



Texas State Securities Board  
P.O. Box 13167  
Austin, Texas 78711-3167

**Information Concerning Projected Market Prices and Related Market Information**  
(§109.7 and §4005.019 (formerly Section 5.O(3)), Texas Securities Act)  
(Supplement to Form 133.5 or Form 133.6)

Issuer: \_\_\_\_\_

Section 4005.019 (formerly Section 5.O(3)) provides that securities should be offered for sale at prices reasonably related to the current market price of such security at the time of sale. The Texas State Securities Board has interpreted the language "at prices reasonably related to the current market price of such security at the time of sale" to mean that the market price of such security in the existing secondary market must have a basis supported by a substantial volume of bona fide sales transactions within or without this state. Additionally, the Board policy provides that in the absence of a going market or where there have been only casual transactions, it shall be incumbent on the person filing the §4005.019 (formerly Section 5.O) Exemption Notice to prove to the Commissioner that the security will have a market price that has been fairly determined and justified at inception with reasonable assurance of continuity of the market into the future.

This procedure would include consideration by the Commissioner of criteria established in the items set out below. If additional space is needed to respond to any item, please attach a separate sheet and number answers to correspond to the numbers on this form.

(Note: If the requested information is contained in a 10-K or 10-Q report submitted to our Agency, answers may be made by appropriate references.)

1. Describe the nature and extent of the business operations of the Issuer and its predecessor, if any, and the period of time during which the Issuer and its predecessor, if any, has been continuously engaged in business. \_\_\_\_\_

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\_\_\_\_\_  
\_\_\_\_\_

2. The net asset value of the stock per share. \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

3. If there is a record of earnings for the Issuer, the value per share of the stock based upon a reasonable times-earnings factor (setting out the factor used) related to the industry represented by the Issuer.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

4. Any other basis for full justification of the value per share of the stock. \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

5. Attach a written undertaking by the Issuer to furnish to its shareholders and dealers deemed by the Issuer to be likely to trade the securities of the Issuer a current balance sheet, a comparative 3-year income statement and analysis of shareholder's equity (or for the period of the existence of the Issuer, if such period of existence is less than 3 years), and annual financial statements thereafter.

6. Attach a written undertaking by a registered Texas securities dealer who is financially able, setting out:

- (a) The dealer's willingness to make a market in the issue of securities;
- (b) The price at which the dealer will begin the market; and
- (c) The procedures which the dealer intends to follow for the purpose of assuring an orderly market.

7. Supplementary data to assist in determining the character of the share distribution and the number of publicly held shares;

(a) Identification of 10 largest holders of record, including beneficial owners (if known) of holdings of record by nominees;

| Name of Holder | # Shares | Name of Holder | # Shares |
|----------------|----------|----------------|----------|
| _____          | _____    | _____          | _____    |
| _____          | _____    | _____          | _____    |
| _____          | _____    | _____          | _____    |
| _____          | _____    | _____          | _____    |

(b) List of holdings of 1,000 shares or more in the names of registered dealers and unregistered out-of-state dealers;

| Name of Dealer | # Shares | Name of Dealer | # Shares |
|----------------|----------|----------------|----------|
| _____          | _____    | _____          | _____    |
| _____          | _____    | _____          | _____    |
| _____          | _____    | _____          | _____    |
| _____          | _____    | _____          | _____    |

(c) Number of transfers and shares transferred of record during the last 2 years (or period of existence of the Issuer, if shorter).

\_\_\_\_\_  
 \_\_\_\_\_

(d) Summary, by principal groups, of stock, owned or controlled by:

(1) Officers or directors and their immediate families. \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

(2) Other concentrated holdings of 10% or more. \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

(e) Estimates of number of non-officer employees owning stock and the total shares held.

\_\_\_\_\_  
\_\_\_\_\_

(f) Company shares held in profit-sharing, savings, pension, or other similar funds or trusts established for the benefit of officers or employees. \_\_\_\_\_

\_\_\_\_\_

(g) Number of round-lot and number of odd-lot holders of record and aggregate numbers of shares so held. \_\_\_\_\_

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\_\_\_\_\_  
\_\_\_\_\_

I, the undersigned, certify that the securities proposed to be sold under this exemption are not a part of an unsold allotment or subscription in the distribution of such securities by the Issuer; that securities of the same class, of the same Issuer, are outstanding in the hands of the public; that no part of the proceeds of such sale will be paid directly or indirectly to the Issuer of such securities; that such sale is not directly or indirectly for the purpose of providing or furthering any scheme to violate or evade any provision of the Texas Securities Act; and that the Issuer of such securities is a going concern actually engaged in business and is neither in an organizational stage nor in receivership or bankruptcy.

The undersigned and the Issuer (if different from the undersigned) acknowledge that making a false or misleading statement in a document filed with the Securities Commissioner or submitting false or misleading information or omitting pertinent or material information in connection with any document filed with the Commissioner may constitute a violation of The Texas Securities Act, be grounds for discipline under The Texas Securities Act, and may subject the undersigned and/or the Applicant to other legal sanctions, including administrative, civil, or criminal penalties, including being deemed guilty of a felony of a third degree as provided in §4007.204 (formerly Section 29.E) of The Texas Securities Act.

I represent that I have read this form, that I understand it and am familiar with its contents, and that the information and statements contained in this form filed, are current, true, and complete to the best of my knowledge, information, and belief and that any documents submitted with this form are true copies of the originals. I further represent that to the extent any information previously submitted with this form is not amended, such information is accurate and complete.

I declare under penalty of perjury under the laws of Texas that the foregoing is true and correct.

Executed the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

By: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed name

\_\_\_\_\_  
Title