

INTRASTATE EQUITY CROWDFUNDING EXEMPTIONS – 04/07/14

Intrastate Exemption	<u>Invest Georgia Exemption 590-4-2-.08</u>	<u>Indiana Uniform Securities Act -Subsection 3(27)</u>	<u>Invest Kansas Exemption 81-5-21</u>	<u>Maine: An Act to Increase Funding for Start-Ups S.P. 568 – L.D. 1512</u>	<u>Michigan Uniform Securities Act (2002) Section 202a</u>	<u>Washington Job’s Act of 2014</u>	<u>Wisconsin Section 9.551.202 (26)</u>
State Population¹	2,853,118	6,483,797	9,687,653	1,328,361	9,883,640	6,724,543	5,686,986
Offering Limit	\$1,000,000 cap every 12-month period.	\$1,000,000 cap every 12-month period if no audited financial statements provided. \$2,000,000 cap every 12 months if audited financial statements provided.	\$1,000,000 cap every 12-month period.	\$1,000,000 cap every 12-month period.	\$1,000,000 cap every 12-month period if no audited financial statements provided. \$2,000,000 cap every 12 months if audited financial statements provided.	\$1,000,000 cap every 12-month period.	\$1,000,000 cap every 12-month period if no audited financial statements provided. \$2,000,000 cap every 12 months if audited financial statements provided.
Type of Securities	All. Securities issued are restricted securities.	All. Securities issued are restricted securities.	All. Securities issued are restricted securities.	All. Securities issued are restricted securities.	All. Securities issued are restricted securities.	All. Securities issued are restricted securities.	All. Securities issued are restricted securities.
Issuer Restrictions	Available to non-reporting issuers involved in all for profit business sectors other than issuers who are an investment company, or without a specific business plan, or involving persons with a criminal or disciplinary history. Entity must be organized in Georgia by registration with the Georgia Secretary of State, and must be located in Georgia,	Available to non-reporting issuers involved in all business sectors other than issuers who are an investment company, or without a specific business plan, or involving persons with a criminal or disciplinary history. Entity must be organized in Indiana by registration with the Indiana Secretary of State, and must be located in Indiana, including management, with at least 80% of its	Available to non-reporting issuers involved in all business sectors other than issuers who are an investment company, or without a specific business plan, or involving persons with a criminal or disciplinary history. Entity must be organized in Kansas by registration with the Kansas Secretary of State, and must be located in Kansas,	Available to non-reporting issuers involved in all business sectors other than issuers who are an investment company, or without a specific business plan, or involving persons with a criminal or disciplinary history. Entity must be organized in Maine by registration with the Maine Secretary of State, and must be located in Maine,	Available to non-reporting issuers involved in all business sectors other than issuers who are an investment company, or without a specific business plan, or involving persons with a criminal or disciplinary history. Entity must be organized in Michigan by registration with the Michigan Secretary of State, and must be located in Michigan, including management, with at least 80% of its assets and	Available to non-reporting issuers involved in all business sectors other than issuers who are an investment company, or without a specific business plan, or involving persons with a criminal or disciplinary history. Entity must be organized in Washington by registration with the Washington Secretary of State, and must be located in Washington,	Available to non-reporting issuers involved in all business sectors other than issuers who are an investment company, or without a specific business plan, or involving persons with a criminal or disciplinary history. Entity must be organized in Wisconsin by registration with the Wisconsin Secretary of State, and must be located in Wisconsin, including management, with at least 80% of its assets and

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	including management, with at least 80% of its assets and operations within Georgia.	assets and operations within Indiana.	including management, with at least 80% of its assets and operations within Kansas.	including management, with at least 80% of its assets and operations within Maine.	operations within Michigan.	including management, with at least 80% of its assets and operations within Washington.	operations within Wisconsin.
Investor Restrictions	Must be Georgia residents and all offers and sales transactions must occur within Georgia. (SEC Rule 147: any resales during the offering and for a period of 9 months after the offering is completed must be limited to Georgia residents.) 12-month investment cap of \$10,000 per issuer by an investor unless an accredited investor.	Must be Indiana residents and all offers and sales transactions must occur within Indiana and any resales during the offering and for a period of 9 months after the offering is completed must be limited to Indiana residents. 12-month investment cap of \$5,000 per issuer by an investor unless an accredited investor.	Must be Kansas residents and all offers and sales transactions must occur within Kansas and any resales during the offering and for a period of 9 months after the offering is completed must be limited to Kansas residents. 12-month investment cap of \$5,000 per issuer by an investor unless an accredited investor.	Must be Maine residents and all offers and sales transactions must occur within Maine. (SEC Rule 147: any resales during the offering and for a period of 9 months after the offering is completed must be limited to Maine residents.) 12-month investment cap of \$5,000 per issuer by an investor unless an accredited investor.	Must be Michigan residents and all offers and sales transactions must occur within Michigan and any resales during the offering and for a period of 9 months after the offering is completed must be limited to Michigan residents. 12-month investment cap of \$10,000 per issuer by an investor unless an accredited investor.	Must be Washington residents and all offers and sales transactions must occur within Washington. Any resales during the offering and for a period of 12 months after the offering is completed must be limited to Washington residents. 12-month investment cap per issuer of the greater of: \$2,000 or 5% of investor’s annual income if income under \$100,000 per year or 10% of an investor’s annual income if income over \$100,000 per year.	Must be Wisconsin residents and all offers and sales transactions must occur within Wisconsin. (SEC Rule 147: any resales during the offering and for a period of 9 months after the offering is completed must be limited to Wisconsin residents.) 12-month investment cap of \$10,000 per issuer by an investor unless an accredited investor.
Financial Statements	Optional.	Audited financial statement required if raising more than \$1,000,000.	Optional.	Unaudited financial statements reviewed by a public accountant if amount raised in preceding 12 month period in	Audited financial statement required if raising more than \$1,000,000.	Optional.	Audited financial statement required if raising more than \$1,000,000.

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				<p>aggregate more than \$100,000 but no more than \$500,000.</p> <p>Unaudited financial statements plus most recent tax return if amount raised in preceding 12 month period in aggregate \$100,000 or less.</p> <p>Audited financial statements if amount raised in preceding 12 month period in aggregate more than \$500,000.</p>			
Document Requirements	<p>Form GA-1 Invest Georgia Exemption must be filed in paper form before any general solicitation or within 25 days of the sale of securities.</p> <p>Subscription agreement.</p>	<p>Advance filing of disclosure statement containing the information prescribed in subsection 3(27)(L) of the rule must be filed within 10 days before the offering of the securities.</p> <p>Escrow agreement regarding receipt and release of funds.</p> <p>Risk acknowledgement in required form to be signed</p>	<p>Notice of Reliance on the Invest Kansas Exemption Form must be filed in paper form before any general solicitation or within 25 days of the sale of the security.</p> <p>Subscription agreement.</p>	<p>Disclosure statement containing the information prescribed in subsection 6-A.E of the rule.</p> <p>Subscription agreement.</p>	<p>Notice of Issuer Michigan Invests Locally Exemption Form and disclosure statement containing the information prescribed in subsection 202a (1)(e) of the rule must be filed electronically within 10 days before the offering of the securities.</p> <p>Risk acknowledgement in required form to be signed by each investor.</p>	<p>Advance filing of disclosure statement containing the information prescribed in section 4 of the rule must be filed and offering declared exempt before the offering of the securities. Rules for filing to be adopted before October 1, 2014.</p> <p>Escrow agreement regarding receipt and release of funds.</p>	<p>Advance notice form and disclosure statement containing the information prescribed in subsection 551.202 (26)(f) of the rule must be filed electronically within 10 days before the offering of the securities.</p> <p>Risk acknowledgement in required form to be signed by each investor.</p> <p>Subscription agreement.</p>

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		by each investor. Subscription agreement.			Subscription agreement.	Risk acknowledgement in required form to be signed by each investor. Subscription agreement.	
Disclosure Liability	Full disclosure liability with a knowledge exception and anti-fraud liability.	Full disclosure liability with a knowledge exception and anti-fraud liability.	Full disclosure liability with a knowledge exception and anti-fraud liability.	Full disclosure liability with a knowledge exception and anti-fraud liability.	Full disclosure liability with a knowledge exception and anti-fraud liability.	Full disclosure liability with a knowledge exception and anti-fraud liability.	Full disclosure liability with a knowledge exception and anti-fraud liability.
Post Offering Requirements	None.	Quarterly report in required form must be provided to all purchasers within 45 days after the end of each fiscal quarter until none of the securities issued under the exemption are outstanding. Requirement may be satisfied by posting on website.	None.	None.	Quarterly report in required form must be provided to all purchasers within 45 days after the end of each fiscal quarter until none of the securities issued under the exemption are outstanding. Requirement may be satisfied by posting on website.	Quarterly report in required form must be provided to all purchasers within 45 days after the end of each fiscal quarter until none of the securities issued under the exemption are outstanding. Requirement may be satisfied by posting on website.	Wisconsin securities regulator may adopt a rule or order requiring periodic reports while a registration statement is effective. Right now no requirements.
Portal Requirements	Direct sales by issuer or portal operator must be registered as a broker-dealer or agent under Georgia Securities Act.	Direct sales by issuer or portal operator must be registered as a broker-dealer or agent under Indiana Securities Act or exempt from registration under section 3(27)(O).	Direct sales by issuer or portal operator must be registered as a broker-dealer or agent under Kansas Securities Act.	Direct sales by issuer or portal operator must be registered as a broker-dealer or agent under Maine Securities Act.	Direct sales by issuer or portal operator must be registered as a broker-dealer or agent under Michigan Securities Act or exempt from registration. (Notice of website operator.)	Sales must be through an online funding portal. Portal operator must be qualified as a portal pursuant to regulations promulgated by the director. Rules for portals to be	Sales must be through an online funding portal. Portal operator must be registered as a broker-dealer or agent under Wisconsin Securities Act or exempt from registration.

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						adopted before April 1, 2015.	
Advantages	(1) Can sell to anyone resident in Georgia; (2) All types of securities may be sold; and (3) No annual report or other continuous disclosure requirements because of offering.	(1) Can sell to anyone resident in Indiana; (2) All types of securities may be sold; and (3) May raise up to \$2,000,000 if audited financial statements provided.	(1) Can sell to anyone resident in Kansas; (2) All types of securities may be sold; and (3) No annual report or other continuous disclosure requirements because of offering.	(1) Can sell to anyone resident in Maine; (2) All types of securities may be sold; and (3) No annual report or other continuous disclosure requirements because of offering.	(1) Can sell to anyone resident in Michigan; (2) All types of securities may be sold; and (3) May raise up to \$2,000,000 if audited financial statements provided.	(1) Can sell to anyone resident in Washington; (2) All types of securities may be sold; (3) May raise up to \$1,000,000; and (4) No financial statement requirements.	(1) Can sell to anyone resident in Wisconsin; (2) All types of securities may be sold; and (3) May raise up to \$2,000,000 if audited financial statements provided.
Disadvantages	(1) Offering size limited to maximum of \$1,000,000 every 12 month period including all other offerings; (2) Only available to state resident issuers and investors; and (3) civil liability attached.	(1) Offering size limited to maximum of \$2,000,000 every 12 month period including all other offerings; (2) Only available to state resident issuers and investors; (3) audited financial statements must be provided if raising more than \$1,000,000; (4) quarterly report must be provided until securities are no longer outstanding; (5) civil liability attached; and (6) Rule not available until June 30, 2014.	(1) Offering size limited to maximum of \$1,000,000 every 12 month period including all other offerings; (2) Only available to state resident issuers and investors; and (3) civil liability attached.	(1) Offering size limited to maximum of \$1,000,000 every 12 month period including all other offerings; (2) Only available to state resident issuers and investors; (3) financial statements must be reviewed if raising more than \$100,000 and under \$500,000 and audited financial statements must be provided if raising more than \$500,000; and (4) civil liability attached.	(1) Offering size limited to maximum of \$2,000,000 every 12 month period including all other offerings; (2) Only available to state resident issuers and investors; (3) audited financial statements must be provided if raising more than \$1,000,000; (4) quarterly report must be provided until securities are no longer outstanding; and (5) civil liability attached.	(1) Offering size limited to maximum of \$1,000,000 every 12 month period; (2) Only available to state resident issuers and investors; (3) Issuer must make offering through a registered broker dealer; (5) civil liability attached; and (6) Director of securities not required to adopt forms or rules for portals until April 1, 2015.	(1) Offering size limited to maximum of \$2,000,000 every 12 month period including all other offerings; (2) Only available to state resident issuers and investors; (3) audited financial statements must be provided if raising more than \$1,000,000; (4) Issuer must make offering through a registered broker dealer; and (5) civil liability attached.

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Active Portal Examples	Sterling Funder ; and SparkMarket						

Note: (1) United States Census Bureau, [2010 Census](#).