Administrator or other legally designated officer of the jurisdiction(s) in which this notice is filed as its agent 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

Chief Executive Officer/President/Managing Member

Title

Name of Signer (Print)

Date

Chief Financial Executive Officer/Manager

Title

Director

Director

Director

Director

Director

Director

Director

Name of Signer (Print)

Date

Name of Signer (Print)

Name of Signer (Print)

Name of Signer (Print)

Name of Signer (Print)

Name of Signer (Print)

Name of Signer (Print)

Name of Signer (Print)

LIST OF EXHIBITS

Exhibit A - Financial Statements

Exhibit B - Articles of Organization

Exhibit C - Company Bylaws

Exhibit D – Escrow Agreement

(Insert Reference to Exhibit E)

(Insert Reference to Exhibit F)

(Insert Reference to Exhibit G)

FINAL REPORT OF SALES

(Exact name of Company as set forth in the organizational documents).

(Insert the names of any DBAs, if applicable)

The Company named above completed a SCOR offering in the jurisdictions checked below.

The offering began on and ended on:

The Company sold securities in the SCOR offering to the number of investors and in the amounts indicated for each jurisdiction in the table below.

Jurisdiction	Number of Investors	Amount (\$)	Jurisdiction	Number of Investors	Amount (\$)
<input type="checkbox"/> Alabama	<input type="text"/>	<input type="text"/>	<input type="checkbox"/> Montana	<input type="text"/>	<input type="text"/>
<input type="checkbox"/> Alaska	<input type="text"/>	<input type="text"/>	<input type="checkbox"/> Nebraska	<input type="text"/>	<input type="text"/>
<input type="checkbox"/> Arizona	<input type="text"/>	<input type="text"/>	<input type="checkbox"/> Nevada	<input type="text"/>	<input type="text"/>
<input type="checkbox"/> Arkansas	<input type="text"/>	<input type="text"/>	<input type="checkbox"/> New Hampshire	<input type="text"/>	<input type="text"/>
<input type="checkbox"/> California	<input type="text"/>	<input type="text"/>	<input type="checkbox"/> New Jersey	<input type="text"/>	<input type="text"/>
<input type="checkbox"/> Colorado	<input type="text"/>	<input type="text"/>	<input type="checkbox"/> New Mexico	<input type="text"/>	<input type="text"/>
<input type="checkbox"/> Connecticut	<input type="text"/>	<input type="text"/>	<input type="checkbox"/> New York	<input type="text"/>	<input type="text"/>
<input type="checkbox"/> Delaware	<input type="text"/>	<input type="text"/>	<input type="checkbox"/> North Carolina	<input type="text"/>	<input type="text"/>
<input type="checkbox"/> District of Columbia	<input type="text"/>	<input type="text"/>	<input type="checkbox"/> North Dakota	<input type="text"/>	<input type="text"/>
<input type="checkbox"/> Florida	<input type="text"/>	<input type="text"/>	<input type="checkbox"/> Ohio	<input type="text"/>	<input type="text"/>
<input type="checkbox"/> Georgia	<input type="text"/>	<input type="text"/>	<input type="checkbox"/> Oklahoma	<input type="text"/>	<input type="text"/>
<input type="checkbox"/> Guam	<input type="text"/>	<input type="text"/>	<input type="checkbox"/> Oregon	<input type="text"/>	<input type="text"/>
<input type="checkbox"/> Hawaii	<input type="text"/>	<input type="text"/>	<input type="checkbox"/> Pennsylvania	<input type="text"/>	<input type="text"/>
<input type="checkbox"/> Idaho	<input type="text"/>	<input type="text"/>	<input type="checkbox"/> Puerto Rico	<input type="text"/>	<input type="text"/>
<input type="checkbox"/> Illinois	<input type="text"/>	<input type="text"/>	<input type="checkbox"/> Rhode Island	<input type="text"/>	<input type="text"/>
<input type="checkbox"/> Indiana	<input type="text"/>	<input type="text"/>	<input type="checkbox"/> South Carolina	<input type="text"/>	<input type="text"/>
<input type="checkbox"/> Iowa	<input type="text"/>	<input type="text"/>	<input type="checkbox"/> South Dakota	<input type="text"/>	<input type="text"/>
<input type="checkbox"/> Kansas	<input type="text"/>	<input type="text"/>	<input type="checkbox"/> Tennessee	<input type="text"/>	<input type="text"/>
<input type="checkbox"/> Kentucky	<input type="text"/>	<input type="text"/>	<input type="checkbox"/> Texas	<input type="text"/>	<input type="text"/>
<input type="checkbox"/> Louisiana	<input type="text"/>	<input type="text"/>	<input type="checkbox"/> Utah	<input type="text"/>	<input type="text"/>
<input type="checkbox"/> Maine	<input type="text"/>	<input type="text"/>	<input type="checkbox"/> U.S. Virgin Islands	<input type="text"/>	<input type="text"/>
<input type="checkbox"/> Maryland	<input type="text"/>	<input type="text"/>	<input type="checkbox"/> Vermont	<input type="text"/>	<input type="text"/>
<input type="checkbox"/> Massachusetts	<input type="text"/>	<input type="text"/>	<input type="checkbox"/> Virginia	<input type="text"/>	<input type="text"/>
<input type="checkbox"/> Michigan	<input type="text"/>	<input type="text"/>	<input type="checkbox"/> Washington	<input type="text"/>	<input type="text"/>

- Minnesota
- Mississippi
- Missouri

- West Virginia
- Wisconsin
- Wyoming

The undersigned individual represents that he or she is authorized to submit this sales report on behalf of the Company and that the information contained in this report is true and complete to the best of his or her knowledge.

Signature

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Title

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Name of Signer (Print)

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Date

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DRAFT