Title:
Going Public: The Process for Small and Mid-size Companies to Go Public.

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615

Summary:
It’s the dream of every person who starts a business to some day see it trading in one of the stock exchanges even after they are no longer associated with the company.

Keywords:
15c211, reverse merger, direct public offering, regulation d, pink sheets

Article Body:
It’s the dream of every person who starts a business to some day see it trading in one of the stock exchanges even after they are no longer associated with the company. The first step (#1) is simple since most small company are already incorporated and have a board of directors, so we will start with #2.

Step. #2. Engage a consultant but not before doing a background check. This is a must because the consultant who is supposed to be working for you may be the very person to destroy your dream.

Simply type the consultants name in Google and if nothing comes up, try the brokerage firm they were last associated with, to find out if they have been disciplined, or convicted of some crime by the Securities and Exchange Commission or some other regulatory body.

Many individuals when barred from participating in any securities transaction or from acting as consultants still do so in a stealth manner. Hoping that you will be impressed with their sales pitch and not bother looking into their background.

The reason most consultants do not have websites is because they do not want the regulators to find out that they are involved in stock market related activities.

Step. #3. If you are not using a securities attorney, ask the consultant to recommend a good one, he will probably know several. A good attorney is critical since you want him to know the process and has done this many times before.

Step. # 4. Have an audit done, this a requirement and must be done prior to any filing with the Securities and Exchange Commission. The CEO needs to take an active part in the auditing process since under the new corporate governance laws the he must affirmed the final audited financials as being accurate.

Step. #5. The officers and directors of the company must decide what method they are going to use to achieve their goal of becoming a public company. This can be accomplish through a reverse merger and by doing a Regulation D (504) offering.

A reverse merger is accomplished by the purchase of, and reverse merger into an existing public shell company. This is inexpensive compared with the conventional initial public offering (IPO), this is also a simplified fast track method by which a private company can become a public company.

For more information on reverse mergers visit:

www.genesiscorporateadvisors.com or read my article on www.ezine@articles.com under small business.

Regulation D (504) offering: Under the Securities Act of 1933 any offer to sell securities must either be registered with the SEC or meet an exemption. Regulation D provides three exemptions from the registration requirements, allowing smaller companies to offer and sell their securities without having to register the securities with the SEC.

While companies using a Regulation D exemption do not have to register their securities and usually do not have to file reports with the SEC, they must file what is known as a “Form D” after they first sell their securities.

This offering is not exempt from State securities filing requirements. With an regulation D (504) offering you are permitted to raise up to a million dollars within a year but there is no minimum amount and in order to go public you must sell to minimum of 35-40 investors at least a round lot (100 shares) each.

This offering is not exempt from the securities Act of 1933 anti fraud provision. (No securities are exempt from this provision).

Step # 6. Have a broker dealer file a form 15c211. Again your consultant will introduce you to a broker who will file the 15c211 and be a market maker in the securities of the company.

For more information visit:

http://www.genesiscorporateadvisors.com