

Alternative
Fund Raising Process
Regulation A+

January 2019



FORWARD LOOKING STATEMENTS

This presentation contains statements that are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended that are based on management's current expectations and assumptions and are subject to risks and uncertainties. These forward looking statements can often be identified by their use of words such as "anticipates," "believes," "can," "continue," "could," "estimates," "expects," "forecast," "intends," "may," "outlook," "plans," "potential," "predicts," "projects," "should," "target," "will," "would" or the negative of these terms or other comparable terminology. Such forward looking statements include, but are not limited to, expressed or implied statements regarding future financial performance and future dividends, the effects of our business model, the effects of our balance sheet on our ability to pursue business opportunities, the effects and anticipated benefits of our completed and pending acquisitions and related actions, expectations regarding future transactions, and the financial impact, size and consistency of returns and timing thereof, expectations regarding market dynamics, as well as statements regarding the effect of investments in our business segments. Because these forward-looking statements involve known and unknown risks and uncertainties, there are important factors that could cause actual results, events or developments to differ materially from those expressed or implied by these forward-looking statements. Factors that could cause actual results to differ from those contained in the forward-looking statements include but are not limited to: volatility in our revenues and results of operations; changing conditions in the financial markets; our ability to generate sufficient revenues to achieve and maintain profitability; the short term nature of our engagements; the accuracy of our estimates and valuations of inventory or assets in "guarantee" based engagements; competition in the asset management business; potential losses related to our auction or liquidation engagements; our dependence on communications, information and other systems and third parties; potential losses related to purchase transactions in our auctions and liquidations business; the potential loss of financial institution clients; potential losses from or illiquidity of our proprietary investments; changing economic and market conditions; potential liability and harm to our reputation if we were to provide an inaccurate appraisal or valuation; potential mark-downs in inventory in connection with purchase transactions; failure to successfully compete in any of our segments; loss of key personnel; our ability to borrow under our credit facilities or raise additional funds through offerings as necessary; failure to comply with the terms of our credit agreements; our ability to meet future capital requirements; our ability to realize the benefits of our completed and proposed acquisitions, including our ability to achieve anticipated opportunities and operating cost savings, and accretion to reported earnings estimated to result from completed and proposed acquisitions in the time frame expected by management or at all; the possibility that our proposed acquisition of targets does not close when expected or at all; our ability to promptly and effectively integrate our business with that of the target if such transaction closes; the reaction to the target acquisition or our and target customers, employees and counterparties. These factors should be considered carefully and readers are cautioned not to place undue reliance on such forward-looking statements. All information is current as of the date this presentation is issued, and Golden Eagle Capital Advisors, Inc. undertakes no duty to update this information.

Introduction to Regulation A+

"**Regulation A+**" is a new set of rules intended to create additional opportunities for companies to raise capital without having to comply with several of the more burdensome aspects of the traditional registration process.

- Regulation A+ creates **two new tiers** of exempt offering sizes:

Tier 1 offerings

in which the aggregate offering size does not exceed \$20 million during a 12-month period.

Tier 2 offerings

in which the aggregate offering size does not exceed \$50 million during a 12-month period.



Introduction to Regulation A+

- Regulation A+ is available generally to organized entities having their principal place of business in the *United States or Canada*.
- Since the primary goal of Regulation A+ is to provide another avenue for companies to raise capital, the portion of the aggregate offering price attributable to the securities of selling stockholders *may not exceed 30% of the aggregate offering price of a particular offering*.
- In addition, sales by selling stockholders that are affiliates of the issuer *may not exceed \$6 million* (of the \$20 million overall limit) in a 12-month period in Tier 1 offerings, or *\$15 million* (of the \$50 million overall limit) in a 12-month period in Tier 2 offerings.
- The final rules of Regulation A+ include a limited integration safe harbor:

Offerings or sales made in reliance on Regulation A+ will not be integrated with prior offers or sales of securities, or with subsequent offers or sales of securities.



Which securities are eligible for Regulation A+?

Equity securities, debt securities, and securities convertible or exchangeable to equity securities (including any guarantees of such securities) are eligible for exemption under Regulation A+

- If convertible securities or warrants are being offered that are convertible, exercisable or exchangeable within one year of the offering statement's qualification **the underlying securities must also be qualified and the aggregate offering price for the offering must account for the actual or maximum estimated conversion, exercise or exchange price**, effectively reducing the quantity of securities that can be offered by that amount.



Continuity or Delay of the Offer

Issuers may make continuous or delayed offerings for **three years from the qualification date** of the offering statement.

- Continuous or delayed offerings are also available for securities:
 - To be offered or sold solely by or on behalf of a person or persons other than the issuer (or a parent or subsidiary of the issuer);
 - To be offered or sold pursuant to a dividend or interest reinvestment plan or an employee benefit plan of the issuer;
 - To be issued upon the exercise of outstanding options, warrants or rights;
 - To be issued upon the conversion of other outstanding securities; or
 - Pledged as collateral.



How to file for Regulation A+?

Issuers must file their offering statements and all other documents submitted in conjunction with Regulation A+ electronically on **EDGAR**

- There are *no filing fees* associated with the process.
- Offering statements will be declared qualified by the SEC, when a "*notice of qualification*" is issued, which is analogous to a notice of effectiveness in a registered offering.
- Issuers may initially elect to file draft offering statements for non-public review by the SEC. However, all non-public submissions with the SEC *must be filed publicly not less than 21 calendar days before qualification* of the offering statement.
- A broker-dealer must deliver the preliminary offering circular to prospective purchasers *at least 48 hours in advance of sale*.
- Regulation A+ offering circulars will be filed on **Form 1-A** (please, refer to the following slide)



Description of Form 1 – A

➤ Form 1-A, which consists of three parts:

Part I: Notification

Captures key information about the issuer and the offering.

Part II: Information Required in Offering Circular

Disclosure narrative and financial statements are included here.

Part III: Exhibits

Exhibit index and exhibits to the offering statement.

Please note that Disclosure in Part II of Form can either:

- Follow the Offering Circular disclosure format or
- Include the information required in Part I of Form S-1 or Form S-11,

Offering Circular disclosure for Tier 2 offerings will be similar in scope to disclosures made by a smaller reporting company for a registered offering.

