

## SMALL BUSINESS SECURITIES OFFERING MID-ATLANTIC REGIONAL REVIEW PROTOCOL

1. In addition to the materials to be filed in each jurisdiction to register securities by qualification, an applicant shall file a Mid-Atlantic Regional Review Request Form (MARRF) as an attachment to the Form U-1, in all jurisdictions in the region in which the offering is to be registered. The issuer shall also submit a copy of the MARRF and the Form U-1, including all exhibits, to the Program Administrator State.<sup>1</sup>
2. Within three (3) business days after receipt of the MARRF, the Program Administrator State will contact all Participating States<sup>2</sup> to identify the Lead State<sup>3</sup> and the Lead Examiner<sup>4</sup> and to inform the Participating States that they have twelve (12) business days to review the file and to relay their comments to the Lead Examiner. The Home State (the jurisdiction of the issuer's principal place of business) is usually the Lead State unless the issuer's Home State is outside the region, the issuer is not registering in its Home State, or workload, staff experience, or other factors indicate that another jurisdiction should be the Lead State. The Program Administrator State will contact Participating States by telephone, fax or, when possible, e-mail.
3. Participating States will submit comments to the Lead Examiner within twelve (12) business days after receipt of the notice specified in 2, above. Participating States will, within the same twelve (12) business day time period, also notify the Lead Examiner if they have no comments. Participating States' examiners will separate and categorize their comments as follows: disclosure comments, state-specific comments,<sup>5</sup> and comments on compliance with agreed upon standards and NASAA statements of policy. After consultation with the commenting state, the Lead Examiner has the discretion to exclude comments inconsistent with agreed upon standards and NASAA statements of policy. If a Participating State does not comment within the twelve (12) business day period, that state will be deemed to have no comments.
4. Following the twelve (12) business day comment period, the Lead Examiner will within five (5) business days prepare and circulate the draft regional review comment letter to all

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<sup>1</sup> "Program Administrator State" means the jurisdiction designated to contact the Participating States and identify a Lead State and Lead Examiner.

<sup>2</sup> "Participating State" means a jurisdiction in which the applicant has filed an application to register securities under that jurisdiction's securities laws, and the MARRF to elect review under the Mid-Atlantic Regional Review Program.

<sup>3</sup> "Lead State" means the jurisdiction that undertakes the responsibility of coordinating the comments from the Participating States, issuing the region's comment letter, and negotiating the resolution of those comments with the issuer.

<sup>4</sup> "Lead Examiner" means the examiner from the Lead State designated to perform the activities discussed in footnote 3, above.

<sup>5</sup> "State-specific comments" means forms and other statutory requirements unique to a particular Participating State.

Participating States. Each Participating State will submit comments on the draft comment letter within two (2) business days after receiving the draft comment letter. If a Participating State does not comment on the draft comment letter within the two (2) business day period, that jurisdiction will be deemed to have no comments.

5. Following the comment period set forth in 4 above, the Lead Examiner will within two (2) business days prepare and issue to the applicant the regional review comment letter (or inform the applicant that there are no comments), copying all Participating States.
6. The Lead Examiner will communicate with the applicant and Participating States, as necessary, to reach resolution of the comments. The Lead Examiner has the discretion to resolve outstanding comments of disclosure and compliance with agreed upon standards and NASAA statements of policy. In the case of a state-specific comment, the Lead Examiner may refer the issuer to the commenting jurisdiction, which jurisdiction thereafter will be responsible for that comment's resolution. Within three (3) business days of receipt of the issuer's response, the Lead Examiner will forward a copy of the issuer's response, and the Lead State's proposed comment letter, to each Participating State. The Lead Examiner will forward these copies for further comment at least two (2) business days prior to issuance of the Lead State's response. The Lead Examiner will reply to the issuer's response to a regional review comment letter no later than five (5) business days after receipt of such response, copying all Participating States.
7. The Lead Examiner shall not waive compliance by the applicant with the agreed upon standards and NASAA statements of policy unless all Participating States agree to the waiver request. If a Participating State does not agree with the waiver request or an alternative proposal, either the applicant may withdraw from regional review with respect to that jurisdiction, or the comments relating to the agreed upon standard or NASAA statement of policy for which the waiver was requested shall become a state-specific comment for those jurisdictions that so choose.
8. If, prior to clearance as specified in 9 below, the issuer amends the MARRF to add more Participating States, the Lead Examiner will give same-day notice of the applicants' compliance with agreed upon standards and NASAA statements of policy to all Participating States. In Delaware, Maryland, New Jersey, and West Virginia, the application will be declared effective on that day, unless one or more of these jurisdictions has not resolved a state-specific comment with the issuer. In Pennsylvania or Virginia, clearance of the application requires official action by the Pennsylvania Securities Commission or the Virginia State Corporation Commission.