

**BEFORE THE  
MARYLAND SECURITIES COMMISSIONER**

IN THE MATTER OF:

\*

MARYLAND INTRASTATE  
SMALL BUSINESS EXEMPTION

\*

October 1, 2014

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\* \* \* \* \*

**ORDER**

**WHEREAS**, Section 11-601(16) of the Maryland Securities Act, Corporations and Associations Article, Title 11, Annotated Code of Maryland (2007 Repl. Vol. & Supp. 2014) (the “Act” ), which became effective on October 1, 2014, creates the authority for the Securities Commissioner (the “Commissioner”) to adopt an exemption from the Act’s securities registration provisions for certain intrastate offerings conducted in accordance with specific conditions; and

**WHEREAS**, pursuant to the authority in Section 11-601(16) of the Act, the Commissioner has established an exemption, known as the Maryland Intrastate Small Business Exemption (“MISBE”), for offerings conducted in accordance with the provisions set forth in this Order; and

**WHEREAS**, Section 11-601(16) of the Act specifies, *inter alia*, that, by rule or order, the Commissioner may establish an exemption from the Act’s registration requirements for an offering of securities conducted by an entity formed, organized, or existing under the laws of the State of Maryland if:

1. The offering of the security is conducted in accordance with Section 3(a)(11) of the Securities Act of 1933 and Rule 147 adopted under the Securities Act of 1933;
2. The offers and sales of the security are made only to residents of the State;

3. The aggregate offering price of securities does not exceed \$100,000;
4. The total consideration paid by any purchaser of securities in the offering does not exceed \$100;
5. No commission or other remuneration is paid in connection with an offering of securities under this item to any person who is not registered as required under the Act;
6. Neither the issuer nor any of its related persons is subject to a disqualification as defined by this Order; and
7. The security is sold in an offering conducted in compliance with conditions established by rule or order, which may include:
  - a. Restrictions on the nature of the issuer;
  - b. Limitations on the number and manner of offerings;
  - c. Required disclosures to investors, including risk factors related to the issuer and the offering; and
  - d. Required filing with the Commissioner of notices and other materials related to the offering; and

**WHEREAS**, Section 11-203(b)(1) of the Act provides that a rule, form, or order may not be made, amended, or rescinded unless the Commissioner finds that the action is necessary or appropriate in the public interest or for the protection of investors and consistent with the purposes fairly intended by the policy and provisions of the Act; and

**WHEREAS**, the Commissioner has determined that action is necessary and appropriate in the public interest and for the protection of investors and is consistent with the purposes intended by the policy and provisions of the Act to provide this exemption from registration for certain offerings that meet the requirements of this Order; and

**NOW, THEREFORE, IT IS HEREBY ORDERED**, pursuant to the authority granted by Sections 11-601(16) and 11-203 of the Act, that for purposes of compliance with MISBE, the Maryland

intrastate small business exemption, an offering conducted in accordance with the conditions set forth in this Order shall be exempt from securities registration for purposes of compliance with the Maryland Securities Act;

1. For purposes of complying with this Order, an offering conducted under MISBE must meet the requirements set forth in Exhibit 1 to this Order.
2. Within fifteen days after the first sale of securities under MISBE, the issuer shall file with the Commissioner the Form MISBE-1, a copy of which is attached as Exhibit 2 to this Order, together with the filing fee of \$100 required by Section 11-506 of the Act.
3. In an offering under MISBE, the issuer shall deliver a Form MISBE-2, a copy of which is attached as Exhibit 3 to this Order, or a disclosure document containing the information required by Form MISBE-2, to each prospective purchaser before the issuer sells a security to the purchaser.

The Commissioner reserves the authority under section 11-203(a) of the Act to amend or rescind this Order and to issue guidance concerning the use of the MISBE provisions.

DATE OF THIS ORDER:

October 1, 2014

SO ORDERED:

**Commissioner's Signature on  
File w/Original Document**

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Melanie Senter Lubin  
Securities Commissioner

### **Maryland Intrastate Small Business Exemption (MISBE)**

A. Scope.

(1) The Maryland Intrastate Small Business Exemption (MISBE) created under the Maryland Securities Act, Corporations and Associations Article, §11-601(16), Annotated Code of Maryland, an exemption from the registration requirements of the Maryland Securities Act, Corporations and Associations Article, §11-501, Annotated Code of Maryland.

(2) This regulation sets forth requirements that the issuer, its offering and the transaction must meet in order to rely on the exemption from registration under this regulation.

(3) Section O of this regulation provides that the MISBE exemption will remain available in the event of certain insignificant deviations from the conditions set forth in this regulation.

(4) MISBE and the Maryland Securities Act, Corporations and Associations Article, §11-601(16), do not provide an exemption from the antifraud provisions of the Maryland Securities Act, Corporations and Associations Article, Subtitles 3 and 7, Annotated Code of Maryland.

B. Definitions.

(1) Refer to Regulation .09 of this chapter.

(2) “MISBE” means the Maryland Intrastate Small Business Exemption created by this regulation.

C. General Requirements.

(1) Transactions by an issuer involving the offer or sale of securities of the issuer that are part of an offering that satisfies the terms of MISBE are exempt under the Maryland Securities Act, Corporations and Associations Article, §11-601(16), Annotated Code of Maryland.

(2) The burden of proving an exemption under MISBE is on the person claiming the exemption.

(3) Notwithstanding the failure of a proposed transaction to satisfy one or more of the terms of MISBE, upon application, the Commissioner may order that the transaction is exempt under the Maryland Securities Act, Corporations and Associations Article, §11-601(16), Annotated Code of Maryland, if the Commissioner finds that the:

(a) Transaction demonstrates substantial compliance in good faith with the conditions of MISBE; and

(b) Order would be consistent with the public interest.

D. Nature of Issuer.

(1) Exemption under MISBE and this regulation is available only to an entity that:

(a) Is organized under the laws of Maryland;

(b) Is qualified to do business in Maryland; and

(c) Has its principal place of business in Maryland.

(2) The issuer shall use at least 80 percent of the net proceeds to the issuer from the sales made under this rule to operate the business or to render services in the State.

E. Nature of Offeree and Purchaser.

Maryland. (1) Offers, offers to sell, offers for sale and sales shall be made only within

(2) For purposes of determining the residence of an offeree or a purchaser:

(a) An individual is considered to be a resident of the State if, at the time of the offer and sale to the individual, the individual's principal residence is in the State.

(b) A corporation, partnership, trust, limited liability company or other form of business organization is considered to be a resident of the State if, at the time of the offer and sale to it, the entity's principal office is in the State.

(c) A corporation, partnership, trust, limited liability company or other business organization that is organized for the specific purpose of acquiring part of an issue offered under this regulation is not considered to be a resident of the State unless all of the beneficial owners of the entity are residents of the State.

F. Aggregate Offering Price. In an offering under this regulation, the aggregate offering price during any twelve (12) month period may not exceed \$100,000.

G. Cancellation of Investment. In an offering under this regulation, an investor may cancel an investment at any time before the issuer has raised the minimum offering amount.

H. Nature of Security.

(1) Exemption under MISBE and this regulation is available for promissory notes only.

(2) The Commissioner may extend by order the exemption under this regulation to other types of securities if the Commissioner determines that the order would be consistent with the public interest and appropriate for the protection of investors.

I. Disclosure.

(1) In an offering under this regulation, the issuer shall deliver to each prospective purchaser before a sale to the purchaser:

(a) For a note offering, a complete Form MISBE-2 or a disclosure document containing the information required by Form MISBE-2; or

(b) For an offering made under an order issued under Section H(2) of this regulation, a disclosure document containing the information required by Form MISBE-2 that has been adapted to the type of security offered.

J. Exemption Filing.

(1) The issuer shall file with the Commissioner not later than 15 days after the first sale of securities under MISBE and this regulation:

(a) A Form MISBE-1, or a document containing the information required by Form MISBE-1; and

(b) The filing fee of \$100, as required by the Maryland Securities Act, Corporations and Associations Article, §11-506, Annotated Code of Maryland.

K. Prohibition against resale. The securities sold pursuant to this regulation may not be resold.

L. Integration. The provisions of Regulation .10.B. of this chapter apply to an offering under this regulation.

M. Disqualification. The provisions of Regulation .10.G. of this chapter apply to an offering under this regulation.

N. Precautions against interstate offers and sales.

(1) The issuer shall, in connection with the documentation of any securities sold by it pursuant to this regulation or presented for transfer:

(a) On the documentation evidencing the security, place a legend stating that the securities have not been registered under the Act and setting forth the prohibition against resale stated in Section K of this regulation; and

(b) Obtain a written representation from each purchaser stating the location of the purchaser's residence.

(2) The issuer shall, in connection with any offer, offer to sell, offer for sale or sale by it under this regulation, disclose, in writing, the prohibition against resale stated in Section K of this regulation.

(3) The issuer, in connection with an offering under this regulation, shall comply with Securities and Exchange Commission's guidance regarding the issuer's use of its website to promote the offering and intrastate offerings found in Question 141.05 at <http://www.sec.gov/divisions/corpfin/guidance/securitiesactrules-interps.htm> .

O. Insignificant Deviations. The provisions of Regulation .13 of this chapter apply to an offering under this regulation.

# FORM MISBE-1

## SECURITIES OFFERINGS UNDER THE MARYLAND INTRASTATE SMALL BUSINESS EXEMPTION (MISBE) FILING

Maryland Securities Act, Section 11-601(16) and COMAR 02.02.04

### DISCLOSURE DOCUMENT FOR A MISBE OFFERING

The Maryland Intrastate Small Business Exemption is available to issuers organized and based in Maryland for certain offers and sales of securities made only to Maryland residents. The issuer is required to file the Form MISBE-1 with the Securities Commissioner and pay a \$100 filing fee. The filing deadline for the form and the fee is the fifteenth day after the first sale of securities and must be received by close of business on that day. Checks are payable to "Office of the Attorney General" and should be submitted with this form to the Maryland Division of Securities, 200 St. Paul Place, Baltimore, Maryland 21202-2020. For copies of the statutes, regulations, and forms, go to [www.oag.state.md.us/securities](http://www.oag.state.md.us/securities) or contact the Maryland Division of Securities at 410-576-7050.

**Please attach additional sheets if additional space is required. Indicate "Not Applicable" if an item does not apply.**

- \_\_\_\_\_

Name of Issuer

\_\_\_\_\_

Address of Issuer

\_\_\_\_\_ (\_\_\_\_) \_\_\_\_\_

City, State, Zip Code Telephone Number

\_\_\_\_\_

E-mail, if applicable Web Site Address

- Other contact to whom communications regarding this filing should be directed:

\_\_\_\_\_

Name

\_\_\_\_\_

Address

\_\_\_\_\_  
City, State, Zip Code

(\_\_\_\_\_)\_\_\_\_\_  
Telephone Number

\_\_\_\_\_  
E-mail, if applicable

3. Description, in summary form, of the Issuer's business:

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

4. Issuer's type of business organization:

\_\_\_\_\_ Maryland Corporation  
\_\_\_\_\_ Maryland Partnership  
\_\_\_\_\_ Maryland Limited Liability Company  
Other (specify): \_\_\_\_\_

5. Issuer's year of formation: \_\_\_\_\_

6. The type of securities being offered is:

\_\_\_\_\_ Promissory Notes  
\_\_\_\_\_ Other\* (specify): \_\_\_\_\_

\* If "Other" please attach a copy of the Securities Commissioner's order extending the availability of MISBE to the offering.

7. Within the six months before this offering began, did the issuer offer or sell any other securities in Maryland? Yes \_\_\_\_\_ No \_\_\_\_\_

- (a) Describe the security(ies): \_\_\_\_\_  
(b) Provide the date previous offering began and terminated: \_\_\_\_\_  
(c) Upon what securities exemption did the issuer rely? \_\_\_\_\_

8. Description of this offering:

- (a) Date this offering began: \_\_\_\_\_  
(b) Date of the first sale in Maryland: \_\_\_\_\_  
(c) Aggregate price of all promissory notes (or other securities) offered in Maryland:  
\$ \_\_\_\_\_  
(d) Number of promissory notes (or other securities) offered in Maryland: \_\_\_\_\_  
(e) Price of each promissory note (or other security) offered in Maryland: \$ \_\_\_\_\_

9. On separate sheets, please state the name, home or business address, and position of each officer,



director, managing member, general partner, or trustee of the issuer. If the general partner or trustee is a corporation or other entity, provide the requested information for each officer, director, managing member, or general partner of that entity.

10. On separate sheets, state the name and home or business address of each beneficial owner of 10 percent or more of the outstanding shares of any class of equity ownership of the issuer.
11. For any “yes” answer below, on a separate sheet, indicate whether any person/entity described in (a) through (e) (“Designated Person”) is subject to any of the events described in (i) through (vi). Provide a copy of the order, judgment, decree, injunction or other action related to each “yes” answer.
  - (a) The issuer;
  - (b) Any of its directors, officers, general partners, managing members, trustees, or any other person performing similar functions;
  - (c) Beneficial owners of ten percent or more of any class of its equity securities;
  - (d) Any of the issuer's promoters currently connected with it in any capacity; or
  - (e) Any person (other than a broker-dealer currently registered under the Maryland Securities Act, §11-405, Annotated Code of Maryland) that has been or will be paid or given, directly or indirectly, a commission or similar remuneration for the solicitation of a prospective purchaser or in connection with sales of securities under MISBE:
    - (i) Within five years before the first sale of securities in this offering, has any Designated Person filed a registration statement or an application for exemption from registration that is currently subject to a stop order under a state's securities laws? Yes \_\_\_\_\_ No \_\_\_\_\_
    - (ii) Within five years before the first sale of securities in this offering, has any Designated Person been convicted of or has pleaded nolo contendere to a felony or misdemeanor in connection with the offer, purchase, or sale of a security or in connection with the making of a false filing with the Securities and Exchange Commission or with a state securities administrator, or a felony involving fraud or deceit, including, but not limited to, forgery, embezzlement, obtaining money under false pretenses, larceny, conspiracy to defraud, or theft? Yes \_\_\_\_\_ No \_\_\_\_\_
    - (iii) Is any Designated Person subject to an order, judgment, or decree of a court of competent jurisdiction temporarily or preliminarily restraining or enjoining, or is subject to an order, judgment, or decree of a court of competent jurisdiction entered within five years before the first sale of securities in this offering and permanently restraining or enjoining, that person from engaging in or continuing any conduct or practice in connection with the offer, purchase, or sale of a security or in connection with the making of a false filing with the Securities and Exchange Commission or a state securities administrator? Yes \_\_\_\_\_ No \_\_\_\_\_
    - (iv) Is any Designated Person subject to a United States Postal Service false representation or cease and desist order entered under 39 U.S.C. §3005 within five years before the first sale of securities in this offering or is subject to a temporary

restraining order or preliminary injunction entered under 39 U.S.C. §3007 or 18 U.S.C. §1345 with respect to conduct alleged to have violated 39 U.S.C. §3005? Yes \_\_\_\_\_ No \_\_\_\_\_

- (v) Is any Designated Person subject to a state administrative order entered by a state securities administrator in which fraud or deceit was found, if the final order was entered within five years before the first sale of securities in this offering? Yes \_\_\_\_\_ No \_\_\_\_\_
- (vi) Is any Designated Person subject to an order issued by the Securities Commissioner or subject to an order, judgment, or decree of a court of competent jurisdiction temporarily, preliminarily, or permanently restraining or enjoining the person for failure to file a Form MISBE-1? Yes \_\_\_\_\_ No \_\_\_\_\_

10. Date of this Filing: \_\_\_\_\_

### **Execution Section/Appointment of Agent for Service of Process/Signatures**

By signing this Form MISBE-1 Execution Page, you, the undersigned issuer, irrevocably appoint the Maryland Commissioner of Securities or other legally designated officer of the State of Maryland as your agents to receive service, and agree that such persons may accept service on your behalf, of any notice, subpoena, summons, order instituting proceedings, demand for arbitration, or other process or papers, and you further agree that such service may be made by registered or certified mail, in any federal or state action, administrative proceeding or arbitration that: (a) arises out of any activity in connection with the offer and sale of the company's securities in Maryland that is subject to the jurisdiction of Maryland and the United States; and (b) is founded, directly or indirectly, upon the provisions of: (i) the Securities Act of 1933, the Securities Exchange Act of 1934, the Trust Indenture Act of 1939, or the Investment Company Act of 1940, or any rule or regulation under any of these acts; or (ii) the laws of the State of Maryland in which you maintain your principal office and place of business or in which you are submitting your filing.

I do solemnly declare and affirm under penalties of perjury that to the best of my knowledge, information and belief, the contents of the foregoing document are true and correct and that I am signing this Form MISBE-1 as a free and voluntary act.

\_\_\_\_\_  
Chief Executive Officer,  
General Partner, or Manager

\_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

If the issuer is a corporation, the filing must be signed by a majority of its directors:

\_\_\_\_\_  
Director

\_\_\_\_\_  
Date \_\_\_\_\_

\_\_\_\_\_  
Director

\_\_\_\_\_  
Date

\_\_\_\_\_  
Director

\_\_\_\_\_  
Date \_\_\_\_\_

"It is unlawful for any person to make ... in any document filed with the Commissioner ... any statement which is, at the time and in the light of the circumstances under which it is made, false or misleading in any material respect."

Section 11-303, Corporations & Associations Article, Annotated Code of Maryland

**FORM MISBE-2**

**SECURITIES OFFERINGS**

**UNDER THE MARYLAND INTRASTATE SMALL BUSINESS EXEMPTION**

**(MISBE)**

**Maryland Securities Act, Section 11-601(16) and COMAR 02.02.04.**

**DISCLOSURE DOCUMENT FOR A MISBE OFFERING**

**THE ISSUER IS REQUIRED TO CREATE A DISCLOSURE DOCUMENT THAT CONTAINS THE INFORMATION AND NOTICES DETAILED BELOW. A COMPLETE COPY OF THIS ENTIRE FORM MISBE-2, INCLUDING ALL ATTACHMENTS AND NOTICES, OR A DOCUMENT CONTAINING THE EQUIVALENT DISCLOSURE INFORMATION, MUST BE PROVIDED TO EACH PROSPECTIVE INVESTOR BEFORE THE INVESTOR AGREES TO PURCHASE ANY PROMISSORY NOTE OR MAKES PAYMENT OF ANY CONSIDERATION, WHICHEVER IS EARLIER.**

1. Include the following **COMPANY INFORMATION**:
  - (a) Exact company name;
  - (b) Date of formation;
  - (c) Street address of principal office (DO NOT USE P.O. BOX);
  - (d) Telephone number; and
  - (e) Name and home or business address of selling person, if any.
  
2. Include the following **OFFERING INFORMATION**:
  - (a) Date of commencement of offering;
  - (b) Terms of promissory notes to be offered and sold in Maryland;
  - (c) Total amount to be raised in Maryland;
  - (d) Dollar amount for each security; and
  - (e) Expiration date of this offering.
  
3. Include the following **RISK FACTORS FOR PROMISSORY NOTES**, modified as appropriate to this company:

- (a) The company has minimal (or no) operating history.
  - (b) The company has limited resources and may not be able to continue operating even with the proceeds from this offering.
  - (c) The company will not place in escrow any of the funding it receives. You may lose some or all of your investment.
  - (d) The promissory notes are illiquid and may not be resold. There is no secondary market for the notes. Therefore, you must be prepared to hold onto your investment for a long time.
  - (e) Your interest in the company is unsecured and is an uninsured debt obligation. In the case of bankruptcy, your investment may not have priority over other creditors of the company, and you may lose all of your investment. Your interest in the company is subordinate to existing and future senior secured indebtedness.
  - (f) The sale is on a “best efforts” basis only. There is no guarantee that the company will be able to raise the funds it has determined it needs to operate the business successfully, nor is the company responsible for selling all of the promissory notes. Therefore, the company may not have enough funds to carry out its business plan.
  - (g) The company is not obligated to sell all of its promissory notes or continue to operate the company. Any change in status of the company may negatively impact its ability to pay interest and principal on the notes on a timely basis.
  - (h) The company is dependent on a few key employees. In the event they leave the company or are unavailable to the company, the company may have difficulty with the operation and/or growth of its business.
  - (i) Various general economic conditions may impact the company’s ability to collect amounts due from the company’s borrowers.
  - (j) Changes in interest rates may adversely affect the company’s ability to repay the notes.
  - (k) The promissory notes are not bank instruments and are subject to greater risks than bank instruments. The notes are not FDIC or SIPC insured.
4. Include **RISK FACTORS SPECIFIC TO THE COMPANY** by listing in order of importance the most serious risks specific to the company and those that appear to constitute the greatest threat that the investment will be lost in whole or in part, or that the company will not achieve its business objectives.
5. Include details explaining the **USE OF PROCEEDS**:

	<u>Minimum Offering</u>	<u>Maximum Offering</u>
(a) Gross proceeds from offering:		
Cash	\$ _____	\$ _____
(b) Offering expenses (estimate):		
Legal fees	\$ _____	\$ _____
Accounting fees	\$ _____	\$ _____
Other offering expenses (describe):		
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
Total offering expenses	\$ _____	\$ _____
(c) Net proceeds from offering:		
Cash	\$ _____	\$ _____
Other (estimate)	\$ _____	\$ _____
(d) Anticipated uses of net proceeds (in order of priority):		
	<u>Minimum Offering %</u>	<u>Maximum Offering %</u>
Describe:		
_____	\$ _____	\$ _____

\_\_\_\_\_ \$ \_\_\_\_\_ \$ \_\_\_\_\_  
\_\_\_\_\_ \$ \_\_\_\_\_ \$ \_\_\_\_\_  
\_\_\_\_\_ \$ \_\_\_\_\_ \$ \_\_\_\_\_

6. Describe, in summary form, the **BUSINESS** the company does and proposes to do, including the products, goods, and services it manufactures, sells, or provides.
7. Describe the **SELLING PERSONS** by providing, for each individual the company has authorized to sell securities on its behalf in this offering, the selling person's name, home or business address, phone number, email address, company affiliation, if any, and any compensation the selling person will be paid for sales of the notes.
8. Provide the following information regarding **DIRECTORS AND KEY EMPLOYEES** including each officer, principal, owner of 10% or more of the issuer's equity securities or voting power, of the Issuer, and other key personnel of the company:
  - (a) The name, five year employment history (dates and employer name) and relevant experience of each director and key employee;
  - (b) The compensation paid or promised to each key employee and director, including salary, bonus, and other compensation, for the past two years and the compensation promised to be paid after the offering, if different;
  - (c) Any conflicts or potential conflicts of interest between the company and each key employee or director, the key employee's or director's relatives, and any business in which the key employee or director has a substantial interest, including but not limited to whether the company, within the twenty four month prior to the offering or after the offering:
    - i. Has or will have loans to or is or will be doing business with any of the listed parties; or
    - ii. Has purchased or leased or will purchase or lease any goods or property from any of the listed parties; and
  - (d) If a director or key employee has:
    - i. Within five years before the first sale of securities in this offering, been convicted or pleaded nolo contendere to any felony or misdemeanor in

connection with the offer, purchase, or sale of a security or in connection with the making of a false filing with the Securities and Exchange Commission or with a state securities administrator, or a felony involving fraud or deceit, including, but not limited to forgery, embezzlement, obtaining money under false pretenses, larceny, conspiracy to defraud, or theft, disclose the name of that person, the nature of the action, the identity and location of the court and the disposition or status of the action.

- ii. At any time during the past five years, been held liable in a civil action (or is a defendant in any civil action) involving allegations of fraud for violations of any securities or franchise law, embezzlement, fraudulent conversion, misappropriation of property, theft or restraint of trade, disclose the name of that person, the nature of the action, the identity and location of the court and the disposition or status of the action.
- iii. At any time during the past five years, been involved in the filing of a petition under the federal bankruptcy laws or any state insolvency law or a appointment of a receiver, fiscal agent or similar officer by a court for the business or property of, that person or any partnership in which that person was a general partner within two years before the time of that filing, or any company or business association of which that person was an executive officer within two years before the time of that filing, identify the person and describe the nature of the event.
- iv. At any time during the past five years, been the subject of any order, judgment or decree, not subsequently reversed, suspended, or vacated, of any federal or state authority barring, suspending, or otherwise limiting the right of the person to engage in any activity in connection with the purchase or sale of any security, or to be associated with persons engaged in that activity or in connection with any violation of federal or state securities laws, provide the name of the person, the nature of the action or proceedings, the identity and location of the agency or court, and the duration and nature of the penalties or sanctions imposed.

- 9. Disclose any **PRIOR SALES** of securities during the last 12 months, including dates when the company sold securities, amount of the securities sold, total amount raised, and whether the sales were made under exemptions from, or were registered under, the Maryland Securities Act.
- 10. Include the following five **NOTICES TO PROSPECTIVE INVESTORS** in the Issuer's Form MISBE-2:

**THESE SECURITIES ARE OFFERED FOR SALE IN MARYLAND PURSUANT TO A REGULATORY EXEMPTION FROM REGISTRATION. THE DIVISION OF SECURITIES OF THE OFFICE OF THE ATTORNEY GENERAL OF**



**MARYLAND HAS NOT REVIEWED THE INFORMATION NOR PASSED IN ANY WAY UPON THE MERITS OF, RECOMMENDED, OR GIVEN APPROVAL TO THE SECURITIES. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

**IF THE COMPANY ELECTS TO EXTEND THIS OFFERING BEYOND THE STATED EXPIRATION DATE, YOU WILL BE NOTIFIED AND OFFERED THE OPPORTUNITY TO RESCIND YOUR PURCHASE OR CANCEL YOUR SUBSCRIPTION. IF THE MINIMUM AMOUNT IS NOT RAISED UNDER THIS OFFERING BY THE STATED EXPIRATION DATE, YOU ARE ENTITLED TO A REFUND OF YOUR ENTIRE INVESTMENT.**

**THE PURCHASERS OF THE SECURITIES OFFERED BY THIS DOCUMENT ARE ADVISED THAT THE SECURITIES ARE OFFERED UNDER AN EXEMPTION FROM REGISTRATION UNDER THE MARYLAND SECURITIES ACT AND THAT THE SECURITIES MAY NOT BE RESOLD. A RESTRICTIVE LEGEND MUST BE PLACED UPON ANY CERTIFICATES REPRESENTING ALL SECURITIES SOLD IN THIS OFFERING.**

**THE OMISSION OF A MATERIAL FACT OR THE MISSTATEMENT OF A MATERIAL FACT TO INVESTORS, WHETHER BY THIS FORM OR OTHERWISE, MAY GIVE RISE TO CRIMINAL AND CIVIL LIABILITIES UNDER THE MARYLAND SECURITIES ACT AND FEDERAL SECURITIES LAWS.**

**EACH PURCHASER OR PURCHASER REPRESENTATIVE, IF ANY, MAY REVIEW AT THE OFFICES OF THE COMPANY, AFTER REASONABLE ADVANCE NOTICE AND ACCOMODATION OF REASONABLE CONFIDENTIALITY CONCERNS, ANY MATERIALS RELATING TO THE COMPANY, THIS OFFERING OR ANY MATTERS SET FORTH IN THIS FORM MISBE-2. THE APPROPRIATE PERSONS AUTHORIZED BY THE COMPANY WILL ANSWER ANY INQUIRIES RELATING TO THE COMPANY OR TO THE OFFER AND SALE OF THESE SECURITIES AND WILL PROVIDE ANY ADDITIONAL INFORMATION, TO THE EXTENT THAT THEY POSSESS SUCH INFORMATION OR CAN ACQUIRE IT WITHOUT UNREASONABLE EFFORT OR EXPENSE, NECESSARY TO VERIFY THE ACCURACY OF THE INFORMATION SET FORTH IN THIS DOCUMENT.**

Direct inquiries to:

---

Name

\_\_\_\_\_  
Address

\_\_\_\_\_  
City, State, Zip Code

(\_\_\_\_\_) \_\_\_\_\_  
Telephone Number

\_\_\_\_\_  
E-mail

**SIGNATURES**

\_\_\_\_\_  
Chief Executive Officer,  
General Partner, or Manager

\_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

If the issuer is a corporation, the filing must be signed by a majority of its directors:

\_\_\_\_\_  
Director

\_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
Director

\_\_\_\_\_  
Date

\_\_\_\_\_  
Director

\_\_\_\_\_  
Date: \_\_\_\_\_