



GUIDELINES FOR PROVIDING ADEQUATE CURRENT INFORMATION

Pink OTC Markets encourages all issuers of OTC equity securities to make *adequate current information* available to the public markets. Pink OTC Markets believes that federal securities laws, such as Rules 10b-5 and 15c2-11 of the Securities Exchange Act of 1934 ("Exchange Act"), and Rule 144 of the Securities Act of 1933 ("Securities Act"), and state Blue Sky laws require issuers to provide adequate current public information. With a view to encouraging compliance with these laws, Pink OTC Markets has created these Guidelines for Providing Adequate Current Information ("Guidelines") in order to assist issuers with understanding their disclosure obligations.¹

Pink OTC Markets believes *adequate current information* **must** be publicly available when an issuer's securities are quoted by a broker-dealer under the following circumstances:

- At the time of initial quotation in public markets;
- At any time corporate insiders or other affiliates of the issuer are offering, buying or selling the issuer's securities in the OTC market;
- During any period when a security is the subject of ongoing promotional activities having the effect of encouraging trading of the issuer's securities in the OTC market;
- At the time securities initially sold in a private placement become freely tradable in the OTC market; or
- At any time the issuer's securities are quoted on OTCQX or included in the Current Information OTC Market Tier.

Issuers with securities listed on International OTCQX are providing adequate current information because such issuers either (i) have a class of their securities registered with the Securities and Exchange Commission ("SEC") under Section 12(g) of the Exchange Act and are current in their SEC reporting obligations or (ii) are non-U.S. issuers that are exempt from registration pursuant to Exchange Act Rule 12g3-2(b), are current and fully compliant with their obligations thereunder, and have posted the information required to be made publicly available pursuant to Exchange Act Rule 12g3-2(b), in English via the OTC Disclosure and News Service.

These Guidelines may be amended from time to time, in the sole and absolute discretion of Pink OTC Markets, with or without notice.

¹ This is not legal advice, and Pink OTC Markets cannot assure anyone that compliance with our disclosure requirements will satisfy any legal requirements.

General Considerations

An issuer preparing a disclosure statement shall consider the purpose of adequate disclosure. Current and potential investors in the issuer's securities should be provided with all "material" information — the information available to the issuer necessary for the investor to make a sound investment decision. The disclosure should enable an investor of ordinary intelligence and investment skills to understand the issuer's business and prospects.

The disclosure must therefore present the issuer's business plan and include a full and clear picture of the issuer's assets, facilities, properties, investments, management and other resources, as well as a complete description of how they will be used to make profits. The issuer's business plan should clearly describe the competition, regulatory environment and other risks to the issuer's business, as well as the issuer's plans for confronting these challenges.

It is also important for an investor to understand how the issuer raises capital and treats investors. At a minimum, the issuer must describe the ways it has raised capital by issuing shares in the past — to whom and the amount of consideration involved. The investor should also be provided with market information, including the past price history of any transactions in the issuer's shares.

Finally, the disclosure should use plain English.² This means using short sentences, avoiding legal and technical jargon and providing clear descriptions. Your goal, as an issuer, should be to give the investor the information you would wish the investor to supply if your positions were reversed. You don't need to be Shakespeare; you must, though, have a sincere desire to inform.



² For tips, you may wish to consult the SEC's Plain English Handbook, available for free on the SEC's website, at <http://www.sec.gov>.


B. Legal/Disciplinary History. Please identify whether any of the foregoing persons have, in the last five years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);
2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;
3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or
4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended or otherwise limited such person's involvement in any type of business or securities activities.

C. Disclosure of Family Relationships. Describe any family relationships⁴ among and between the issuer's directors, officers, persons nominated or chosen by the issuer to become directors or officers, or beneficial owners of more than five percent (5%) of the any class of the issuer's equity securities.

D. Disclosure of Related Party Transactions. Describe any transaction during the issuer's last two full fiscal years and the current fiscal year or any currently proposed transaction, involving the issuer, in which (i) the amount involved exceeds the lesser of \$120,000 or one percent of the average of the issuer's total assets at year-end for its last three fiscal years and (ii) any related person had or will have a direct or indirect material interest. Disclose the following information regarding the transaction:

1. The name of the related person and the basis on which the person is related to the issuer;
2. The related person's interest in the transaction;
3. The approximate dollar value involved in the transaction (in the case of indebtedness, disclose the largest aggregate amount of principal outstanding during the time period for which disclosure is required, the


⁴ The term "family relationship" means any relationship by blood, marriage or adoption, not more remote than first cousin.

amount thereof outstanding as of the latest practicable date, the amount of principal and interest paid during the time period for which disclosure is required, and the rate or amount of interest payable on the indebtedness);

4. The approximate dollar value of the related person's interest in the transaction; and
5. Any other information regarding the transaction or the related person in the context of the transaction that is material to investors in light of the circumstances of the particular transaction.

Instruction to paragraph D of Item XI:

1. For the purposes of paragraph D of this Item XI, the term "related person" means any director, executive officer, nominee for director, or beneficial owner of more than five percent (5%) of any class of the issuer's equity securities, immediate family members⁵ of any such person, and any person (other than a tenant or employee) sharing the household of any such person.
2. For the purposes of paragraph D of this Item XI, a "transaction" includes, but is not limited to, any financial transaction, arrangement or relationship (including any indebtedness or guarantee of indebtedness) or any series of similar transactions, arrangements or relationships.
3. The "amount involved in the transaction" shall be computed by determining the dollar value of the amount involved in the transaction in question, which shall include:
 - a. In the case of any lease or other transaction providing for periodic payments or installments, the aggregate amount of all periodic payments or installments due on or after the beginning of the issuer's last fiscal year, including any required or optional payments due during or at the conclusion of the lease or other transaction providing for periodic payments or installments; and
 - b. In the case of indebtedness, the largest aggregate amount of all indebtedness outstanding at any time since the beginning of the issuer's last fiscal year and all amounts of interest payable on it during the last fiscal year.
4. In the case of a transaction involving indebtedness:

⁵ "Immediate family members" means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law.

The financial statements requested pursuant to this item shall be prepared in accordance with generally accepted accounting principles (GAAP)⁶ by persons with sufficient financial skills.

Information contained in annual financial statements will not be considered current more than 90 days after the end of the issuer's fiscal year immediately following the fiscal year for which such statement are provided, or with respect to quarterly financial statements, more than 45 days after the end of the quarter immediately following the quarter for which such statements are provided.

Item XIII Similar financial information for such part of the two preceding fiscal years as the issuer or its predecessor has been in existence.

Please provide the financial statements described in Item XII above for the issuer's two preceding fiscal years.

Instruction to Item XIII: The issuer shall either (i) attach the financial statements required by this Item XIII to its initial disclosure statement or (ii) post such financial statements through the OTC Disclosure and News Service as a separate report under the name of "Annual Report" for the applicable fiscal year end. **The issuer must state in its disclosure statement that such financial statements are incorporated by reference.** The issuer must also (x) provide a list in the disclosure statement describing the financial statements that are incorporated by reference, (y) clearly explain where the incorporated documents can be found, and (z) provide a clear cross-reference to the specific location where the information requested by this Item can be found in the incorporated documents.

Item XIV Beneficial Owners.

Provide a list of the name, address and shareholdings of all persons beneficially owning more than five percent (5%) of any class of the issuer's equity securities.

To the extent not otherwise disclosed, if any of the above shareholders are corporate shareholders, provide the name and address of the person(s) owning or controlling such corporate shareholders and the resident agents of the corporate shareholders.

Item XV The name, address, telephone number, and email address of each of the following outside providers that advise the issuer on matters relating to operations, business development and disclosure:

1. Investment Banker



⁶ Foreign private issuers that have furnished financial statements pursuant to Rule 12g3-2(b) under the Exchange Act can provide those same financial statements as an alternative to U.S. GAAP. For information regarding U.S. GAAP, see <http://cpaclass.com/gaap/gaap-us-01a.htm>.

The certifications shall follow the format below:

I, [identify the certifying individual], certify that: BRIAN WEBER

1. I have reviewed this [specify either annual or quarterly disclosure statement] of [identify issuer];

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date:



[Signature]

[Title]

CEO