Index

ABILITY TO REPAY LOAN

Small Business Administration, financing from, 4:1

ABSENCE OR PRESENCE

Series A convertible preferred stock purchase agreement (annotated), absence of changes or liabilities, **6:27**, **6:34**

Term loan agreements, absence of default, **7:42**, **7:47**

ACCESSING PUBLIC MARKETS

Small Business Administration, financing from, **4:16**

ACCOUNTANTS

Due Diligence and Civil Liability (this index)

ACCOUNTS AND ACCOUNTING

Federal securities laws, **11:46**Limited liability companies, **3:61**

ACCREDITED INVESTORS

Definition of, amendments to, **11:4.10** Federal securities laws, **11:6, 11:6.70**

New worth standard, 11:6.70

Preferred stock. 6:45

Review of "accredited investor" definition, SEC, 11:4.30

Selected SEC guidance, 11:4.20

ACCUMULATED EARNINGS TAX

S corporations, avoidance, **2:10**

ACQUISITION OR ACQUISITIONS

S corporations, interest in pass-through entity, 2:43

ACTIONS AND REMEDIES

Litigation (this index)

ACTIVE AND PASSIVE VOICES

Disclosure, 13:12

ADDITIONAL DEBT

Term loan agreements, 7:50

ADDITIONAL MATTERS

Benefits of entity, S corporations, 2:11

ADJUSTMENT OR ADJUSTMENTS

S corporations, adjusted highest section one rate, **2:76**

ADMINISTRATIVE LAW JUDGES (ALJ)

Constitutionality of SEC use, 14:89.50

ADMINISTRATIVE LAW JUDGES (ALJ)

-Cont'd

Enforcement proceedings rules unconstitutional, Seventh Amendment, 14:89.60

LIAT-2025-private nondelegation doctrineconstitutionality of broker suspension prior to sec review-appointments clause-FINRA, 14:89.80

Litigants may challenge the constitutionality of SEC administrative proceedings in Federal District Court parallel or collateral to administrative proceedings before the SEC, 14:89.70

Required disclosure of back-dated trading strategies, **14:90.36**

SEC proxy voting advice business regulations, 14:89.90

ADMINISTRATIVE PROCEEDINGS

Due Diligence and Civil Liability (this index)

ADVERSE INTERESTS

Due diligence, corporate scienter exception, 14:52.95.1

ADVERTISING

Federal securities laws, 11:7, 11:7.50

ADVICE OF COUNSEL

Opinion of Counsel (this index)

AFFECTED TAXPAYERS

S corporations, limitation on passive losses under Tax Reform Act of 1986, 2:52

AFFILIATES

Federal securities laws, **11:85**, **11:111** Term loan agreements, **7:54**

AFFIRMATIVE COVENANTS

Term Loan Agreements (this index)

AGENTS AND AGENCY

Due Diligence and Civil Liability (this index) State blue sky regulation, **15:5**

AGGREGATE OFFERING PRICE

Federal securities laws, 11:9, 11:9.30

AGREEMENTS OR CONTRACTS

S corporations, buy-sell agreements, 2:22

AIDING AND ABETTING

Due Diligence and Civil Liability (this index)

ALABAMA

Small business, assistance programs for, App

ALASKA

Small business, assistance programs for, App 18.2

ALLOCATION

Limited liability companies, 3:50, 3:56 S corporations, tax items, 2:58 Series A convertible preferred stock purchase agreement (annotated), 6:81

ALLOWANCE OR ALLOWANCES

S corporations, losses and deductions, 2:59, 2:60

ALTERNATIVE MINIMUM TAX

Choosing the business financing format, 1:7 S corporations, avoidance of corporate alternative minimum tax, 2:9

ALTERNATIVE REPORTING

Sarbanes-Oxley Act, due diligence and civil liability, 14:56

ALTERNATIVE SIZE STANDARDS

Small Business Administration, financing from, 4:1.50

AMENDMENTS

Accelerated filers, definitions, 13:1.70

Federal Securities Laws (this index)

Items 101, 103, and 105, 13:1.56

Items 301, 302, and 303, 13:1.57

Limited Liability Companies (this index)

NVCA Model Venture Financings Documents (**2007**) (this index)

Preferred Stock (this index)

Regulation D and Form D, proposed amendment, 11:4.60

Regulation S-K, disclosure, 13:1.50, 13:1.55

Regulation S-K, modernization of Items 101, 103, and 105, 13:1.55.10

Resales of securities by investors. Federal Securities Laws (this index)

S corporations, 2:65

Small Business Administration, Early Stage SBIC Limited Partnership Agreement, 4:18

Small business issuer rules and forms. **Federal** Securities Laws (this index)

Smaller reporting company, amendments to definition of, App 1.10

AMERICAN BAR ASSOCIATION

Sarbanes-Oxley Act, due diligence and civil liability, **14:63**

AMERICAN CAPITAL STRATEGIES (ACAS)

Business development company (BDC), 5:3

AMERICAN STOCK EXCHANGE

Going public, 12:28

AMICUS POSITION

Due diligence and civil liability, "creating" the misrepresentation, 14:49

AMOUNT OR OUANTITY

Federal Securities Laws (this index)

ANNOTATED OPINION OF STOCK **PURCHASE AGREEMENT**

Preferred Stock (this index)

ANNOUNCEMENT, REGISTRATION BY

State blue sky regulation, 15:27

ANNUAL MEETING OF SHAREHOLDERS **Going Public** (this index)

ANTIDILUTION PROVISIONS

Choosing the business financing format, 1:15 Convertible debenture-long form, 17:3 Convertible preferred stock-long form, 17:2 "Force down" antidilution provisions, 17:5 Forms

convertible debenture-long form, 17:3 convertible preferred stock-long form, 17:2 "force down" antidilution provisions, 17:5 "pay to play" antidilution provisions, 17:5 short form, **17:1** stock purchase warrant-long form, 17:4

"Pay to play" antidilution provisions, 17:5 Preferred stock, 1:15 Short form, 17:1

Stock purchase warrant-long form, 17:4

ANTIFRAUD PROVISIONS

State blue sky regulation, 15:6

APOLLO INVESTMENT (AINV)

Business development company (BDC), 5:3

APPLICATION OR APPLICABILITY

S corporations, payments for taxable year, 2:78 S corporations, percentage or payments for taxable year, 2:75

APPROVAL

Consent or Approval (this index)

ARES CAPITAL (ARCC)

Business development company (BDC), 5:3

Small business, assistance programs for, App 18.3

ARKANSAS

Small business, assistance programs for, App 18.4

ARRANGEMENTS

S corporations, treatment as equity, 2:23

ARTICLES OF INCORPORATION

Preferred Stock (this index)

ARTICLES OF ORGANIZATION

Limited liability companies, 3:44

ASPIRATIONAL STATEMENTS

Due diligence and civil liability, 14:15.60

ASSETS

Digital, **15:3.70**

Preferred stock, 6:29

"ASSETS REQUIREMENT" OF (C)(2)(II)

Federal securities laws, 11:46 to 11:50

ASSIGNS

Series A convertible preferred stock purchase agreement (annotated), **6:90**

ASSISTANCE FOR STATE SMALL BUSINESS PROGRAMS

Small Business, State-by-State Summary of Assistance Programs for (this index)

AT-RISK LIMITATIONS

Limited liability companies, 3:63

S corporations, comparison of taxation of partners and shareholders, **2:61**

ATTORNEYS

Due Diligence and Civil Liability (this index)
Opinion of Counsel (this index)
Sarbanes-Oxley Act (this index)

AUDITORS' FEES

Going public, 12:33

AUDITS AND AUDITORS

Auditing Standard No. 5, standard for auditing internal control over financial reporting, 12:17 to 12:19

Auditing Standard No. 16, auditor communications with audit committees, **12:8.50**

Due diligence and civil liability, **14:16**, **14:68**, **14:74**, **14:142**

FAQs, Management's Report on Internal Control (Sept. 24, 2007), **App 11.1**

Independence of Auditor (this index)

Internal control, PCAOB Guidance for Auditors of Smaller Public Companies (January 23, 2009), **App 11.3**

Material misstatement, PCAOB Proposed Auditing Standard Related to Auditor's Assessment of and Response to Risk of Material Misstatement in Financial Statement (Dec. 17, 2009), App 11.2

PCAOB Auditing Standard AU 3101, App 11.6

AUDITS AND AUDITORS—Cont'd

PCAOB Auditing Standards Release # 2012-001, **App 11.4**

Preferred stock, 6:69

Sarbanes-Oxley Act (this index)

S corporations, comparison of taxation of partners and shareholders, **2:69, 2:70**

Securities and Exchange Commission Guidance Regarding Management's Report on Internal Control (June 20, 2007), **App 11**

AUTHORITY AND AUTHORIZATION

Preferred Stock (this index)

AUTOMATIC SHELF-REGISTRATION

SEC's 2005 securities offering revisions, automatic shelf-registration for well-known seasoned issuers. 11:150

AVOIDANCE

S Corporations (this index)

BAD ACTORS

Felons and Other Bad Actors (this index)

"BAD BOY" EXCLUSIONS

Federal securities laws, 11:74

BANKS AND FINANCIAL INSTITUTIONS Institutional Private Placements (this index)

BARCHRIS CASE

Due diligence and civil liability, 14:7

BAR ORDERS

Due diligence and civil liability, 14:115

BASE YEAR

S corporations, net base year income, 2:77

BASIS

S corporations, comparison of taxation of partners and shareholders, 2:55 to 2:57

BENEFICIAL OWNERSHIP

Federal securities laws, 11:112 to 11:115

BENEFITS

S corporations, 2:1 et seq.

"BIG BATH" CHARGE ACCOUNTING PRACTICES

Due diligence and civil liability, 14:96

BITCONNECT

Due diligence and civil liability, 14:38.50

BLACKROCK KELSO CAPITAL (BKCC)

Business development company (BDC), 5:3

BLUE BELL

Due diligence and civil liability, 14:129

BLUE SKY LAWS

Internet offerings, 11:8

Limited Liability Companies (this index)

Limited offerings exemption, App 7.1

NASAA disclosure guidelines for cover legends, App 7.2

Preferred stock, **6:51**, **6:60**

State Blue Sky Regulation (this index)

BOARD OF DIRECTORS

Directors (this index)

BOOKS AND RECORDS

Series A convertible preferred stock purchase agreement (annotated), **6:37**

BOOK VALUE/TAX BASIS DIFFERENCES

Limited liability companies, 3:57

BRIGHT LINE APPROACH

Due diligence and civil liability, "creating" the misrepresentation, **14:50**

BROKER-DEALERS

FINRA Regulatory Notice 10-22, reasonable investigations by broker-dealers in Regulation D offerings, **App 1.2A**

State blue sky regulation, 15:5

BROKERS

Due Diligence and Civil Liability (this index)

Series A convertible preferred stock purchase agreement (annotated), **6:96**

BROPHY, DAVID J.

Small Business Administration, financing from, 4:8

"BULLETPROOF" STATUTES

Limited liability companies, 3:4, 3:29

BURRILL, G. STEVEN

Small Business Administration, financing from, **4:11**

BUSINESS AND INDUSTRIAL DEVELOPMENT CORPORATION (BIDCO)

Small business, state assistance to, 5:1

BUSINESS COVENANTS

Institutional private placements, 7:6

BUSINESS DEVELOPMENT COMPANIES (BDCs)

Generally, 5:3

Test-the-waters communication, Rule 163B, 11:137.60

"BUSINESS" DISCLOSURES

Disclosure (this index)

BUSINESS OF COMPANY, INVESTIGATION OF

Due diligence and civil liability, 14:24

BUSINESS PLANS

Outline of, 18:1

Small Business Administration, financing from, **4:11**

BUY SELL AGREEMENTS

S corporations, one class of stock requirement for eligibility, 2:22

CALCULATION

Federal securities laws, net worth of accredited investors, 15:20

CALIFORNIA

Small business, assistance programs for, **App** 18.5

CALIFORNIA LLC OPERATING AGREEMENT

Form of (2011), **20:4**

CALL PERIOD

Small Business Administration, Early Stage licensing process, **4:17**

CALL PROTECTION

Institutional private placements, 7:3

CAPITAL AND CAPITALIZATION

Early Stage SBIC Limited Partnership Agreement applicants, **4:18**

Limited liability companies, 3:49

Preferred Stock (this index)

Small Business Administration, financing from, 4:8. 4:18

State blue sky regulation, 15:25

CAUSATION

Due Diligence and Civil Liability (this index)

C&DIs

Amount of securities sold, limitation on,

11:121.30, 11:121.70, 11:122.50, 11:126.50

Bad actor disqualification under Rule 506(d) and disclosures under Rule 506(e), **11:4.52**

Crowdfunding, **11:75.75**

Current public information, 11:101.50

Definition of "restricted securities," 11:100.50

Emerging growth companies (EGCs), disclosure and registration under FAST Act, 11:153.70

General solicitation under Rule 506(c), 11:4.51

Holding period for restricted securities, 11:115.50

Integration of "separate" offerings

Rule 147, 11:59

Rule 155, 11:40.50

Rule 506, 11:4.53

C&DIs—Cont'd	CHARTS
Pre-existing relationships, existence and substance of, 11:7.55	S corporations, comparison of partnership and S corporation provisions, 2:83
Private offering exemption accredited investors (other than grantor trusts), 11:6.50	CHEAP STOCK State blue sky regulation, 15:20
aggregate offering price, 11:9.30 counting purchasers under Rule 501(e), 11:10.30 Form D filings, 11:12.20	CHECKLISTS Due diligence and civil liability, 14:16 Small Business Administration, applicant for Early Stage licensing, 4:17
general advertising prohibition, 11:7.50 informational requirements, 11:10.70 integration safe harbor under Rule 502(e),	CHECK-THE-BOX REGULATIONS Limited Liability Companies (this index)
11:12.10 purchaser representatives, 11:10.90 Rules 504, 505, and 506, 11:12.40	CHEVRON DOCTRINE Overruled by U.S. Supreme Court, 14:90.20
sophistication under Rule 506, 11:10.90 Regulation A, 11:64.50 Regulation S-K (February 2019), App 5.9	CHOICE OR ELECTION Choosing the Business Financing Format (this index)
Resales of securities definition of "restricted securities," 11:100.50	Form of conversion of debenture at election of company, 18:5
exemptions under Section 4(a)(1) and Rule 144, above holding period for restricted securities,	Limited liability companies, elective classification of certain entities, 3:12 to 3:15 S corporations, 2:5, 2:6, 2:28
11:115.50 Rule 147, 11:59.50	CHOOSING THE BUSINESS FINANCING FORMAT
Rule 147A, 11:59.50 Rule 501, 11:7.60	Generally, 1:1 to 1:24
Rule 506, integration of offerings, 11:4.53	Alternative minimum tax income (AMTI), 1:7
Rule 506(c), 11:7.70	Antidilution Provisions (this index) Common stock
Section 3(a)(11), 11:59.50	generally, 1:19
Securities Act sections, SEC Staff C&DIs, App	tax considerations, 1:6
5.3	Conversion rights of preferred stock provisions,
CELESTICA CASE	1:14
Disclosure, qualitative approach to materiality,	Convertible debt or notes, 1:9
13:4	Co-sale, right of, 1:22
CENTRALIZATION OF MANAGEMENT	Debt instruments
Limited liability companies, 3:30	generally, 1:21
CERTIFICATE OF INCORPORATION	senior securities, issuer's choice as to debt or preferred stock, 1:2
NVCA model venture financings documents (2007) (amended and restated), 15A:4	tax considerations, debt or equity instruments, 1:7, 1:8
CERTIFICATES AND CERTIFICATION	Directory of venture capital providers, 1:24
Preferred Stock (this index)	Dividends on preferred stock, 1:13
CERTIFIED DEVELOPMENT COMPANIES Small business, state assistance to, 5:1	Governing law, 1:1 Hybrid securities, generally, 1:1 Introduction, 1:1
CERTIFIED LENDERS PROGRAM (CLP) Small Business Administration, financing from, 4:1	Issuer's choice of preferred stock or debt, 1:2 Legal drafting considerations, 1:4 Liquidation, preference on, 1:17
CHANGE Modification or Change (this index)	Optimal capital structure of issuer, considerations of, 1:3 Original issue discount (OID), 1:9 , 1:10
CHARGE	Participating preferred stock, 1:12
Self-charged interest, 2:45, 2:46	Partnerships for research and development, 1:23

Due diligence and civil liability, **14:16**

CLOSING CONDITIONS CHOOSING THE BUSINESS FINANCING FORMAT—Cont'd Institutional private placements, 7:5 Preferred stock provisions CLOSING REPRESENTATIONS OF ISSUER generally, 1:11 to 1:18 Institutional private placements, 7:4 antidilution provisions, 1:15 conversion rights, 1:14 **CODE OF ETHICS** dividends on preferred stock, 1:13 Disclosure, 13:40, 13:41 issuer's choice of preferred stock or debt, 1:2 Going public, consequences of, 12:8 liquidation, preference on, 1:17 **COLLATERAL** participating preferred stock, 1:12 Term loan agreements, 7:17 redemption right of user, 1:16 voting rights, 1:18 **COLORADO** Redemption Small business, assistance programs for, App preferred stock provisions, redemption right of 18.6 user, 1:16 **COMBINATIONS** premiums as taxable distributions, 1:10 Certificate of amendment of articles of incorpora-Registration rights, 1:22 tion of Megabucks, Inc. (annotated), 6:110 Resale of rights, 1:22 COMMENT LETTER FROM SBA Research and development partnerships, 1:23 Small Business Administration, applicant for Senior securities Early Stage licensing, 4:17 generally, 1:2 to 1:10 debt or preferred stock, issuer's choice of, 1:2 COMMERCIAL REAL ESTATE legal drafting, 1:4 REFINANCING optimal capital structure, considerations of, 1:3 Small Business Administration, financing from, tax considerations, below 4:1.50 Tax considerations **COMMITMENT FEES** generally, 1:5 to 1:10 Term loan agreements, 7:35 alternative minimum tax income (AMTI), 1:7 common stock, whether to issue, 1:6 COMMODITY FUTURES TRADING convertible debt or notes, 1:9 Federal securities laws. 11:49 debt or equity instruments, 1:7, 1:8 COMMON LAW NEGLIGENCE CLAIMS original issue discount (OID), 1:9, 1:10 Due diligence and civil liability, 14:124 redemption premiums as taxable distributions, 1:10 **COMMON STOCK** Usury problems, 1:4 **Choosing the Business Financing Format** (this Voting rights, preferred stock provisions, 1:18 index) Warrants, 1:20 Stock purchase agreement (common stock), form of. 18:7 **CHRIS-CRAFT CASE** Structuring investments to improve returns, **6:7** Due diligence and civil liability, 14:9 **COMPARISONS CIRCULARS S Corporations** (this index) Offerings, Small Business Administration, financing from, 4:12 COMPASS DIVERSIFIED HOLDINGS (CODI) Business development company (BDC), 5:3 **CIVIL LIABILITY Due Diligence and Civil Liability** (this index) COMPENSATING BALANCES Term loan agreements, 7:34 CLASS ACTION SETTLEMENTS Federal securities laws, 11:100 COMPENSATION Disclosure, 13:6, 13:42, 13:43 CLASSIFICATION Dodd-Frank Act (2010) corporate governance **Limited Liability Companies** (this index) provisions, 12:34 S corporations, comparison of taxation of JOBS Act (2012) revisions for emerging growth partners and shareholders, 2:82 companies, 12:34 CLASS OR CLASSES COMPETENCY OF COUNSEL S corporations, one class of stock requirement for

eligibility, 2:21 to 2:27

COMPLIANCE AND COMPLIANCE CERTIFICATE

Series A convertible preferred stock purchase agreement (annotated), **6:33**, **6:56**

COMPLIANCE AND DISCLOSURE INTERPRETATIONS

C&DIs (this index)

COMPUTATION OF INTEREST ASSESSMENT

Term loan agreements, 7:32

CONDITIONS

Preferred Stock (this index)

CONFIDENTIALITY

Emerging growth companies, submission of confidential information, JOBS Act frequently asked questions, **App 12.3**

Going Public (this index)

Rules 406 and 24b-2, confidential treatment applications, **App 19**

Series A convertible preferred stock purchase agreement (annotated), **6:92**

CONFLICTS OF INTEREST

Preferred stock, 6:139

Small Business Administration, financing from, **4:4**

CONNECTICUT

Small business, assistance programs for, **App** 18.7

CONSENT OR APPROVAL

Preferred Stock (this index) S corporations, elections, 2:29 Term loan agreements, 7:40

CONSPIRACY

Due diligence and civil liability, 14:52.30

CONTINUITY OF LIFE

Limited liability companies, 3:29

CONTRACTUAL NON-RELIANCE CLAUSES

Due diligence and civil liability, disclosure "defenses," 14:99.50

CONTRIBUTION

Due diligence and civil liability, **14:118, 14:121, 14:122**

Preferred stock, 6:82

CONTRIBUTIONS OF PROPERTY OR SERVICES

Limited liability companies, 3:53, 3:54

CONTROL PERSONS

Disclosure, 13:5, 13:40, 13:41

Liability. **Due Diligence and Civil Liability** (this index)

CONTROL PROHIBITIONS

Small Business Administration, financing from, **4:4**

CONVERSION OR CONVERSION RIGHTS

C corporation to S corporation, recapture of inventory appreciation, **2:68**Choosing the business financing format, **1:14**Federal securities laws, **11:106**Partnership conversion to LLC, **3:48 Preferred Stock** (this index)

CONVERTIBLE DEBT

Choosing the business financing format, **1:9** Preferred stock, **6:6**

CONVERTIBLE SECURITIES

Antidilution Provisions (this index) S corporations, debt, 2:27

"COOKIE JAR RESERVES" ACCOUNTING PRACTICES

Due diligence and civil liability, 14:96

COORDINATION, REGISTRATION BY

State blue sky regulation, 15:15

CORENERGY INFRASTRUCTURE TRUST (CORR)

Business development company (BDC), 5:3

CORONAVIRUS

Covid-19 Pandemic, this index

CORPORATE CLASSIFICATION

Limited liability companies, 3:8

CORPORATE DEBT

Institutional Private Placements (this index) **Term Loan Agreements** (this index)

CORPORATE GOVERNANCE

Disclosure, 13:8, 13:40, 13:41

CORPORATE TRANSPARENCY ACT

BOI reporting requirements subject to various litigation, a nationwide injunction and stay, **9:1.50**

District court finds the CTA unconstitutional, **9:6** FinCEN new FAQs clarifying dissolved entities subject to CTA, **9:7**

Large Operating Company Exemption, 9:5

Overview, 9:1

Penalties for violations, 9:3

Proposed rules, 9:4

Summary, 9:2

CORRECTION DUTY

Due diligence and civil liability, 14:44, 14:107

CO-SALE AGREEMENT

NVCA model venture financings documents (2007), **15A:7**

CO-SALES

Choosing the business financing format, **1:22** Forms of, **18:14**

COSTS AND EXPENSES

Going public, 12:33

Preferred Stock (this index)

Term Loan Agreements (this index)

COUNTING PURCHASERS UNDER RULE 501(E)

Federal securities laws, 11:10, 11:10.30

COURT DECISIONS

Federal Securities Laws (this index)

COVENANTS

Institutional private placements, 7:6

Preferred Stock (this index)

Term Loan Agreements (this index)

"COVERED" SECURITIES

State blue sky regulation, 15:1

COVER PAGES

Disclosure, 13:14, 13:16, 13:17

COVID-19 PANDEMIC

Crowdfunding, temporary amendments to regulation, 11:75.71

SEC response, 8:1

"CREATING" THE MISREPRESENTATION

Due diligence and civil liability, 14:49

CRIMINAL LIABILITY

Due diligence and civil liability, 14:52.70

CROWDFUNDING

C&DIs, 11:75.75

Covid-19: temporary amendments to regulation crowdfunding, 11:75.71

Offerings of \$5,000,000 or less, 11:75.70

SEC guidance, 11:75.75

CRYPTOCURRENCY

SEC injunctive authority, 14:90.10

CULPABLE PARTICIPATION REQUIREMENT

Due diligence and civil liability, 14:83

CURRENT MARKET CONDITIONS

Evaluating cost of term loan financing, 7:13

CURRENT PUBLIC INFORMATION

Federal securities laws, 11:86, 11:101, 11:101.50

CUSTOM TAILORING

Due diligence investigations, 14:16

DATE

Time or Date (this index)

DEALERS

Broker-Dealers (this index)

Due diligence and civil liability, 14:35

DEBENTURES

Convertible debentures forms, 18:2, 18:3

Election of company, form of conversion of debenture at. 18:5

Forms

convertible debentures, 18:2, 18:3

election of company, conversion of debenture at. **18:5**

redemption provisions for convertible debentures, **18:2**

SBIC, debenture purchase agreement with, **18:11**

subordinate provision, 18:4

Indenture, form of, 18:6

Redemption provisions for convertible debentures, forms of, **18:2**

SBIC, form of debenture purchase agreement with, **18:11**

Subordinate provision, form of, 18:4

DEBT

Corporate Debt (this index)

S Corporations (this index)

DEBT INSTRUMENTS

Choosing the Business Financing Format (this index)

DEDUCTIONS

Business interest, limitations on, 2:4

Pass-through business income, Section 199A, 2:3

S corporations, 2:59, 2:60

Suspended, losses are, 2:60

Tax Cuts and Jobs Act, active business loss, 2:59

DEEMED DIVIDED ELECTION

S corporations, passive investment income, 2:37

DEFAULT

Institutional private placements, events of default, 7:7 to 7:9

Term Loan Agreements (this index)

DEFENSES

Due Diligence and Civil Liability (this index)

DEFINITIONS

Accelerated filers, amendments to, 13:1.70

"Accredited investor"

amendments to the definition of, 11:4.10

SEC review, 11:4.30

Federal Securities Laws (this index)

Passive activity, **2:51**

DEFINITIONS—Cont'd

Passive investment income, 2:34

Preferred stock, 6:76

S Corporations (this index)

Smaller reporting company, amendments to definition of, **App 1.10**

Term loan agreements, 7:22

DELAWARE

LLC operating agreement, form of (2022), **20:8** Small business, assistance programs for, **App 18.8**

DELAYED FUNDING

Term loan agreements, 7:25

DELIVERY

Annotated opinion of stock purchase agreement, **6:123**

Federal securities laws, delivery of prospectus—reforms, 11:145

DESIGNING THE DOCUMENT

Disclosure, 13:13

DETERMINATIONS

S corporations, basis, 2:55, 2:57

DIGITAL ASSETS

State blue sky regulation, 15:3.70

DIGITAL BRANDS GROUP

Forms for, **19:2**

Free writing prospectus, 19:2

DILUTION

Antidilution Provisions (this index)

Disclosure, 13:30, 13:31

"DIRECTED SELLING EFFORTS"

Federal securities laws, 11:81

DIRECT LOAN TO S CORPORATION

Self-charged interest, 2:46

DIRECTORS

Disclosure (this index)

Due Diligence and Civil Liability (this index)

Preferred stock, **6:72**

DIRECTORY OF VENTURE CAPITAL PROVIDERS

Choosing the business financing format, 1:24

DISCHARGE

S corporations, discharge of indebtedness income. **2:49**

DISCIPLINARY ACTIONS

Professional standards, Sarbanes-Oxley Act and SEC professional conduct rules, **14:61**

DISCLOSURE

Generally, **13:1 to 13:56**

Abstractions brought down to earth, 13:12

Accelerated filers. Regulation S-K items, below

Active and passive voices, 13:12

Body of prospectus, example of "plain English," 13:15

"Business" section

compensation, 13:6

control persons, 13:5

corporate governance, 13:8

description of business, 13:2

description of property, 13:3

directors and officers, generally, 13:5

discussion and analysis of financial condition by management (MD&A), **13:4**

executive compensation, 13:6

independence of director, 13:8

management's discussion and analysis of financial condition (MD&A) (Item 303),

officers, generally, 13:5

promoters, 13:5

transactions with related persons, 13:7

"Capitalization" table, 13:30, 13:31

Code of ethics, 13:40, 13:41

Common problems encountered with disclosure documents. 13:12

Company, description of, 13:15

Compensation, 13:6, 13:42, 13:43

Control persons, 13:5, 13:40, 13:41

Core prospectus, example of "plain English," 13:15

Corporate governance, 13:8, 13:40, 13:41

Cover pages

example of "plain English," 13:14

front and back cover page, 13:16, 13:17

Description of business, 13:2, 13:38, 13:39

Description of "plain English" at a glance, 13:11

Description of property, 13:3

Description of securities, 13:48, 13:49

Designing the document, 13:13

Determination of offering price, 13:24, 13:25

Dilution, 13:30, 13:31

Directors and officers. Management, below

Discussion and analysis of financial condition by management (MD&A), 13:4, 13:34, 13:35

Distribution plan, 13:52, 13:53

Dividend policy, 13:28, 13:29

Due Diligence and Civil Liability (this index)

Emerging Growth Companies (EGCs) (this index)

English language. "Plain English," disclosure in, below

Examples of "plain English," 13:14

Executive compensation, 13:6, 13:42, 13:43

DISCLOSURE—Cont'd	DISCLOSURE—Cont'd
FAST Act, emerging growth companies (EGCs),	Paragraph lengths, 13:13
disclosure and registration, 11:153.70	Parallel structure of sentences, 13:12
Federal Securities Laws (this index)	"Plain English," disclosure in
Final disclosure rules for SPACs, SEC adopts,	generally, 13:9 to 13:14
11:146.95	abstractions brought down to earth, 13:12
Financial matters	active and passive voices, 13:12
discussion and analysis of financial condition by management (MD&A), 13:4, 13:34,	common problems encountered with disclosure documents, 13:12
13:35	description of "plain English" at a glance,
FAQs, Management's Report on Internal Control (Sept. 24, 2007), App 11.1	13:11
New Orleans Employees Retirement System v.	designing the document, 13:13
Celestica Inc., qualitative approach to	examples of "plain English," 13:14
materiality, 13:4	handbook on "plain English," 13:9 to 13:14 hierarchy of document, 13:13
prospectus disclosure, excerpts of financial	"if then" conditionals, use of, 13:12
statements, 13:56	jargon, elimination of, 13:12
quarterly financial data, 13:32, 13:33	orderly and clear presentation of complex
Staff observations on financial statements,	information, generally, 13:10
13:57	paragraph lengths, 13:13
Five percent beneficial owners, 13:46, 13:47	parallel structure of sentences, 13:12
Forward-looking statements, 13:22, 13:23	"positive" writing, 13:12
Future sale, shares eligible for, 13:50, 13:51	short sentences, use of, 13:12
Going Public (this index) Handbook on "plain English," 13:9 to 13:14	summary of "plain English" rules, 13:11
Hierarchy of document, 13:13	superfluous words, omission, 13:12
"If then" conditionals, use of, 13:12	tables, use of, 13:13
Independence of director, 13:8 , 13:40 , 13:41	what is "plain English" document, 13:10
Issuer's business, description of, 13:2, 13:38,	writing in "plain English," 13:12
13:39	"Positive" writing, 13:12
Issuer's property, description of, 13:3	Preferred stock, 6:40
Jargon, elimination of, 13:12	Principle and selling stockholders, 13:46, 13:47
Legal proceedings, 13:54 , 13:55	Promoters, 13:5, 13:40, 13:41
Management	Property of business, generally, 13:3
directors and officers	Prospectus
generally, 13:5 , 13:40 , 13:41	back cover page, 13:16, 13:17
Regulation S-K items, below	body of prospectus, example of "plain
discussion and analysis of financial condition	English," 13:15
(MD&A), 13:4 , 13:34 , 13:35	business, 13:38, 13:39 "Carrieding" table 13:30, 13:31
FAQs, Management's Report on Internal Control (Sept. 24, 2007), App 11.1	"Capitalization" table, 13:30, 13:31
officers. Directors and officers, above in this	code of ethics, 13:40, 13:41
group	compensation, 13:42, 13:43
Regulation S-K items, below	control persons, 13:40 , 13:41 core prospectus, example of "plain English,"
Securities and Exchange Commission Guid- ance Regarding Management's Report on	13:14
Internal Control (June 20, 2007), App 11	corporate governance, 13:40, 13:41
Management's discussion and analysis of	cover page, example of "plain English," 13:14
financial condition (MD&A), 13:4, 13:34,	description of securities, 13:48, 13:49
13:35	determination of offering price, 13:24, 13:25
Narrative disclosure in S-K items. Regulation	dilution, 13:30, 13:31
S-K items, below	directors and officers, generally, 13:40, 13:41
Offering price determination, 13:24, 13:25	discussion and analysis of financial condition
Officers. Management, above	by management (MD&A), 13:34, 13:35
Orderly and clear presentation of complex infor-	distribution plan, 13:52, 13:53
mation, generally, 13:10	dividend policy, 13:28 , 13:29
Overview, 13:1	executive compensation, 13:42, 13:43

DISCLOSURE—Cont'd	DISCLOSURE—Cont'd
Prospectus—Cont'd	Regulation S-K items—Cont'd
experts, 13:54, 13:55	executive compensation, 13:6 , 13:42 , 13:43
five percent beneficial owners, 13:46, 13:47	experts, 13:54, 13:55
forward-looking statements, 13:22, 13:23	financial statements, Staff observations, 13:57
front cover page, 13:16, 13:17	five percent beneficial owners, 13:46, 13:47
independence of director, 13:40, 13:41	front cover page of prospectus, 13:17
legal matters, 13:54, 13:55	independence of director, 13:8
management's discussion and analysis of	IPO Registration Statement Part II, Staff
financial condition (MD&A), 13:34,	observations, 13:57
13:35	issuer's business, description of, 13:2, 13:38,
offering price determination, 13:24, 13:25	13:39
officers, generally, 13:40 , 13:41	large accelerated filers, amendments to defini-
principle and selling stockholders, 13:46,	tions, 13:1.70
13:47	legal matters, 13:54, 13:55
promoters, 13:40 , 13:41	management's discussion and analysis of
quantitative and qualitative disclosures about	financial condition (MD&A), 13:4, 13:34
market risk, 13:36, 13:37	13:35
risk factors, 13:20, 13:21	offering price determination, 13:24
securities description, 13:48, 13:49	officers, generally, 13:5, 13:40, 13:41
selected financial data, 13:32, 13:33	Part II, Staff observations, 13:57
shares eligible for future sale, 13:50, 13:51	Pinnacle Foods Inc. prospectus, above
Shockwave Medical Prospectus, below	principle and selling stockholders, 13:46,
specific Regulation S-K items, generally, 13:15 to 13:56	13:47
stock ownership, 13:46 , 13:47	promoters, 13:5, 13:40, 13:41
summary, 13:18	property, description of, 13:3
summary, 13:16 summary, example of "plain English," 13:14	proposed amendment to modernize Items 101,
transactions with related persons, 13:44, 13:45	103, and 105, 13:1.55.10
underwriting, 13:52, 13:53	quantitative and qualitative disclosures about
use of proceeds, 13:26, 13:27	market risk, 13:36, 13:37
Quantitative and qualitative disclosures about	results of operation, 13:4
market risk, 13:36, 13:37	risk factors, 13:20, 13:21
Regulation S-B items. SEC forms and related	scaled disclosure chart, smaller reporting
regulations, App 5	companies, 13:1.10
Regulation S-K items	securities description, 13:48, 13:49
generally, 13:2 to 13:8	selected financial data, 13:32, 13:33
accelerated filers, amendments to definitions,	shares eligible for future sale, 13:50, 13:51
13:1.70	stock ownership, 13:46, 13:47
back cover page of prospectus, 13:16, 13:17	transactions with related persons, 13:7, 13:44,
"Capitalization" table, 13:30, 13:31	13:45
certain relationships and transactions, 13:7	2018 amendments, 13:1.50
code of ethics, 13:40, 13:41	2019 amendments, 13:1.55
compensation, 13:6, 13:42, 13:43	2020 amendments, 13:1.57
control persons, 13:5, 13:40, 13:41	underwriting, 13:53
corporate governance, 13:8 , 13:40 , 13:41	use of proceeds, 13:26, 13:27
determination of offering price, 13:24	Remuneration of management, 13:6, 13:42,
dilution, 13:30, 13:31	13:43
director independence, 13:8, 13:40, 13:41	Reporting companies, smaller, eligibility, 13:1.60
directors and officers, generally, 13:5, 13:40,	Results of operation, 13:4
13:41	Risk factors, 11:146.50, 13:20, 13:21
discussion and analysis of financial condition	Sarbanes-Oxley Act, due diligence and civil
by management (MD&A), 13:4, 13:34,	liability, 14:59 , 14:71
13:35	Scaled disclosure for smaller reporting company.
distribution plan, 13:52, 13:53	Regulation S-K items, above
dividend policy, 13:28, 13:29	SEC forms and related regulations, App 5

DISCLOSURE—Cont'd

SEC Guidance Regarding Management's Report on Internal Control (June 20, 2007), App 11

SEC Staff observations on financial statements, 13:57

Securities description, 13:48, 13:49

Selected financial data, 13:32, 13:33

Selling stockholders, 13:46, 13:47

Shares eligible for future sale, 13:50, 13:51

Shockwave Medical Prospectus

business, 13:39

"Capitalization" table, 13:31

compensation, 13:43

determination of offering price, 13:25

dilution, 13:31

discussion and analysis of financial condition

(MD&A), **13:35** distribution plan, **13:53**

dividend policy, 13:29

executive compensation, 13:43

experts, 13:55

financial statements (excerpts), 13:56

five percent beneficial owners, 13:47

forward-offering statements, 13:23

legal matters, 13:55

management, 13:41

offering price determination, 13:25

other items not specified by specific Item,

13:56

principle and selling stockholders, 13:47

quantitative and qualitative disclosures about market risk, **13:37**

risk factors, 13:21

securities description, 13:49

selected financial data, 13:33

shares eligible for future sale, 13:51

stock ownership, 13:47

transactions with related persons, 13:45

underwriting, plan of, 13:53

use of proceeds, 13:27

Short sentences, use of, 13:12

Smaller reporting companies, scaled disclosure chart, 13:1.10

Smaller reporting company, scaled disclosure. Regulation S-K items, above

Stock ownership, 13:46, 13:47

Structure Therapeutics

front and back cover pages, 13:17

Summary, 13:14, 13:18

Summary of "plain English" rules, 13:11

Superfluous words, omission, 13:12

Tables, use of, 13:13

Term Loan Agreements (this index)

Time delay between corrective disclosure and share price drop, Loss causation, **14:45.80**

DISCLOSURE—Cont'd

Transactions with related persons, 13:7, 13:44, 13:45

Typography of document, 13:13

Underwriting, 13:52, 13:53

Use of proceeds, 13:26, 13:27

What is "plain English" document, 13:10

Writing in "plain English," 13:12

DISGORGEMENT REMEDY

Statute of limitations, 14:90.60

Supreme Court upholds propriety of with restrictions, **14:90.65**

DISSOLUTION

Limited liability companies, 3:51

Preferred stock, 6:111

DISTRIBUTION PLAN

Disclosure, 13:52, 13:53

DISTRIBUTIONS

Limited Liability Companies (this index)

DISTRICT OF COLUMBIA

Small business, assistance programs for, **App** 18.9

DIVIDENDS

Choosing the business financing format, 1:13

Disclosure of dividend policy, 13:28, 13:29

Preferred stock, **6:105**, **6:110**

S corporations, deemed dividend election, 2:37

State blue sky regulation, 15:24

DIVORCE

Federal securities laws, 11:113

DOCUMENTATION OF LOAN

Term loan agreements, 7:16

DOCUMENTS

Drafting. **Due Diligence and Civil Liability** (this index)

NVCA Model Venture Financings Documents (2007) (this index)

DODD-FRANK ACT

SEC Administrative Enforcement of Whistleblower Protections, **14:53.60**

DODD-FRANK WALL STREET REFORM ACT (2010)

Corporate governance provisions. Going Public (this index)

DOING BUSINESS WITHIN STATE

Federal Securities Laws (this index)

DOMESTIC ELIGIBLE ENTITIES

Limited liability companies, 3:13

DOUBLE TAXATIONS corporations, avoidance, **2:7**

DRAFTING OF DOCUMENTS

Due Diligence and Civil Liability (this index)

DUE DILIGENCE AND CIVIL LIABILITY

Generally, 14:1 to 14:142

Accountants

actions and proceedings against attorneys and accountants, below

control person liability, 14:88

material facts, duty to disclosure, **14:43.50**

preparation of disclosure documents, securities laws duties relating to, below

professional standards, influence on liability, below

Rule 10b-5 (1934 Act), **14:40**, **14:43.50** et seq., **14:51**, **14:51.50**

Sarbanes-Oxley Act (this index)

Section 12(a)(2) of 1933 Act, **14:36**

state law claims for inadequate or misleading disclosure, below

Actions and proceedings against attorneys and accountants

generally, 14:90 to 14:98

accountants, generally, 14:96

administrative proceedings, generally, **14:90** aiding and abetting actions by SEC, **14:97**

attorneys, generally, 14:93 to 14:95

"big bath" charge accounting practices, 14:96

"cookie jar reserves" accounting practices, 14:96

disclosure advice, attorneys' negligence in providing, **14:95**

drafting disclosure documents, attorneys' negligence in, **14:95**

Enron case, 14:96

entry of administrative order, **14:90**

financial statements, generally, 14:96

"illusory" or "managed" earnings, 14:96

injunctive proceedings, 14:91

"materiality abuse" accounting practices, 14:96

"merger magic" accounting practices, **14:96** Office of Thrift supervision, **14:98**

opinions, attorneys' negligent issuance of, 14:94

In re Kaye, Scholer, 14:98

Report of Investigation, 14:90

"revenue recognition manipulation" accounting practices, **14:96**

Rule 102(e) proceedings, 14:92

SEC enforcement arsenal, generally, **14:90 to 14:98**

stop order proceedings, 14:90

DUE DILIGENCE AND CIVIL LIABILITY —Cont'd

Administrative law judges, constitutionality of SEC use, **14:89.50**

Administrative proceedings. Actions and proceedings against attorneys and accountants, above

Adverse interests exception, 14:52.95.1

Advising in preparation of statement made by another, **14:48**

Agents and agency

control person liability, 14:81

Section 12(a)(2) of 1933 Act, **14:35**

Aiding and abetting

actions and proceedings against attorneys and accountants, 14:97

Rule 10b-5 (1934 Act), below

Rule 10b-5-standing to bring a claim restricted with implied private right of action, **14:97.50**

Section 12(a)(2) of 1933 Act, 14:38

Amicus approach of SEC, "creating" the misrepresentation, **14:49**

Applicability of safe harbors, 14:102

Aspirational statements, 14:15.60

Assisting in preparation of statement made by another, **14:48**

Attorneys

actions and proceedings against attorneys and accountants, above

control person liability, 14:88

inside general counsel's fiduciary duties and liability for failure to advise board,

14:64.50

in pari delicto defense, 14:142

preparation of disclosure documents, securities laws duties relating to, below

professional standards, influence on liability, below

Rule 10b-5 (1934 Act), 14:40, 14:43

Sarbanes-Oxley Act (this index)

Section 12(a)(2) of 1933 Act, 14:36

state law claims for inadequate or misleading disclosure, below

Audits and auditors

generally, 14:16, 14:68, 14:74

Sarbanes-Oxley Act, below

BarChris case, 14:7

Bar orders, proportionate liability, **14:115**

Belief or opinion, statements of, 14:15

"Big bath" charge accounting practices, 14:96

Blue Bell, scope of comment in, 14:129

Bright line approach, 14:50

Brokers

control persons, broker-dealers as, **14:85** Section 12(a)(2) of 1933 Act, **14:35**

DUE DILIGENCE AND CIVIL LIABILITY —Cont'd	DUE DILIGENCE AND CIVIL LIABILITY —Cont'd
Business of company, investigation of, 14:24	Criminal liability, 14:52.70
Causation requirement, Rule 10b-5 (1934 Act), 14:45	Culpable participation requirement, control person liability, 14:83
Checklists, care in utilizing, 14:16 Chevron doctrine, overruled by U.S. Supreme	Custom tailoring due diligence investigations, 14:16
Court, 14:90.20	Dealers, Section 12(a)(2) of 1933 Act, 14:35
Chris-Craft case, 14:9	Defenses. Disclosure "defenses," below
Civil liabilities under federal law for inadequate	Directors. Officers and directors, below
or misleading disclosure, generally, 14:29 to 14:138	Disclosure "defenses" generally, 14:99 to 14:110
Commission. SEC, below	advice of counsel defense as proof of good
Common law negligence claims, 14:124	faith, 14:84.10
Competency of counsel, 14:16	applicability of safe harbors, 14:102
Compliance, legal, actionable misrepresentations, 14:15.90	commission authority to expand safe harbors, 14:109
Conspiracy, Rule 10b-5 (1934 Act), 14:52.30	contractual non-reliance clauses, 14:99.50
Constitutionality of SEC's use of administrative	correct duty, 14:107
law judges, 14:89.50 Contractual non-reliance clauses, disclosure	due diligence, 14:106
"defenses," 14:99.50	exclusions of safe harbors, 14:102
Contribution, proportionate liability, 14:118 ,	expansion of safe harbors, 14:109
14:121, 14:122	"immaterial" safe harbor, 14:105
Control person liability	judicial "bespeaks caution" doctrine, 14:110
generally, 14:79 to 14:89	meaningful cautionary statement safe harbor,
accountants, 14:88	14:103
actual participation, proof of, 14:84	offering memorandum, use of, generally, 14:99
agency principles, 14:81	to 14:110
attorneys, 14:88	oral statements, 14:105
broker-dealers as control persons, 14:85	Rule 10b-5 versus 1933 Act Section 12(a)(2),
culpable participation requirement, 14:83	14:100
directors and officers as control persons, 14:86	rule 508 of 1933 Act, substantial, good faith
good faith, proof of, 14:84	compliance defense, 11:4.70
lenders, 14:87	safe harbors, generally, 14:101 to 14:110
majority rule, 14:84	state of mind safe harbor, 14:104
minority rule, 14:83 officers as control persons, 14:86	statutory (1995) safe harbors, generally, 14:101 to 14:110
other persons, 14:89	taking advantage of safe harbor, 14:108
Private Securities Litigation Reform Act of	update duty, 14:107
1995, 14:79 promoters, 14:89	Disgorgement remedy, application of statute of
respondeat superior, 14:81	limitations, 14:90.60
statutory provisions, 14:80 , 14:82 to 14:84	Drafting of documents
two prong test, 14:82 to 14:84	actions and proceedings against attorneys and accountants, 14:95
underwriters, 14:89	proportionate liability, 14:122
"Cookie jar reserves" accounting practices,	Rule 10b-5 (1934 Act), 14:48
14:96 Corporate by-laws improperly used to redirect	"substantial participation" approach rejected in Janus decision (2011), 14:48
jurisdiction of Federal securities law issues from Federal to State Court, 14:123.70	Due diligence of securities counsel, 14:141 Editing preparation of statement made by
Corporate scienter	another, 14:48
generally, 14:52.95	Endrun around no aiding and abetting, 14:46 to
adverse interests exception, 14:52.95.1	14:52.70
Correction duty, 14:44 , 14:107	Enron case, 14:96
"Creating" the misrepresentation, 14:49	Entry of administrative order, 14:90

DUE DILIGENCE AND CIVIL LIABILITY —Cont'd	DUE DILIGENCE AND CIVIL LIABILITY —Cont'd
Every offering, performance of due diligence for,	Judicial "bespeaks caution" doctrine, 14:110
14:16	"Knowing fraud," joint and several liability for,
Exclusions of safe harbors, 14:102	14:113
Expansion of safe harbors, 14:109	Leasco case, 14:8
"Expertised" part, reliance on, 14:5	Lenders as control persons, 14:87
Federal preemption of pendant state claims,	Licenses, determination of importance of, 14:21
14:121	Litigation. Actions and proceedings against
Financial statements	attorneys and accountants, above
generally, 14:17 , 14:25 , 14:96 materiality, 14:43 , 14:43.50	Loan loss reserve, statements of opinion or belief, 14:15
Rule 10b-5 (1934 Act), 14:43, 14:43.50	Loss causation
Section 11 liability under the 1933 Act,	generally, 14:45
14:43.75	fraud-on-the-Market, 14:45.60
FINRA guidance for private placements, 14:28.50	generic misstatements, fraud-on-the-Market, 14:45.60
Florida developments, 14:138	materialization of the risk, 14:45.50
Foreign and domestic parties cryptocurrency jurisdiction, 14:123.80	mixed affirmative statements and omissions,
GAAP, 14:77 , 14:78	reliance, 14:45.70
GAAS, 14:74 to 14:78	reliance, mixed affirmative statements and omissions, 14:45.70
Going Public (this index) Good faith, proof of, 14:84	time delay between corrective disclosure and share price drop, 14:45.80
Goodwill, statements of opinion or belief, 14:15	Loss Causation (this index)
"Illusory" or "managed" earnings, 14:96	· · · · · · · · · · · · · · · · · · ·
"Immaterial" safe harbor, 14:105	Management confidence in, 14:16
Inadequate or materially misleading disclosure,	items to investigate, 14:17
14:51.50	practical aspects of due diligence investiga-
Indemnity, proportionate liability, 14:120 , 14:121 Industry of issuer, investigation of, 14:20	tions, 14:20, 14:23
In pari delicto defense, 14:142	"Materiality abuse" accounting practices, 14:96
In re Kaye, Scholer, 14:98	Materiality (this index)
Injunctive proceedings, 14:91	Meaningful cautionary statement safe harbor,
Introduction, 14:1	14:103
Inventories of company, investigation of, 14:25	"Merger magic" accounting practices, 14:96
Investigations of due diligence generally, 14:16	Misrepresentations of legal compliance, actionable, 14:15.90
items to investigate in performing due dili- gence, 14:17	Mississippi "reasonably foreseeable" approach, 14:133
practical aspects of due diligence investiga- tions, below	Misstatement liability under Section 17(a)(2) of 1933 Act, 14:39.50
statutory provisions and decided cases on due	"Misstatements," who makes, 14:47
diligence, 14:10	Model Rules of Professional Conduct, generally, 14:65, 14:66
Issuer, investigation of, 14:21 to 14:25	Modified proportionate liability for non knowing
Janus case generally, 14:46 , 14:48 , 14:49	defendants, 14:114
effect on 1933 and 1934 Acts, 14:39.80	National Association of Securities Dealers (NASD), generally, 14:1
prosecutorial position of SEC, 14:39.80	"Near privity" approach, 14:127
SEC to circumvent Janus using 1934 Act	Negligent securities "fraud" actions by SEC
§ 20(b), 14:90.50 Joint and several versus proportionate liability,	Section 17(a)(2) misstatement liability,
14:112 to 14:116	14:39.50 Section 17(a)(3) scheme liability, 14:39.60
Judgment reduction formula of Private Securities Litigation Reform Act of 1995 (PSLRA),	No aiding and abetting, endrun around, 14:46 to
14:116	14:52.70

contribution, 14:118, 14:121, 14:122

DUE DILIGENCE AND CIVIL LIABILITY DUE DILIGENCE AND CIVIL LIABILITY -Cont'd —Cont'd Preparation of disclosure documents, securities Non clients professional standards, influence on liability, laws duties relating to-Cont'd professional standards, influence on liability, 14:66 state law claims for inadequate or misleading disclosure, below Rule 10b-5 (1934 Act), below "Non knowing" defendants, proportionate Section 11 of 1933 Act, disclosure duties liability for, 14:114 under, 14:32 Offering memorandum. Disclosure defenses, Section 12(a)(2) of 1933 Act, below above Section 17(a) of 1933 Act, 14:39 Office of Thrift supervision, 14:98 "Primary" violations, Rule 10b-5 (1934 Act), Officers and directors 14:52 Private funds, Fifth Circuit ruling, 14:90.35 control person liability. 14:86 outside directors liability under section 11 of Private placements, FINRA guidance, 14:28.50 1933 Act, 14:119 Private Securities Litigation Reform Act of 1995 (PSLRA) preparation of disclosure documents, securities control person liability, 14:79 laws duties relating to, below proportionate liability, above Rule 10b-5 (1934 Act), **14:40, 14:43** Rule 10b-5 (1934 Act), 14:41 Opinion or belief statements, 14:15 Privity, state law claims for inadequate or Opinions of attorneys, **14:67**, **14:94** misleading disclosure, 14:138, 14:139 Oral statements, disclosure "defenses," 14:105 Proceedings. Actions and proceedings against Outside directors liability under section 11 of attorneys and accountants, above 1933 Act, 14:119 Professional standards, influence on liability Patents, determination of importance of, 14:21 generally, 14:53 to 14:78 "Pattern" of racketeering activity. RICO claims, accountants below generally, 14:74 to 14:78 Pinter v Dahl, 14:34 Sarbanes-Oxley Act (this index) Post-Pinter cases, 14:35 attorneys Practical aspects of due diligence investigations generally, 14:65 to 14:68 generally, 14:18 to 14:28 Sarbanes-Oxlev Act (this index) business of company, investigation of, 14:24 auditing standards (GAAS), 14:74 financials of company, investigation of, 14:25 auditors' requests for information, lawyers' general concerns of underwriters, 14:19 responses to, 14:68 industry of issuer, investigation of, 14:20 GAAP, 14:77, 14:78 inventories of company, investigation of, 14:25 introduction, 14:53 issuer, investigation of, 14:21 to 14:25 Model Rules of Professional Conduct, generlicenses, determination of importance of, 14:21 ally, **14:66** management, investigation of, 14:20, 14:23 non clients, attorney's duty of disclosure to, 14:66 patents, determination of importance of, 14:21 opinion letters of attorneys, 14:67 sources of information, 14:26 to 14:28 "present fairly," 14:75 specific steps for underwriters, 14:20 to 14:25 Rule 10b-5 (1934 Act), 14:40 to 14:45 technology, determination of importance of, **Sarbanes-Oxley Act** (this index) 14:21 Section 10A of Exchange Act of 1934, 14:76 trademarks, determination of importance of, Promoters 14:21 underwriters, generally, 14:19 to 14:25 control person liability, 14:89 preparation of disclosure documents, securities Preemption of pendant state claims, 14:121 laws duties relating to, above Preparation of disclosure documents, securities Rule 10b-5 (1934 Act), **14:40, 14:43** laws duties relating to Proportionate liability generally, 14:31 to 14:110 generally, 14:111 to 14:122 actions and proceedings against attorneys and bar orders, 14:115 accountants, above case law prior to 1995 statute, 14:117 control person liability, above

disclosure "defenses," above

DUE DILIGENCE AND CIVIL LIABILITY —Cont'd	DUE DILIGENCE AND CIVIL LIABILITY —Cont'd
Proportionate liability—Cont'd	Rule 10b-5 (1934 Act)—Cont'd
drafting express contract provisions for contri-	causation requirement, 14:45
bution, 14:122	certification and consequent section 11 viola-
federal preemption of pendant state claims, 14:121	tion, 14:44.50 conspiracy, 14:52.30
indemnity, 14:120, 14:121	corporate officers, 14:40
joint and several versus proportionate liability,	correction duty of accountants, 14:44
14:112 to 14:116	"creating" the misrepresentation, 14:49
judgment reduction formula of Private Securi-	criminal liability, 14:52.70
ties Litigation Reform Act of 1995	disclosure "defenses," 14:100
(PSLRA), 14:116	drafting preparation of statement by another,
"knowing fraud," joint and several liability	14:48
for, 14:113 modified proportionate liability for non know-	editing preparation of statement made by another, 14:48
ing defendants, 14:114 "non knowing" defendants, proportionate	endrun around no aiding and abetting, 14:46 to 14:52.70
liability for, 14:114	financial statement materiality, 14:43
outside directors liability under section 11 of 1933 Act, 14:119	inadequate or materially misleading disclosure, 14:51.50
overview, 14:111	independent duty to disclose, 14:40.30
preemption of pendant state claims, 14:121	Janus decision, 14:39.80 , 14:46
Private Securities Litigation Reform Act of	loss causation, 14:45
1995 (PSLRA), generally, 14:111 et seq	materiality, 14:40.10
Proximate causation. Causation requirement, above	"misstatements," who makes, 14:47
Public offerings, limitation of Section 12(a)(2) of 1933 Act to, 14:37	no aiding and abetting, endrun around, 14:46 to 14:52.70
Puffery, immateriality as matter of law, 14:15.50	officers and directors, 14:40
Racketeer Influenced and Corrupt Practices	opinion in financial statement as certification
Organizations. RICO claims, below	and consequent section 11 violation,
Reasonableness standard, 14:4	14:44.50
"Reasonably foreseeable" approach, 14:130 to	"primary" violations, 14:52
14:133 Records and record-keeping, 14:16	Private Securities Litigation Reform Act of 1995, 14:41
"Red flags," 14:51.50	professional duty, generally, 14:40 to 14:45
Report of Investigation, 14:90	promoters, 14:40
Respondeat superior, control person liability, 14:81	prosecutorial position of SEC, 14:39.80 , 14:40.10
"Revenue recognition manipulation" accounting	"red flags," 14:51.50
practices, 14:96	representations, 11:123
Reviewing preparation of statement made by another, 14:48	reviewing preparation of statement made by another, 14:48
Rosenbloom test in New Jersey, 14:131	SEC actions, generally, 14:52.70
Rule 10b-5 (1934 Act)	section 10A of Securities Exchange Act of
generally, 14:40 to 14:53	1934, 14:41
accountants, 14:40, 14:43.50 et seq., 14:51,	special pleading requirements, 14:52.90
14:51.50	"substantial participation" approach rejected
advising preparation of statement made by	by Supreme Court, 14:48
another, 14:48	Supreme Court decision in Janus case (2011),
aiding and abetting, endrun around, generally, 14:46 to 14:52.70	14:46, 14:48, 14:49 transaction causation, 14:45
assisting in preparation of statement made by	unaudited financial information, 14:51
another, 14:48	update duty of accountants, 14:44
attorneys, 14:40, 14:42	who "makes" a misstatement, 14:47
bright line approach, 14:50	Rule 102(e) proceedings, 14:92

Rosenbloom test in New Jersey, 14:131

DUE DILIGENCE AND CIVIL LIABILITY DUE DILIGENCE AND CIVIL LIABILITY —Cont'd —Cont'd Rule 176, 14:12 Section 12(a)(2) of 1933 Act—Cont'd Rule 508 of 1933 Act, 11:4.70 aiding and abetting under section 12, 14:38 Safe harbors. Disclosure "defenses," above attorneys, 14:36 brokers, 14:35 Sale of unregistered securities and securities fraud actions by SEC, 14:39.40 dealers, 14:35 Sanders litigation, 14:14 Pinter v Dahl. 14:34 Sarbanes-Oxley, whistle-blower protection for post-Pinter cases, 14:35 employees in employment termination public offerings, limitation of section to, 14:37 cases, 14:53.50 statutory provisions and decided cases on due **Sarbanes-Oxley Act** (this index) diligence, 14:13, 14:14 Scheme liability under Section 17(a)(3) of 1933 underwriters, 14:35 Act, 14:39.60 Section 17(a) of 1933 Act, **14:39, 14:39.80** Scope of state law duties, 14:141 Section 17(a)(2) of 1933 Act, 14:39.50 SEC Section 17(a)(3) of 1933 Act, 14:39.60 actions and proceedings against attorneys and Securities Act of 1933, generally, **14:2 et seq** accountants, above Securities counsel, due diligence of, **14:141** authority to expand safe harbors, 14:109 Securities Exchange Act of 1934, generally, disgorgement remedy, application of statute of 14:30 limitations, **14:90.60** Securities Exchange Commission. SEC, above disgorgement remedy, Supreme Court upholds Securities Litigation Uniform Standards Act propriety of with restrictions, 14:90.65 (SLUSA), reach of, 14:123.50 enforcement arsenal against professionals and Small Business Administration, qualified others, 14:90 applicants for Early Stage licensing process, Janus, 14:39.80, 14:90.50 4:17 materiality, **14:40.10** Software Toolworks case, 14:6, 14:11 misstatement liability under Section 17(a)(2) Sources of information, practical aspects of due of 1933 Act, 14:39.50 diligence investigations, 14:26 to 14:28 professional conduct rules. Sarbanes-Oxley Special pleading requirements for Rule 10b-5 **Act** (this index) claims, 14:52.90 prosecutorial position, 14:39.80, 14:40.10 Specific steps for underwriters, 14:20 to 14:25 Rule 10b-5 (1934 Act), above Standard of care under Section 17(a) of 1933 Act, scheme liability under Section 17(a)(3) of 1933 14:39.70 Act, 14:39.60 State law claims for inadequate or misleading SEC to circumvent Janus using 1934 Act disclosure § 20(b), 14:90.50 generally, 14:123 et seq. standard of care under Section 17(a) of 1933 accountants Act, 14:39.70 clients, common law negligence claims by, statute of limitations, disgorgement remedy, 14:124 14:90.60 non clients, actions by. Accountants, com-SEC enforcement authority, Fifth Circuit ruling, mon law negligence claims by non 14:90.35 clients against, below in this group Second restatement approach, 14:128 accountants, common law negligence claims Section 10A of Exchange Act of 1934 by non clients against professional standards, influence on liability, generally, 14:125 et seq. 14:76 balancing test, 14:135 Rule 10b-5 (1934 Act), 14:41 Blue Bell, scope of comment in, 14:129 Section 11 liability limiting liability by any practical steps, preparation of disclosure documents, securities 14:134 laws duties relating to, 14:32 Mississippi "reasonably foreseeable" statutory provisions and decided cases on due approach, 14:133 diligence, below "near privity" approach, 14:127 Section 12(a)(2) of 1933 Act generally, 14:33 to 14:38 "reasonably foreseeable" approach, 14:130 to 14:133 accountants, 14:36

agents, 14:35

DUE DILIGENCE AND CIVIL LIABILITY —Cont'd	DUE DILIGENCE AND CIVIL LIABILITY —Cont'd
State law claims for inadequate or misleading	Statutory provisions and decided cases on due
disclosure—Cont'd	diligence—Cont'd
accountants, common law negligence claims	"expertised" part, reliance on, 14:5
by non clients against—Cont'd	introduction, 14:2
second restatement approach, 14:128	investigation by underwriter, 14:10
subsequent legislation, 14:136	Leasco, 14:8
Timm test in Wisconsin, 14:132	reasonableness standard, 14:4
Ultramares approach, 14:126	Rule 10b-5 (1934 Act), 14:10
attorneys	Rule 176, 14:12
attorney liability legislation, 14:140	Sanders litigation, 14:14
clients, common law negligence claims by,	Section 11 liability, generally, 14:3 to 14:12
14:124	Section 12(a)(2) liability, 14:13, 14:14
non clients, common law negligence claims	Section 17(a) liability, 14:10
by, 14:137 to 14:140	Software Toolworks and Worlds of Wonder,
Blue Bell, scope of comment in, 14:129	14:6, 14:11
common law negligence claims, 14:125 et seq. Florida developments, 14:138	underwriter's duty, generally, 14:10
in pari delicto defense, 14:142	waivable defense by underwriter, 14:10
Mississippi "reasonably foreseeable"	WorldCom case, 14:9.50
approach, 14:133	Worlds of Wonder, 14:6, 14:11
"near privity" approach, 14:127	"Substantial participation" approach rejected by
non clients	Supreme Court, 14:48
accountants, common law negligence claims by non clients against, above in this	Supreme Court decision in Janus case (2011), 14:46, 14:48, 14:49
group	Taking advantage of safe harbor, 14:108
attorneys, common law negligence claims by non clients against, 14:137 to	Targeted solicitation, importance or not of, 14:38.50
14:140	Technology, determination of importance of,
privity, 14:138, 14:139	14:21
"reasonably foreseeable" approach, 14:130 to	Texas developments, 14:138
14:133	Timm test in Wisconsin, 14:132
Rosenbloom test in New Jersey, 14:131	Trademarks, determination of importance of,
scope of state law duties, 14:141	14:21
second restatement approach, 14:128	Transaction causation, 14:45
state securities statutes, generally, 14:123	Two prong test, control person liability, 14:82 to
Texas developments, 14:138	14:84
Timm test in Wisconsin, 14:132	Ultramares approach, 14:126 , 14:137
Ultramares approach, 14:126, 14:137	Unaudited financial information, 14:51
Statements of opinion or belief, 14:15	Underwriters
State of mind safe harbor, 14:104	control person liability, 14:89
Statute of limitations, SEC disgorgement remedy, 14:90.60	practical aspects of due diligence investiga- tions, above
Statutory provisions	Rule 10b-5 (1934 Act), 14:10
control person liability, 14:80 , 14:82 to 14:84	Section 12(a)(2) of 1933 Act, 14:35
due diligence. Statutory provisions and decided	Section 17(a) of 1933 Act, 14:10
cases on due diligence, below	statutory provisions and decided cases on due
safe harbors, generally. Disclosure "defenses,"	diligence, 14:10
above	Update duty, 14:44 , 14:107
Statutory provisions and decided cases on due diligence	Waivable defense by underwriter, 14:10 Whistle-blower protection for employees in
generally, 14:2 to 14:14	employment termination cases, Sarbanes-
BarChris, 14:7	Oxley, 14:53.50
Chris-Craft, 14:9	WorldCom case, 14:9.50
due diligence as matter of law, 14:11	Worlds of Wonder case, 14:6, 14:11

DULY AUTHORIZED STOCK

Preferred stock, 6:128, 6:138

DURATION

Limited liability companies, 3:42

EARLY STAGE SBIC INITIATIVE (2012)

Small Business Administration, financing from, 4:17

EARLY STAGE SBIC LIMITED PARTNERSHIP AGREEMENT

Small Business Administration, financing from, 4:18

EARNINGS

S corporations, avoidance of accumulated earnings tax, 2:10

EDIT OR EDITING

Preparation of statement made by another, editing of, **14:48**

EFFECTIVE DATES

Limited Liability Companies (this index)

ELECTION OR CHOICE

Choice or Election (this index)

ELECTIONS AND VOTING

Certificate of amendment of articles of incorporation of Megabucks, Inc. (annotated), **6:107** Choosing the business financing format, **1:18**

Limited liability companies, **3:16 to 3:18** NCVA model venture financings documents (2007), voting agreement, **15A:6**

State blue sky regulation, 15:23

ELECTRONIC ROAD SHOWS

SEC's 2005 revisions to securities offering rules, 11:142

ELIGIBILITY

Institutional Private Placements (this index)

EMERGING GROWTH COMPANIES (EGCs)

Advisory votes of shareholders about executive compensation, 12:34

Communications restrictions, 11:137.50

Confidential submission process for emerging growth companies, JOBS Act frequently asked questions, **App 12.3**

Corporate governance, JOBS Act (2012) revisions for emerging growth companies, **12:34**

Cross-references within treatise, 11:133.50

Crowdfunding, offerings of \$5,000,000 or less, 11:75.70

Disclosure

exemptions available, 11:146.50 extended phase-in, 11:146.50 FAST Act, 11:153.70 JOBS Act exemptions, 12:34

EMERGING GROWTH COMPANIES (EGCs)
—Cont'd

Disclosure—Cont'd

MD&A special disclosures, 11:146.50

opt-out, 11:146.50

risk factors, 11:146.50

Securities Act (1933) issuer registration, 11:133.50

status as EGC. 11:146.50

Exemptions under JOBS Act, 11:146.50, 12:34

Extended phase-in disclosure, 11:146.50

FAST Act

disclosure and registration C&DIs, 11:153.70 registration, 11:153.60

Golden parachutes disclosure, exemption under JOBS Act. 12:34

Internal pay equity disclosure exemption under JOBS Act, 12:34

MD&A disclosures, 11:146.50

Opt-out disclosures, 11:146.50

Pay versus performance disclosure exemption under JOBS Act, 12:34

Registration

FAST Act, 11:153.60

Securities Act, 11:133.50

Risk factors disclosures, 11:146.50

Status change, notice provision in underwriting agreement, **19:3.50**

Underwriting agreement, 19:3.50

EMPLOYEE BENEFIT PLANS

Federal Securities Laws (this index)

EMPLOYEES

Series A convertible preferred stock purchase agreement (annotated), **6:35**

ENGLISH LANGUAGE

Disclosure (this index)

ENHANCED LOAN EXTENSION

Small Business Administration, financing from, 4:1.50

ENRON CASE

Due diligence and civil liability, 14:96

ENTIRE AGREEMENT

Series A convertible preferred stock purchase agreement (annotated), **6:97**

ENTRY OF ADMINISTRATIVE ORDER

Due diligence and civil liability, 14:90

EQUITY

S corporations, one class of stock requirement for eligibility, 2:23

EQUUS TOTAL RETURN (EQS)

Business development company (BDC), 5:3

ERISA

Preferred stock, 6:36

ESTATES

Holding period for restricted securities, 11:107, 11:109

S corporations, eligible shareholders, 2:17

ESTIMATED MATTERS

Tax payments, S corporations, 2:67

ESTOPPEL

Waiver and Estoppel (this index)

EUROPEAN SOURCES OF FUNDS

Small Business Administration, financing from, 4:15

EVALUATION

Term loan agreements, 7:12 to 7:15

EVASION SCHEMES

Federal securities laws, 11:92

EXCEPTIONS

Eligibility for SBA loans, exceptions to generally, 4:1

EXCESS PASSIVE INVESTMENT INCOME

S corporations, 2:32

EXCHANGE ACT OF 1934

Due Diligence and Civil Liability (this index)
Federal Securities Laws (this index)
Going Public (this index)

EXCLUSIONS

Due diligence and civil liability, 14:102

EXECUTIVE COMPENSATION

Disclosure, 13:6, 13:42, 13:43

Dodd-Frank Act (2010) corporate governance provisions, **12:34**

Item 402 of Regulation S-K, Executive Compensation Staff Q&A (Feb 12, 2007), **App 5.8**

JOBS Act (2012) revisions for emerging growth companies, **12:34**

EXEMPTIONS

Federal Securities Laws (this index)

Going Public (this index)

Limited liability companies, 3:67

State Blue Sky Regulation (this index)

EXISTING ELIGIBLE ENTITIES

Limited liability companies, 3:15

EXPANSION OF SAFE HARBORS

Due diligence and civil liability, 14:109

EXPENSES

Costs and Expenses (this index)

EXPENSES—Cont'd

Offerings, state blue sky regulation, **15:19** S corporations, investment interest limitation, **2:40 to 2:46**

EXPRESS AGGREGATION UNDER RULE 144(E)(3)

Federal securities laws, 11:119

FAILURE TO QUALIFY AS SMALL BUSINESS CORPORATION

S corporations, termination of election, 2:31

FAMILY

Going public, 12:8, 12:32

FAOS

FinCEN clarifying dissolved entities subject to CTA, 9:7

FASB STATEMENT NO. 154

Going public, accounting changes and error corrections, 12:22

FAST ACT

Emerging Growth Companies (EGCs) (this index)

FEDERAL PREEMPTION OF STATE LAW

Due diligence and civil liability, 14:121

FEDERAL REGISTER NOTICE

Small Business Administration, call periods for Early Stage licensing process, **4:17**

FEDERAL SECURITIES LAWS

2018 and 2008 amendments, summary, **11:152** Generally, **11:1 to 11:158**

Generally, 11:1 to 11:156

Accounts receivable, intrastate offering exemption, 11:46

Accredited investors

private offering exemption, 11:6

resales to, exemptions from registration requirements, **11:83.60**

Acquisition transaction, focus on, 11:94

Advertising, prohibition of, 11:7, 11:7.50

Affiliates, resales of securities by, 11:85, 11:111

Aggregate offering price, private offering exemption, 11:9, 11:9.30

Aggregation, limitation on amount of securities sold, 11:117 to 11:121

Aiding and abetting in private actions, Rule 10b-5 (1934 Act), **14:46**

Amendments

2018 amendments, smaller business issuers rules and forms, February 2008 as affected by, **11:153**

resales of securities by investors, exemptions under Section 4(a)(1) and Rule 144, 11:83.50

Rule 147, 11:41.50

FEDERAL SECURITIES LAWS—Cont'd

Amendments—Cont'd

smaller business issuers rules and forms, February 2008 as affected by 2018 amendments, 11:153

Amount of securities sold, limitation on

C&DIs, 11:121.30, 11:121.70, 11:122.50, 11:126.50

express aggravation, 11:121.50

notice of proposed sale, 11:126.50

Resales of securities by investors, exemptions under section 4(a)(1) and Rule 144, below

Rule 144(d)(3), **11:121.50**

shell companies, 11:122.50

tacking provisions in Rule 144(d)(3), 11:121.50

"Assets requirement" of (c)(2)(ii), **11:46 to 11:50**

Attorney opinion letter regarding restricted shares, improper issuance of, **11:132.50**

Automatic shelf-registration for well-known seasoned issuers, SEC's 2005 securities offering revisions, 11:150

"Bad boy" exclusions, Regulation A exemption for offering of 75 million dollars or less, 11:74

"Beneficial ownership" under former Rule 144(d)(1), **11:112 to 11:115**

Blue sky laws, internet offerings, 11:8

C&DIs (this index)

Class action settlements, 11:100

Codification of existing Rule 152 interpretations, 11:40

Commission, integration as viewed by, 11:32

Commodity futures trading, intrastate offering exemption, 11:49

Communications revisions of 2005, **11:136 et** seq.

Compensatory benefit plans and compensatory contracts, exemptions for transactions under, 11:76

Consideration of same type, integration of "separate" offerings, **11:21**

Conversions, special tacking rules, 11:106

Corporate Transparency Act

BOI reporting requirements subject to various litigation, a nationwide injunction and stay, **9:1.50**

overview, 9:1

penalties for violations, 9:3

proposed rules, 9:4

summary, 9:2

Corporations, holding period for restricted securities, 11:115

Counting purchasers under Rule 501(e), **11:10**, **11:10.30**

FEDERAL SECURITIES LAWS—Cont'd

Court decisions

integration of "separate" offerings, **11:33** Section 4(2) decisional law apart from Regulation D, **11:14**

Crowdfunding (this index)

Currently effective registration statement, resales under. 11:125

Current public information, 11:101.50

Current public information, resales of securities by investors, 11:86, 11:101, 11:101.50

Defining the problem by task force on integration, 11:25

Definitions of "restricted securities." Resales of securities by investors, exemptions under section 4(a)(1) and Rule 144, below

Delivery of prospectus, reforms, 11:145

"Directed selling efforts," 11:81

Disclosure requirements

emerging growth companies, 11:133.50,

11:146.50, 11:153.50

exemption from, 11:132

offering exemption, Regulation A Tier 2 requirements, termination or suspension, **11:75.60**

Regulation A exemption for offering of 50 million dollars or less, **11:75.60**

Regulation A exemption for offering of 75 million dollars or less, **11:65 to 11:71**

resales of securities by investors, 11:132

Rule 10b-5 (1934 Act), aiding and abetting in private actions, **14:46**

SEC's 2005 securities offering revision, risk factor disclosure, **11:146**

smaller business issuers, registration and reporting for, 11:154, 11:155

Disqualification provisions of Rule 262, **11:74**Divorces, holding period for restricted securities, **11:113**

Doing business within the state requirement. Intrastate offering exemption, below

Electronic road shows, SEC's 2005 securities offering revisions, 11:142

Eligibility for regulation A exemption for offering of 75 million dollars or less, **11:62**

Emerging growth companies

communications restrictions, 11:137.50

cross-references, 11:133.50

registration under Securities Act, 11:133.50, 11:153.50

risk factor disclosures, 11:146.50

Employee benefit plans. Resales of securities by investors, exemptions under section 4(a)(1) and Rule 144, below

Estates, holding period for restricted securities, 11:107, 11:109

FEDERAL SECURITIES LAWS—Cont'd FEDERAL SECURITIES LAWS—Cont'd Evasion schemes, resales of securities by inves-Express aggregation tors, 11:92 amount of securities sold, limitation on, Examples in the adopting release, intrastate offer-11:121.50 limitation on amount of securities sold, ing exemption, 11:44 Exchange Act of 1934 11:121.50 Regulation A offering exemption, concurrent Rule 144(e)(3), **11:119** Felons and other bad actors, Rule 506 offerings, registration, **11.75.50** 11:4.40, 11:4.52 small business issuers, registration and reporting for, below Final offering circular, Regulation A exemption for offering of 75 million dollars or less, Exemptions from registration requirements 11:68 generally, 11:2 to 11:132 Financial statement requirements "accredited investor" 2018 and 2008 amendments, summary, **11:152** review of accredited investor definition, Form S-1 and Regulation S-K, generally, SEC, 11:4.30 11:152 selected SEC guidance, 11:4.20 Regulation A exemption for offering of 75 mil-"accredited investor," amendments to the defilion dollars or less, 11:71 nition of, 11:4.10 Finders, stock issued to, 11:97 accredited investors, resales to, 11:83.60 Foreign state or country. Intrastate offering amendments (2020) to framework for, 11:1.10 exemption, below "bad boy" exclusions, Regulation A exemption Form D filings for offering of 75 million dollars or less, private offering exemption, 11:12.20 proposed amendment of Form, 11:4.60 compensatory benefit plans and compensation Form S-1, generally, **11:152** contracts, exemption for transactions Free writing prospectuses, permissible use of, under, 11:76 11:141 Covid-19: temporary amendments to regula-Fully paid securities, holding period for restricted tion crowdfunding, 11:75.71 securities, 11:103 **Crowdfunding** (this index) Fungibility, holding period for restricted securifelons and other bad actors disqualification, ties, 11:105 Rule 506(d) and (e), 11:4.40, 11:4.52 "Future tense" letters, 11:126 framework for, amendments (2020) to, 11:1.10 Gifts. Resales of securities by investors, exempintegration of "separate" offerings, below tions under section 4(a)(1) and Rule 144, intrastate offering exemption, below below offshore transactions, exemption under Good faith compliance with Regulation A exemp-Regulation S for, below tion for offering of 75 million dollars or less, private offering exemption, below 11:72 Reguation A offering exemption, 1934 Act "Gross revenues requirement" of (c)(2)(i), 11:51 concurrent registration, 11:75.50 to 11:55 Holding period for restricted securities. Resales Regulation A exemption for offering of 50 milof securities by investors, exemptions under lion dollars or less, below section 4(1) and Rule 144, below Regulation S. Offshore transactions, exemption Hyperlinked information, issuer responsibility under Regulation S for, below for, 11:8 Resales of securities by investors, exemptions "In concert," sale by persons acting, 11:120 under Section 4(a)(1) and Rule 144, Informational requirements below C&DIs, 11:10.70 resales to accredited investors, 11:83.60 offering circular, 11:69 review of accredited investor definition, SEC, private offering exemptions, 11:10.50 11:4.30

Rule 147, amendments, **11:41.50**

lars or less, below

erally, **11:2**

Rule 506 offerings, 11:4.40, 11:4.50

small offering exemption. Regulation A

exemption for offering of 50 million dol-

transactions and not securities as exempt, gen-

resales by institutional buyers, 11:131

buyers, 11:131

11:132

Institutional buyers, resales by

generally, 11:127 to 11:132

Information requirements, resales by institutional

disclosure requirements, exemption from,

FEDERAL SECURITIES LAWS—Cont'd	FEDERAL SECURITIES LAWS—Cont'd
Institutional buyers, resales by—Cont'd	Integration of "separate" offerings—Cont'd
exclusion of certain securities, 11:130	task force on integration, report of—Cont'd
information requirements, 11:131	issuer integration, staff interpretations, 11:37
miscellaneous, 11:132	offering integration, staff interpretations, 11:35
proof of eligibility, 11:129	private placements, 11:30
qualified institutional buyers, generally, 11:128 reliance by seller on Rule 144A, 11:132	proposal for new rules, 11:38
Resales of securities by investors, exemptions	regulatory and judicial authorities, integra-
under section 4(a)(1) and Rule 144, below	tion as viewed by, generally, 11:31 to
Insurance business, intrastate offering exemption,	11:37
11:52	Section 3(a)(9), 11:27
Integration of "separate" offerings	Section 3(a)(10), 11:27, 11:28
generally, 11:16 to 11:23	staff interpretations, 11:34 to 11:37
C&DIs (this index)	transaction exemptions, 11:26 to 11:30
codification of existing Rule 152 interpretations, 11:40	venture integration, staff interpretations, 11:36
commission, integration as viewed by, 11:32	time of offering, 11:19, 11:20
consideration, same type of, 11:21	transaction exemptions, 11:26 to 11:30
court decisions, 11:33 defining the problem by task force on integra-	unincorporated businesses, 11:23
tion, 11:25	venture integration, staff interpretations, 11:36
intrastate offering exemption, 11:29, 11:59	Internet offerings, 11:8, 11:81.11 Interpretations of Rule 144, 11:91
issuer integration, staff interpretations, 11:37	Intrastate offering exemption
modification of existing Rule 152 interpreta-	generally, 11:42 to 11:59
tions, 11:40	accounts receivable, 11:46
offering integration, staff interpretations, 11:35	"assets requirement" of (c)(2)(ii), 11:46 to
private placements, 11:12, 11:30	11:50
proposal for new rules by task force on integration, 11:38	commodity futures trading, 11:49
purpose, same type of, 11:22	doing business within the state requirement
Regulation A exemption for offering of 75 mil-	generally, 11:43 to 11:57
lion dollars or less, 11:64	adopting release, 11:44
Regulation D, generally, 11:16	assets requirement, 11:45
regulatory and judicial authorities, integration as viewed by. Task force on integration,	"assets requirement" of (c)(2)(ii), 11:46 to 11:50
report of, below in this group Rule 147, 11:59	"gross revenues requirement" of (c)(2)(i), 11:51 to 11:55
Rule 152, 11:20 , 11:39 , 11:40	integration problems under rule 147, 11:59
Rule 155, 11:39 , 11:40 , 11:40.50 safe harbors	"net proceeds requirement" of (c)(2)(iii), 11:56
Rule 502(a), 11:12, 11:12.10	"principal office requirement" of $(c)(2)(iv)$,
Rules 152 and 155, 11:20, 11:39, 11:40	11:57
same class of security, 11:18	six-month resale limitation, 11:58
same time, offerings made at, 11:19 , 11:20 Section 3(a)(9), 11:27	examples in the adopting release, $11:44$ "gross revenues requirement" of $(c)(2)(i)$,
Section 3(a)(10), 11:27, 11:28	11:51 to 11:55
single plan of financing, 11:17	insurance business, 11:52
staff interpretations of task force on integra-	integration of "separate" offerings, 11:29
tion, 11:34 to 11:37	integration problems under rule 147, 11:59
task force on integration, report of	joint ventures, 11:54
generally, 11:24 to 11:40	lease receivables, 11:50
commission, integration as viewed by, 11:32	loans, 11:47
court decisions, 11:33	margin account deposits, 11:49
defining the problem, 11:25	motion picture production and distribution,
intrastate offering exemption, 11:29	11:53

FEDERAL SECURITIES LAWS—Cont'd	FEDERAL SECURITIES LAWS—Cont'd
Intrastate offering exemption—Cont'd	Notice of sale requirement under Rule 144, 11:90
"net proceeds requirement" of (c)(2)(iii),	Offering circular, 11:67 to 11:69
11:56	Offering integration, staff interpretations, 11:35
out-of-state cash and securities, 11:48	Offering price, limitations on, 11:63
out-of-state investment selection, 11:55	Offering reform. 2004 proposals for securities
"principal office requirement" of (c)(2)(iv),	offering reform, SEC's, below
residence requirement, 11:42	Offshore transactions, exemption under Regulation S for
Rule 147, integration problems under, 11:59	
Rule 147A, general provisions, 11:41.60	generally, 11:77 to 11:82
six-month resale limitation, 11:58	basic structure of Regulation S, 11:78 "directed selling efforts," 11:81
Investments, Regulation A limitations and restric-	issuer and resale safe harbors, 11:79 to 11:82
tions, 11:63.10	issuer safe harbors, 11:81.02 to 11.81.08,
Issuer and resale safe harbors, 11:79 to 11:82	11:82
Issuer integration, staff interpretations, 11:37	"no directed selling efforts," 11:81.01
"Issuer" under Regulation D, 11:11	resale safe harbors, 11:79 to 11:81
JOBS Act (Jumpstart Our Business Startups	safe harbors, 11:79 to 11:82
Act) (this index)	Out-of-state. Intrastate offering exemption, above
Joint ventures, intrastate offering exemption, 11:54	Partnerships, holding period for restricted securi-
Lease receivables, intrastate offering exemption,	ties, 11:114
11:50	Pledges. Resales of securities by investors,
Legality and tax opinions filed in registered offer-	exemptions under section $4(a)(1)$ and Rule
ings	144, below
SEC's 2005 securities offering revisions, 11:151.50	Preconditions to reliance on Rule 144, 11:86 to 11:91
SEC Staff Legal Bulletin No. 19 (CF) (Oct. 14,	Preemption of Rule 506 offerings, blue sky laws
2011), App 5.10	and internet offerings, 11:8
Limitations and restrictions	Pre-existing relationships, existence and
investments, 11:63.10	substance of, C&DIs, 11:7.55
offering price, 11:63	Preliminary offering circular, 11:67
Resales of securities by investors, exemptions	"Principal office requirement" of (c)(2)(iv),
under section 4(a)(1) and Rule 144, below	11:57
Limited liability companies, 3:2	Private offering exemption
Loans, intrastate offering exemption, 11:47	generally, 11:3 to 11:23
Margin account deposits, intrastate offering exemption, 11:49	accredited investors, 11:6
Marital separations and divorces, holding period	advertising, prohibition of, 11:7, 11:7.50
for restricted securities, 11:113	aggregate offering price, 11:9, 11:9.30
Miscellaneous resales by institutional buyers,	counting purchasers under Rule 501(e), 11:10, 11:10.30
11:132	decisional law apart from Regulation D, 11:14
Modification	FAQ, 11:6.80
amendments, above	informational requirements, 11:10.50
existing Rule 152 interpretations, 11:40 Motion mixture production and distribution intro	integration of "separate" offerings, above
Motion picture production and distribution, intra- state offering exemption, 11:53	integration safe harbor under Rule 502(e),
NASDAQ volume, use to determine amount of	11:12, 11:12.10
securities sold, 11:89	"issuer" under Regulation D, 11:11
"Net proceeds requirement" of (c)(2)(iii), 11:56	no-action letters. SEC no-action letters under
No-action letters. Private offering exemption,	Regulation D, below in this group
below	Regulation D
"No directed selling efforts," 11:81.01	generally, 11:4
Nonintegration of foreign and U.S. offerings,	decisional law apart from, 11:14
11:81.10	SEC no-action letters under Regulation D, below
Nonreporting issuers, SEC's 2005 securities	
offering rules revisions, 11:151	Rules 504, 505, and 506, 11:12.40

FEDERAL SECURITIES LAWS—Cont'd	FEDERAL SECURITIES LAWS—Cont'd
Private offering exemption—Cont'd	Regulation A exemption for offering of 50 mil-
SEC no-action letters under Regulation D	lion dollars or less—Cont'd
generally, 11:5 to 11:13	Rule 15c2-11, 1934 Act, 11:75.40
accredited investors, 11:6	safe harbor, 11:75
advertising, prohibition of, 11:7	section 12(a)(2), 1933 Act liability, 11:75.65
aggregate offering price, 11:9	summary of 2015 amendments, 11:75.30
counting purchasers under Rule 501(e), 11:10, 11:10.30	Regulation A exemption for offering of 75 million dollars or less
integration safe harbor under Rule 502(e), 11:12, 11:12.10	generally, 11:61 to 11:75.65 "bad boy" exclusions, 11:74
"issuer" under Regulation D, 11:11	C&DI, 11:64.50
selected SEC no-action letters, App 9	disclosure and procedural requirements, 11:66
solicitation, prohibition of, 11:7	to 71
state law and Regulation D, 11:13	disqualification provisions of Rule 262, 11:74
Section 4(a)(5); Rule 1001, 11:15	eligibility, 11:62
selected SEC no-action letters, App 9	final offering circular, 11:68
solicitation, prohibition of, 11:7	financial statement requirements, 11:71
state law and Regulation D, 11:13	good faith compliance with regulation, 11:72,
Private placements, integration of "separate"	11:73
offerings, 11:30	informational content of offering circular,
Proof of eligibility, resales by institutional buy-	11:69
ers, 11:129	integration, 11:64
Proposals	investments, limitations on, 11:63.10
Form D amendment, 11:4.60 general solicitation in certain offerings,	limitations, 11:63 , 11:63.10 offering circular, 11:67 to 11:69
elimination of prohibition, 11:4.50	
Regulation D amendment, 11:4.60	offering price, limitations on, 11:63 preliminary offering circular, 11:67
task force on integration, new rules, 11:38	procedural requirements, 11:66 to 71
Prospectus	reporting requirements, 11:71.10
delivery reforms, 11:145	Rule 262, disqualification provisions of, 11:74
free writing prospectuses, permissible use of,	SEC guidance, 11:64.50
11:141	substantial compliance, 11:72, 11:73
Purchaser representatives, 11:10.90	suspension of exemption, 11:73
Qualifications for exemption from resales of	"testing the waters," 11:65
securities by investors, 11:84	three alternative formats, 11:70
Recapitalizations. Resales of securities by inves-	threshold, 1934 Act Section 12(g), 11:64.10
tors, exemptions under section 4(a)(1) and Rule 144, below	Regulation Crowdfunding. Crowdfunding (this index)
Reform. 2004 proposals for securities offering	Regulation D
reform, SEC's, below	integration of "separate" offerings, 11:16
Registration	private offering exemption, above
exemptions from registration requirements, above	proposed amendment, 11:4.60 Regulation S
shelf registration process, 11:147	distribution compliance, issuer safe harbor,
small business issuers, registration and report- ing for, below	11:81.05 Internet web site offers, 11:81.11
Regulation A exemption for offering of 50 mil-	IPOs, alternative restrictions, 11:81.08
lion dollars or less	Issuer safe harbor
1933 Act, 11:75.40 , 11:75.65	alternative restrictions for IPOs, 11:81.08
1934 Act, concurrent registration, 11:75.50	distribution compliance, 11:81.05
offering circular	first category, 11:81.02
tier 2, 11:75.60	IPOs, alternative restrictions, 11:81.08
registration concurrent, 1934 Act, 11:75.50	offering restrictions, 11:81.06
reporting companies, 2018 amendments, 11:75.35	secondary market trading, 11:81.08 second category, 11:81.03 to 11:81.06

FEDERAL SECURITIES LAWS—Cont'd	FEDERAL SECURITIES LAWS—Cont'd
Regulation S—Cont'd	Resales of securities by investors, exemptions
Issuer safe harbor—Cont'd	under Section 4(a)(1) and Rule 144—Cont'd
third category, 11:81.07	corporations, holding period for restricted
U.S. person, 11:81.04	securities, 11:115
U.S.nonreporting issuers, secondary market trading, 11:81.08	currently effective registration statement, resales under, 11:125
offshore transactions, exemption under Regulation S for, above	current public information, 11:86 , 11:101 definition of "restricted securities"
Resale safe harbor, 11:81.09	generally, 11:93 to 11:100
Safe no directed selling efforts, 11:81.01	acquisition transaction, focus on, 11:94
Secondary market trading, issuer safe harbor,	class action settlements, 11:100
11:81.08	employee benefit plans, 11:99
U.S.nonreporting issuers, issuer safe harbor, 11:81.08	finders, stock issued to, 11:97 gifts, 11:95
Regulation S-K, smaller business issuers registra-	pledges, 11:96
tion and reporting, 11:152	recapitalizations, 11:100
Regulation S-P compliance, internet offerings,	reorganizations, 11:100
11:8	Section 5, acquisitions violating, 11:98
Reliance by seller on Rule 144A, 11:132	spin-offs, 11:100
Reorganizations, definition of "restricted securi-	stock dividends, 11:100
ties," 11:100	underwriters, stock issued to, 11:97
Reporting	divorces, holding period for restricted securi-
emerging growth company issuer registration	ties, 11:113
under Securities Act, 11:133.50,	employee benefit plans
11:153.50	definition of "restricted securities," 11:99
Regulation A, exemption reporting require-	holding period for restricted securities,
ments, 11:71.10	11:104
Resales of securities by investors exemptions under Section 4(a)(1) and Rule	estates, holding period for restricted securities, 11:107, 11:109
144, 11:83 to 11:126	evasion schemes, 11:92
offshore transactions, resale safe harbors,	express aggregation, 11:119
11:79 to 11:81	finders, stock issued to, 11:97
Resales of securities by investors, exemptions under Section 4(a)(1) and Rule 144	fully paid securities, holding period for restricted securities, 11:103
acquisition transaction, focus on, 11:94	fungibility, holding period for restricted securi-
additional interpretations, 11:124 to 11:126 affiliates, 11:85, 11:111	ties, 11:105
aggregation, limitation on amount of securities	"future tense" letters, 11:126
sold, 11:117 to 11:120.50	gifts
amount of securities sold, limitation on	affiliates, gifts by, 11:111
generally, 11:116 to 11:121.50	definition of "restricted securities," 11:95 special tacking rules, 11:107
aggregation, 11:117 to 11:120.50	holding period for restricted securities
express aggregation under Rule 144(e)(3),	generally, 11:102 to 11:115.50
11:119	affiliates, gifts and pledges by, 11:111
"in concert," sale by persons acting, 11:120	"beneficial ownership" under former Rule
preconditions to reliance on Rule 144, 11:89	144(d)(1), 11:112 to 11:115
"same person" under Rule 144(a)(2),	conversions, special tacking rules, 11:106
aggregation by, 11:118	corporations, 11:115
special tacking provisions under Rule 144(d)(3), 11:119	divorces, 11:113
volume limits, sales excluded from, 11:121	employee benefit plans, 11:104
"beneficial ownership" under former Rule	estates, 11:107, 11:109
144(d)(1), 11:112 to 11:115	fully paid securities, 11:103
C&DIs (this index)	fungibility, 11:105
class action settlements, 11:100	gifts, 11:107, 11:111
conversions, special tacking rules, 11:106	marital separations and divorces, 11:113

FEDERAL SECURITIES LAWS-Cont'd FEDERAL SECURITIES LAWS-Cont'd Resales of securities by investors, exemptions Resales of securities by investors, exemptions under Section 4(a)(1) and Rule 144—Cont'd under Section 4(a)(1) and Rule 144—Cont'd holding period for restricted securities special tacking rules —Cont'd amount of securities sold, limitation on, 11:119 partnerships, 11:114 holding period for restricted securities, pledges, 11:107, 11:111 11:106, 11:107, 11:110 preconditions to reliance on Rule 144, 11:87 spin-offs, definition of "restricted securities," recapitalizations, special tacking rules, 11:100 11:106 stock dividends, definition of "restricted secu-Rule 144(d)(3), tacking rule under, **11:110** rities," 11:100 special tacking rules, **11:106**, **11:107** tacking rules. Special tacking rules, above in tacking rules, 11:106, 11:107, 11:110 this group tracing securities, 11:105 technical compliance, sufficiency of, 11:92 trusts, 11:107, 11:108 tracing securities, 11:105 "in concert," sale by persons acting, 11:120 trusts, holding period for restricted securities, 11:107, 11:108 interpretations of Rule, 11:91 underwriters, stock issued to, 11:97 limitations and restrictions volume limits, sales excluded from, 11:121 amount of securities sold, limitations on, above in this group Resales to accredited investors, exemptions from registration requirements, 11:83.60 definition of "restricted securities," above in Research reports, SEC's 2005 securities offering this group revisions, 11:143 holding period for restricted securities, Residence, intrastate offering exemption, 11:42 above in this group Restricted shares, improper issuance of attorney manner of sale restrictions, 11:88 opinion letter regarding, 11:132.50 marital separations and divorces, holding Restrictions. Limitations and restrictions, above period for restricted securities, 11:113 Risk factor disclosures, emerging growth notice of sale requirement, 11:90 companies, 11:146.50 partnerships, holding period for restricted secu-Rule 10b5-1(c) representations, 11:123 rities, 11:114 Rule 15c2-11, Regulation A, offering exemption, pledges 11:75.40 definition of "restricted securities," 11:96 Rule 135c notice, internet offerings, 11:8 holding period for restricted securities, Rule 144. Resales of securities by investors, 11:107, 11:111 exemptions under section 4(a)(1) and Rule Uniform Commercial Code, sales by 144, above pledgees under, 11:124 Rule 144(d)(3), amount of securities sold, limitapreconditions to reliance on Rule 144, 11:86 to tion on, 11:121.50 11:90 Rule 147 (this index) qualifications for exemption, 11:84 Rule 152, integration of "separate" offerings, qualified institutional buvers. Institutional 11:20, 11:39, 11:40 buyer, resales by, above in this group Rule 155, integration of "separate" offerings, recapitalizations 11:39, 11:40, 11:40.50 definition of "restricted securities," 11:100 Rule 163B, test-the-waters communication. holding period for restricted securities, 11:137.60 11:106 Rule 262, disqualification provisions of, 11:74 reorganizations, definition of "restricted secu-Rule 415, proposed amendments to, 11:149 rities," 11:100 Rule 501, C&DIs, **11:7.60** restrictions. Limitations and restrictions, above Rule 506(c), C&DIs, 11:7.70 in this group Rule 508, substantial, good faith compliance Rule 144(d)(3), tacking rule under, **11:110** defense, 11:4.70 "same person" under Rule 144(a)(2), aggrega-Rules 504, 505, and 506, private offering exemption by, 11:118 tion, 11:12.40 schemes to evade registration, 11:92 Safe harbors Section 5, acquisitions violating, 11:98 integration of "separate" offerings, above

FEDERAL SECURITIES LAWS—Cont'd

Safe harbors—Cont'd

offshore transactions, exemption under Regulation S for, 11:79 to 11:82

Regulation A exemption, 11:75

Same class of security, integration of "separate" offerings, 11:18

"Same person" under Rule 144(a)(2), aggregation by, 11:118

Same time, offerings made at, 11:19, 11:20

Schemes to evade registration, 11:92

SEC guidance, Regulation A, 11:64.50

SEC no-action letters. Private offering exemption, above

Section 3(a)(9), integration of "separate" offerings, 11:27

Section 3(a)(10), integration of "separate" offerings, 11:28

Section 4(2) decisional law apart from Regulation D, 11:14

Section 4(a)(5); Rule 1001, 11:15

Section 5, acquisitions violating, 11:98

Section 12(a)(2), liability, 11:75.65

Securities Act of 1933

applicability of, generally, 11:1

Regulation A offering exemption, 11:75.40, 11:75.65

rule 508, substantial, good faith compliance defense, **11:4.70**

shelf registration process, 11:147

small business issuers, registration and reporting for, below

summary of registration requirements (including 2005 revisions in securities offering rules and JOBS Act), 11:133

Securities Act of 1934. Exchange Act of 1934, above

Securities offering reform

2004 proposals for securities offering reform, SEC's, below

2005 revisions in securities offering rules, **11:133 to 11:151.50**

Selected SEC no-action letters, App 9

Shelf offerings, SEC's 2005 securities offering revisions, 11:148

Shelf registration for well-known seasoned issuers, automatic, **11:150**

Shelf registration process under Securities Act, 11:147

Shell companies, reporting and nonreporting, 11:122

Single plan of financing, 11:17

Six-month resale limitation, intrastate offering exemption, 11:58

Small Entity Compliance Guide

Amendments to Regulation A, App 1.9

Disclosure update and Simplification, App 1.9

FEDERAL SECURITIES LAWS—Cont'd

Smaller business issuers, registration and reporting for

2018 amendments affecting February 2008 amendments, 11:153

2018 and 2008 amendments, summary, **11:152** generally, **11:152 et seq.**

C&DIs regarding omission of certain financial information form draft registration statements. **11:161**

determination dates, 11:157

disclosure requirements, 11:154, 11:155

eligibility, 11:156

entering and exiting smaller reporting company status, 11:158

Exchange Act of 1934, generally, **11:152**

exclusions, 11:156

FAQs regarding voluntary submission of draft registration statements, **11:160**

Form S-1, generally, **11:152**

item-by-item disclosure on Regulation S-K, election, 11:155

qualifying as smaller reporting company, 11:156, 11:157

Regulation S-K, 11:154, 11:155

scaled disclosure standards in Regulation S-K, 11:154

Securities Act of 1933, generally, **11:152** submission of registration statements for non-public review by SEC permitted in all IPOs, **11:159**

Solicitation, prohibition of

advertising, prohibition, 11:7

proposed rule eliminating prohibition, 11:4.50

Sophistication under Rule 506, 11:10.90

Special Purpose Acquisition Companies (SPACs) (this index)

Special tacking rules. Resales of securities by investors, exemptions under section 4(a)(1) and Rule 144, above

Spin-offs, definition of "restricted securities," 11:100

Staff interpretations of task force on integration, 11:34 to 11:37

State blue sky regulation, 15:1

State law and Regulation D, 11:13

Stock dividends, definition of "restricted securities," 11:100

Substantial compliance with Regulation A exemption for offering of 75 million dollars or less, 11:72, 11:73

Suspension of exemption, Regulation A exemption for offering of 75 million dollars or less, 11.73

Task force on integration. Integration of "separate" offerings, above

FEDERAL SECURITIES LAWS—Cont'd

Tax opinions filed in registered offerings, SEC's 2005 securities offering rules revisions, 11:151.50

Technical compliance with Rule 144, sufficiency of, **11:92**

"Testing the waters," Regulation A exemption for offering of 75 million dollars or less, 11:65

Test-the-waters communication, Rule 163B, 11:137.60

Thirty-day bright line exclusion from prohibition on offers prior to filing registration statement, 11:139

Tier 2 obligations, 11:75.40 to 11:75.90

Time of offering, integration of "separate" offerings, 11:19, 11:20

Tracing securities, 11:105

Transactions and not securities as exempt, generally, 11:2

Trusts, holding period for restricted securities, 11:107, 11:108

2015 amendments, summary of, Regulation A exemption for offering of 50 million dollars or less, **11:75.30**

2018 amendments, Regulation A, reporting companies, 11:75.35

2005 SEC securities offering revisions

generally, **11:133 et seq.** automatic shelf-registration for well-known

seasoned issuers, 11:150

background to 2005 revisions, 11:134

communications proposals, 11:136 et seq.

disclosure of risk factors, 11:146

electronic road shows, 11:142

emerging growth companies, communications restrictions, 11:137.50

emerging growth company issuer category, 11:133.50

free writing prospectuses, permissible use of, 11:141

JOBS Act registration requirements included in summary of 2012 Securities Act requirements, 11:133

liability uses, 11:144

other categories of issuers, **11:133.50**, **11:135** overview of communications proposals,

11:137

permitted continuation of ongoing communications during an offering, 11:138

prospectus delivery reforms, 11:145

research reports, use of, 11:143

risk factor disclosure, 11:146, 11:146.50

Rule 415, proposed amendments to, 11:149

Securities Act shelf registration process, 11:147

shelf offerings, 11:148

FEDERAL SECURITIES LAWS—Cont'd

2005 SEC securities offering revisions—Cont'd shelf registration for well-known seasoned issuers, automatic, **11:150**

shelf registration process under Securities Act, 11:147

summary of 2012 current Securities Act registration requirements, **11:133**

thirty-day bright line exclusion from prohibition on offers prior to filing registration statement—all issuers, 11:139

unseasoned issuers and non-reporting issuers, 11:151

well-known seasoned issuers, **11:135, 11:150** written offering related communications, relaxation of restrictions on, **11:140**

2007 amendments. Amendments, above

Underwriters, stock issued to, 11:97

Unincorporated businesses, integration of "separate" offerings, 11:23

Unseasoned issuers, SEC's 2005 securities offering rules revisions, **11:151**

Venture integration, staff interpretations, 11:36 Volume limits, sales excluded from, 11:121

Well-known seasoned issuers under SEC's 2005

revisions, 11:135, 11:150
Written offering related communications, relax-

written offering related communications, relaxation of restrictions on, **11:140**

FEES

Term loan agreements, 7:35

FELONS AND OTHER BAD ACTORS

C&DI, bad actor disqualification under Rule 506(d) and disclosures under Rule 506(e), 11:4. 52

Securities Act of 1933, Rule 506 offerings, disqualification, **11:4.40**

FIDUS INVESTMENT CORP (FDUS)

Business development company (BDC), 5:3

FIFTH STREET FINANCE (FSC)

Business development company (BDC), 5:3

FILING

Going Public (this index)

FINAL OFFERING CIRCULAR

Federal securities laws, 11:68

FINAL REGULATIONS

Limited Liability Companies (this index)

FINANCES AND FINANCING

Disclosure (this index)

Going Public (this index)

S corporations, debt financed distributions from pass-through entity to its owners, **2:44**

Small Business Administration (this index)

FINANCES AND FINANCING—Cont'd

Term Loan Agreements (this index)

FINANCIAL CRIMES ENFORCEMENT NETWORK (FinCEN)

FAQs clarifying dissolved entities subject to CTA, 9:7

FINANCIAL INSTITUTIONS

Banks and Financial Institutions (this index)

FINANCIAL STATEMENTS

Auditing Standard No. 5, integration of audit of internal control over financial reporting with audit of financial statements, 12:18

Due diligence and civil liability, 14:17, 14:25, 14:96

Federal Securities Laws (this index)

Material misstatement, PCAOB Proposed Auditing Standard Related to Auditor's Assessment of and Response to Risk of Material Misstatement in Financial Statement (Dec. 17, 2009), App 11.2

PCAOB Auditing Standards Release # 2012-001, App 11.4

Preferred stock, 6:26, 6:64

FINDERS

Federal securities laws, 11:97

Small Business Administration, financing from, 4:10

FINRA GUIDANCE FOR PRIVATE PLACEMENTS

Due diligence and civil liability, 14:28.50

FINRA REGULATORY NOTICE 10-22

Reasonable investigations by broker-dealers in Regulation D offerings, **App 1.2A**

FIRST REFUSAL, RIGHT OF

Preferred Stock (this index)

FISCAL YEAR

S corporations, fiscal years permissible without election, 2:72

FIVE PERCENT BENEFICIAL OWNERS

Disclosure, 13:46, 13:47

FIXED INTEREST RATES

Term loan agreements, 7:30

FLEXIBLE STATUTES

Limited liability companies, 3:5

"FLOATING" INTEREST RATE

Term loan agreements, 7:31

FLORIDA

Small business, assistance programs for, **App** 18.10

FLORIDA DEVELOPMENTS

Due diligence and civil liability, 14:138

FLORIDA LLC OPERATING AGREEMENT

Form of (2011), **20:5**

"FORCE DOWN" ANTIDILUTION PROVISIONS

Generally, 17:5

FOREIGN CORRUPT PRACTICES ACT

Going public, 12:21

FOREIGN STATE OR COUNTRY

Federal Securities Laws (this index)

Limited Liability Companies (this index)

FORMAT FOR BUSINESS FINANCING

Choosing the Business Financing Format (this index)

FORMS

Antidilution Provisions (this index)

Co-sale provisions, 18:14

Debentures (this index)

Form D

federal securities laws, 11:4.60, 11:12.20

Notice of Sales under Regulation D or Section 4(6), App 2

Going Public (this index)

Intrastate Offerings and Section 4(2) (this index)

Limited Liability Companies (this index)

Limited Offerings and Regulation A (this index)

Preferred Stock (this index)

Public Offerings (this index)

Registration rights agreement, 18:10

Rules 144 and 144A (this index)

S corporations, election by small business corporation (IRS Form 2553), **2:84, 2:85**

SEC Forms and Related Regulations (this index)

State blue sky regulation, form U-7, **15:12**

Stock purchase agreement (common stock), 18:7

Stock repurchase agreement, 18:13

Term loan agreement, 18:12

Warrant agreement, 18:8

Warranties and representations, form of, generally, **18:9**

FORM S-1 OFFERING

Final prospectus, 19:1

Public offerings, **19:1, 19:3**

Underwriting agreement, 19:3

FORWARD-LOOKING STATEMENTS

Disclosure, 13:22, 13:23

FRAUD AND DECEIT

Aspirational statements, 14:15.60

Going public, duties of public companies for 1934 Act periodic filings, financial due diligence, **12:14**

Imputation of fraud, in pari delicto defense, 14:142

PCAOB Proposed Auditing Standard Related to Auditor's Assessment of and Response to Risk of Material Misstatement in Financial Statements (Dec. 17, 2009), App 11.2

Puffery, due diligence and civil liability, **14:15.50** State blue sky regulation, **15:6**

FREE TRANSFERABILITY OF INTERESTS

Limited liability companies, 3:31

FREE WRITING PROSPECTUSES

Digital brands group, **19:2** Permissible use of, **11:141**

FREQUENTLY ASKED QUESTIONS

Management's Report on Internal Control (Sept. 24, 2007), **App 11.1**

Rules 144 and 144A, App 4.1A

FULL CIRCLE CAPITAL (FULL)

Business development company (BDC), 5:3

FULLY PAID STOCK

Holding period for restricted securities, 11:103 Preferred stock, 6:130, 6:138

FUNDING

Term loan agreements, 7:46

FUNDRAISING

Small Business Administration, Early Stage licensing process, **4:17**

FUNGIBILITY

Holding period for restricted securities, 11:105

FUTURE OPERATIONS

Term loan agreements, 7:46

FUTURE SALE, SHARES ELIGIBLE FOR

Disclosure, 13:50, 13:51

"FUTURE TENSE" LETTERS

Federal securities laws, 11:126

GAAP

Due diligence and civil liability, **14:77**, **14:78**Going public, duties under 1934 Act filings, **12:4**, **12:12**, **12:13**

GAAS

Due diligence and civil liability, 14:74 to 14:78

GAINS AND LOSSES

Limited liability companies, allocation of, **3:50**, **3:56**

GENERAL PARTNERS

Small Business Administration, Early Stage SBIC Limited Partnership Agreement, **4:18**

GENERAL UTILITIES DOCTRINE

S corporations, distribution of appreciated property, 2:64

GEORGIA

Small business, assistance programs for, **App** 18.11

GIFTS

Federal Securities Laws (this index)

GLADSTONE CAPITAL (GLAD)

Business development company (BDC), 5:3

GLADSTONE INVESTMENT (GAIN)

Business development company (BDC), 5:3

GOING PUBLIC

Generally, 12:1 et seq.

Advisory votes of shareholders about executive compensation and golden parachutes, **12:34**

American Exchange requirements, generally, 12:28

Audit committee

auditor-audit committee communications, 12:8.50, 12:12 et seq.

auditor independence, role of audit committee in assuring, **12:9**

charter, 12:27, 12:33

disclosure of critical audit matters, **12:14.60** due diligence

critical role in financial due diligence, 12:5 financial/transactional due diligence,

12:14.50

fraud, assessment of risks and responses thereto, 12:14

proxy disclosures about audit committee, 12:6

related party transactions, 12:14.50

role, generally, 12:8

significant unusual transactions, 12:14.50

due diligence counsel, PCAOB proposed standards for related party transactions, **12:14**

financial experts, 12:23

independence

audit committee's role in assuring independence, 12:9

SEC audit committee disclosure rules, **12:28** self-regulatory organization audit committee rules, **12:32**

NYSE and NASDAQ corporate governance amendments, 12:7

related party transactions, PCAOB proposed due diligence standards, **12:14.50**

review by, 12:14

GOING PUBLIC—Cont'd	GOING PUBLIC—Cont'd
Audit committee—Cont'd	Dodd-Frank Act (2010)—Cont'd
SEC audit committee disclosure rules	corporate governance provisions, 12:34
generally, 12:24	implementing and monitoring appropriate
charters, 12:27	internal controls, 12:15
members' independence, 12:28	pay-for-performance, 12:34
prefiling review of quarterly financial state- ments, 12:25	Due diligence
report, 12:26	audit committee, above
safe harbors, 12:29	duties of public companies for 1934 Act periodic filings
self-regulatory organization audit committee	generally, 12:1 et seq.
rules	audit committee, above
generally, 12:30	critical accounting policies and practices,
charter, 12:33	12:10
composition and qualification, 12:31	critical role of company's audit committee
independence, 12:32	or independent directors in financial
significant unusual transactions, PCAOB	due diligence, 12:5
proposed due diligence standards, 12:14.50	disclosure committee, CEO and CFO, 12:2
Auditing fees, 12:33	fraud, audit committee's or independent
Auditing Standard No. 5, standard for auditing	director's assessment of risk and responses, 12:14
internal control over financial reporting,	oversight process, establishing appropriate,
12:17 to 12:19	12:16
Code of ethics, consequences of going public, 12:8	related party transactions, proposed standards, 12:14.50
Compensation committees, Dodd-Frank Act (2010) corporate governance provisions,	significant unusual transactions, proposed standards, 12:14.50
12:34	Due diligence counsel, PCAOB proposed stan-
Compensation consultants, Dodd-Frank Act (2010) corporate governance provisions,	dards for related party transactions, 12:14.50
12:34	Duties of public companies for 1934 Act periodic
Consequences of going public	filings
audit committees, above	generally, 12:1 et seq.
code of ethics, 12:8	Auditing Standard No. 5, standard for auditing
Foreign Corrupt Practices Act, 12:21	internal control over financial reporting, 12:17 to 12:19
internal controls over financial reporting, 12:17	disclosure controls and procedures
et seq.	generally, 12:3
Corporate governance provisions, Dodd-Frank Act (2010), 12:34	proxy disclosures about audit committee,
Disclosure	12:6
audit committee disclosure rules. Audit committee, above	suggestive steps in establishing and evaluating, 12:4
compensation consultants, Dodd-Frank Act	due diligence, above
(2010) corporate governance provisions, 12:34	FASB Statement No. 154, accounting changes and error corrections, 12:22
disclosure committee, below	GAAP, 12:4 , 12:12 , 12:13
duties of public companies for 1934 Act periodic filings, below	internal controls, implementing and monitoring, 12:15
JOBS Act, emerging growth companies	introduction, 12:1
exemptions, 12:34	Material omission to fail to disclose SEC
Disclosure committee	investigation into ICFR weaknesses and
generally, 12:4	promotional paid-for public articles, 12:22.80
due diligence, 12:2	
Dodd-Frank Act (2010) advisory votes of shareholders about executive	material weakness, requirement for adverse opinion, 12:20
compensation and golden parachutes,	oversight process, establishing appropriate,
12:34	12:16

GOING PUBLIC—Cont'd Duties of public companies for 1934 Act periodic filings—Cont'd SEC guidance, standard for auditing internal control over financial reporting, 12:21 SEC Injunctive Authority, 12:22.75 standard for auditing internal control over financial reporting generally, 12:17 Auditing Standard No. 5 integration of audit of internal control over financial reporting with audit of financial statements, 12:18 overview of audit, 12:19 FASB Statement No. 154, accounting changes and error corrections, 12:22 requirement for adverse opinion when material weakness exists, 12:20 SEC guidance, 12:21 Executive compensation, Dodd-Frank Act (2010) corporate governance provisions, 12:34 Expenses, 12:33 Family appointment to auditing committee, 12:8 independent director, 12:7 PCAOB proposed standards for related party Reports transactions, 12:14.50 self regulatory organization audit committee rules, 12:32 FASB Statement No. 154, accounting changes and error corrections, 12:22 Filing requirements. Duties of public companies for 1934 Act periodic filings, above Financial due diligence. Due diligence, above Financial experts, audit committee, 12:23 Foreign Corrupt Practices Act, 12:21 SEC Form 10-K report generally, 12:1 auditor-audit committee communications, 12:12, 12:13 financial experts, 12:23 Nadsdaq rules, 12:7 NYSE rules, 12:7 Fraud, duties of public companies for 1934 Act periodic filings, financial due diligence, 12:14 Golden parachutes disclosure Dodd-Frank Act (2010) corporate governance provisions, 12:34 JOBS Act, emerging growth companies exemption, 12:34 Independence. Audit committee, above

GOING PUBLIC—Cont'd

Internal pay equity disclosure, emerging growth companies exemption under JOBS Act, 12:34

Introduction, 12:1

Listing requirements of stock exchanges, generally, 12:28

Management discussion and analysis, 12:11 Material weakness, duties of public companies for 1934 Act periodic filings, 12:20

NASDAQ, requirements, generally, 12:7, 12:28 New York Stock Exchange, requirements, generally, 12:7, 12:28

Nominate corporate governance committee, 12:7 Pay-for-performance, Dodd-Frank Act (2010) corporate governance provisions, 12:34

Pay versus performance disclosure, emerging growth companies exemption under JOBS Act, 12:34

Preparing the registration statement, 12:13 Proxy disclosures about audit committee, 12:6 Registration statement, 12:13

Registration under Securities Exchange Act of 1934, generally, 12:1

Related party transactions, PCAOB proposed due diligence standards, 12:14.50

institutional investment managers, Dodd-Frank Act (2010) corporate governance provisions, 12:34

SEC audit committee disclosure rules, 12:26 Revenue recognition policy and practices, 12:13 Review by SEC, 12:21

Safe harbors, SEC audit committee disclosure rules, 12:29

audit committee disclosure rules. Audit committee, above

review by, 12:21

rulemaking under Dodd-Frank Act (2010) corporate governance provisions, 12:34

standard for auditing internal control over financial reporting, SEC guidance, 12:21

Section 12 trigger to 1934 Act obligations, **12:1**

Securities Act of 1933, generally, 12:1

Securities Exchange Act of 1934, generally, **12:1**

Self-regulatory organization audit committee. Audit committee, above

Timetable for disclosure, generally, 12:4

GOLDEN PARACHUTES

Going public, Dodd-Frank Act (2010) corporate governance provisions, 12:34

GOLUB CAPITAL (GBDC)

Business development company (BDC), 5:3

Institutional investment managers reporting,

Dodd-Frank Act (2010) corporate governance provisions, 12:34

GOOD FAITH

Advice of counsel defense as proof of, **14:84.10** Compliance with Regulation A exemption for offering of 75 million dollars or less, **11:72**

Due diligence and civil liability, 14:84

Rule 508 of the 1933 Act, substantial, good faith compliance defense, **11:4.70**

GOODWILL

Due diligence and civil liability, 14:15

GOVERNING LAW

Choosing the business financing format, 1:1 Preferred stock, 6:102

GREEN LIGHT LETTERS

Small Business Administration, qualified applicants for Early Stage licensing process, 4:17

"GROSS REVENUES REQUIREMENT" OF (C)(2)(I)

Federal securities laws, 11:51 to 11:55

GUAM

Small business, assistance programs for, **App** 18.11A

GUARANTEES

Term loan agreements, 7:17

HANDBOOK ON "PLAIN ENGLISH"

Disclosure, 13:9 to 13:14

HAWAII

Small business, assistance programs for, **App** 18.12

HEADINGS

Series A convertible preferred stock purchase agreement (annotated), **6:100**

HEBB JR., DONALD B

Small Business Administration, financing from, **4:16**

HENNING, HARRY I.

Small Business Administration, financing from, 4:6, 4:13, 4:15

HERCULES TECHNOLOGY GROWTH CAPITAL (HTGC)

Business development company (BDC), 5:3

HIERARCHY OF DOCUMENT

Disclosure, 13:13

HIGHEST SECTION ONE RATE

S corporations, taxable year, 2:76

HIGH YIELD BOND ISSUES

Insurance company private placements distinguished from, **7:2**

HOLDERS AND HOLDING

Federal Securities Laws (this index)

S corporations, avoidance of personal holding company tax, **2:10**

HORIZON TECHNOLOGY (HRZN)

Business development company (BDC), 5:3

HOWEY TEST

First prong, investment of money and offer of sale, 15:3.40

Investment of money, first prong, 15:3.40

Offer of sale, first prong, 15:3.40

Profits derived solely from the efforts of others, 15:3.60

State blue sky regulation, **15:3.40**, **15:3.50**, **15:3.60**

HYBRID SECURITIES

Choosing the business financing format, 1:1

HYPERLINKED INFORMATION

Internet offerings, issuer responsibility for hyperlinked information, 11:8

IDAHO

Small business, assistance programs for, **App 18.13**

"IF THEN" CONDITIONALS, USE OF

Disclosure, 13:12

ILLINOIS

Small business, assistance programs for, **App** 18.14

"ILLUSORY" OR "MANAGED" EARNINGS

Due diligence and civil liability, 14:96

"IMMATERIAL" SAFE HARBOR

Due diligence and civil liability, 14:105

IMPACT

S corporations, shareholders and limited partners, **2:54**

INADEQUATE OR MATERIALLY MISLEADING DISCLOSURE

Due diligence and civil liability, 14:51.50

INADVERTENT TERMINATIONS

S corporations, relief, 2:39

INCIDENTAL COSTS

Term loan agreements, 7:15, 7:27

INCIDENTAL REGISTRATION

Preferred stock, 6:79

INCOME

S Corporations (this index)

INCOME TAXATION

S corporations, state income tax considerations, 2:81

"IN CONCERT", SALE BY PERSONS ACTING

Federal securities laws, 11:120

INDEMNITY OR INDEMNIFICATION

Due diligence and civil liability, **14:120**, **14:121** NVCA model venture financings documents (2007), model indemnification agreement, **15A:9**

Preferred stock, **6:82**, **6:83**

INDENTURE

Form of, 18:6

INDEPENDENCE OF AUDITORS

Going Public (this index)

Professional standards, auditor strengthening under Sarbanes-Oxley Act, **14:72**

INDEPENDENCE OF DIRECTOR

Disclosure, 13:8, 13:40, 13:41

INDEX

Term loan agreements, 7:31

INDIANA

Small business, assistance programs for, **App** 18.15

INDUSTRY OF ISSUER

Due diligence and civil liability, 14:20

INFORMATION REQUIREMENTS

Federal Securities Laws (this index)

INITIAL PUBLIC OFFERING

Emerging growth company, underwriting agreement, **19:3.50**

Final prospectus, 19:1

Forms for, 19:1, 19:4

Sample timetable and responsibility schedule, 19:4

INITIAL REVIEW

Small Business Administration, Early Stage licensing process, **4:17**

INJUNCTIVE PROCEEDINGS

Due diligence and civil liability, 14:91

IN PARI DELICTO DEFENSE

Due diligence and civil liability, 14:142

INSIDER TRADING

Going Public (this index)

INSPECTION

Preferred stock, **6:62**

Term loan agreements, 7:49

INSTITUTIONAL BUYERS

Federal Securities Laws (this index) State blue sky regulation, **15:9**

INSTITUTIONAL INVESTMENT MANAGERS

Going public, Dodd-Frank Act (2010) corporate governance provisions, **12:34**

INSTITUTIONAL PRIVATE PLACEMENTS

Generally, **7:1 to 7:10**

Bank term loans, insurance company private placements distinguished from, 7:2

Business covenants, 7:6

Call protection, 7:3

Closing conditions, 7:5

Closing representations of issuer, 7:4

Covenants, generally, 7:6

Default, events of, 7:7 to 7:9

Distinction between "loan agreements," and "note agreements," 7:2

Form of sample note agreement, 7:10

High yield bond issues, insurance company private placements distinguished from, 7:2

Insurance company private placements distinguished from bank term loans, 7:2

Junk bond issues, insurance company private placements distinguished from, 7:2

Legal overview, generally, 7:2 to 7:10

Opinion of counsel, 7:5

Options for prepayments, 7:3

Overview, generally, 7:2 to 7:10

Prepayments, 7:3

Remedies for default, 7:9

Sample note agreement, 7:10

Scope of defaults, 7:8

INSTRUMENTS

S corporations, one class of stock requirement for eligibility, 2:23, 2:25

INSURANCE

Federal securities laws, 11:52

Institutional private placements, 7:2

Preferred Stock (this index)

Term loan agreements, 7:48

INTEGRATION

Federal Securities Laws (this index)

INTERACTIVE DATA FOR FINANCIAL REPORTING§ EA SMALL ENTITY REPORTING GUIDE

Generally, App 5.4

INTEREST AND INTEREST RATES

Deductions, business interest, limitations on, **2:4** S corporations, acquisition of interest in pass-through entity, **2:43**

INTEREST AND INTEREST RATES—Cont'd

S corporations, investment interest limitation, 2:40 to 2:46

Self-charged interest, 2:45, 2:46

State blue sky regulation, 15:24

Term Loan Agreements (this index)

INTERNAL CONTROL OVER FINANCIAL REPORTING

Adverse opinion required when material weakness exists, 12:20

Auditing control standard, 12:17

Auditing Standard No. 5, 12:18, 12:19

FASB Statement No. 154, accounting changes and error corrections, **12:22**

PCAOB Guidance for Auditors of Smaller Public Companies (January 23, 2009), **App 11.3**

SEC guidance, 12:21

INTERNAL REVENUE SERVICE (IRS)

S corporation, IRS Initiative on S Corporation Compliance, 2:12

INTERNET OFFERINGS

Federal securities laws, **11:8, 11:81.11** Regulation S, **11:81.11**

INTERPRETATIONS OF RULE 144

Federal securities laws, 11:91

INTERVIEW

Small Business Administration, applicants for Early Stage licensing, **4:17**

INTRASTATE OFFERINGS

Federal Securities Laws (this index)

Rule 147 under Securities Act of 1933, **App 3** SEC Release No. 33-4434 (December 1, 1961),

App 3.1 SEC Release No. 33-4552 (November 6, 1962),

INVENTORIES

App 1.3

Due diligence and civil liability, 14:25

S corporations, recapture of appreciation upon conversion from C corporation to S corporation. **2:68**

INVESTIGATIONS

Due Diligence and Civil Liability (this index)

FINRA Regulatory Notice 10-22, reasonable investigations by broker-dealers in Regulation D offerings, **App 1.2A**

Professional standards, reporting attorney has no duty to investigate under Sarbanes-Oxley Act and SEC professional conduct rules, 14:62

INVESTMENT CONTRACTS

Domestic security warranting protection under federal securities laws, state blue sky regulation, **15:3.90**

INVESTMENTS BY SBIC

Small Business Administration, financing from, **4:3**

INVESTORS' RIGHTS AGREEMENT

NVCA model venture financings documents (2007), **15A:5**

IOWA

Small business, assistance programs for, **App 18.16**

ISSUANCE AND ISSUERS

Disclosure (this index)

Federal Securities Laws (this index)

Preferred Stock (this index)

JANUS CASE

Due Diligence and Civil Liability (this index)

JARGON, ELIMINATION OF

Disclosure, 13:12

JOBS ACT (JUMPSTART OUR BUSINESS STARTUPS ACT)

Crowdfunding, offerings of \$5,000,000 or less, 11:75.70

Emerging Growth Companies (this index)

Frequently asked questions, App 12.1 to 12.3

Summary of Securities Act registration requirement including JOBS Act, 11:133

Title 1 of JOBS Act, generally applicable frequently asked questions, **App 12.2**

JOINT AND SEVERAL LIABILITY

Due diligence and civil liability, 14:112 to 14:116

JOINT VENTURES

Federal securities laws, 11:54

JUDGES

Constitutionality of SEC use of administrative law judges, **14:89.50**

JUDGMENT REDUCTION FORMULA

Private Securities Litigation Reform Act of 1995 (PSLRA), **14:116**

JUNK BOND ISSUES

Insurance company private placements distinguished from, 7:2

JURISDICTION OF STATE

State blue sky regulation, 15:4

KANSAS

Small business, assistance programs for, **App** 18.17

KCAP CAPITAL (KCAP)

Business development company (BDC), 5:3

KELLMAN, JOEL D.

Small Business Administration, financing from, 4:6, 4:7, 4:15

KENTUCKY

Small business, assistance programs for, **App** 18.18

KEY MAN INSURANCE

Preferred stock, 6:66

KKR FINANCIAL HOLDINGS (KFN)

Business development company (BDC), 5:3

LATE CHARGES

Term loan agreements, 7:35

LATER-STAGE INVESTING

Preferred stock, 6:10

LEASCO CASE

Due diligence and civil liability, 14:8

LEASE RECEIVABLES

Federal securities laws. 11:50

LEGAL DRAFTING CONSIDERATIONS

Choosing the business financing format, 1:4

LEGAL PROCEEDINGS

Disclosure, 13:54, 13:55

Legality opinions in registered offerings, SEC's 2005 securities offering rules revisions, 11:151.50

LEGEND, REGISTRATION RIGHTS

Preferred stock, 6:77

LENDERS

Due diligence and civil liability, 14:87

LETTER OF INTENT

Form of, 19:5

LEVERAGED BUY-OUT (LBO) FUNDS

Preferred stock. 6:2

LEVERAGE OF REGULATORY CAPITAL

Small Business Administration, financing from, 4:17

LIABILITY

Due Diligence and Civil Liability (this index) **Limited Liability Companies** (this index)

LICENSES

Due diligence and civil liability, **14:21**Small Business Administration, Early Stage SBICs licensing process, **4:17**Term loan agreements, **7:41**

LICENSING EARLY STAGE SBICs

Small Business Administration, financing from, 4:17

LIMITATIONS AND RESTRICTIONS

Deductions, business interest, limitations on, 2:4

Federal Securities Laws (this index)

Going Public (this index)

Limited liability companies, 3:17

Preferred stock. 6:86

Term Loan Agreements (this index)

LIMITATIONS OF ACTIONS

Statute of Limitations (this index)

LIMITED LIABILITY COMPANIES

Generally, 3:1 to 3:67

Accounting methods, 3:61

Advantages of LLC, 3:34

Allocation of gains and losses, 3:50, 3:56

Amendments to check-the-box regulations

generally, 3:21 to 3:26

characterization of elective changes in classification, 3:22

effective date of proposed regulations, **3:26** number of members of entity, change in, **3:23**

special basis adjustments under section 743,

timing of elective changes in classification, 3:24

Arizona LLC agreement (2012), 20:11

Articles of organization, 3:44

At-risk limitations, 3:63

Basic characteristics of LLCs, 3:38 to 3:42

Blue Sky laws

survey of exemptions for LLC interests, 3:67

Book value/tax basis differences, 3:57

"Bulletproof" statutes, 3:4, 3:29

California LLC operating agreement (2011), 20:4

Capital contributions, 3:49

Centralization of management, 3:30

Characterization of elective changes in classification, 3:22

Check-the-box regulations

generally, 3:6 to 3:20

amendments to check-the-box regulations, above

conclusion, 3:20

corporations, final regulations, 3:8

domestic eligible entities, 3:13

effective date, 3:19

elections, 3:16 to 3:18

elective classification of certain entities, **3:12** to **3:15**

existing eligible entities, 3:15

final regulations, generally, 3:6 to 3:20

foreign corporations, final regulations, 3:9

LIMITED LIABILITY COMPANIES—Cont'd	LIMITED LIABILITY COMPANIES—Cont'd
Check-the-box regulations—Cont'd	Forms of operating agreements—Cont'd
foreign eligible entities, 3:14	Florida operating agreement (2011), 20:5
limits on changes in classification by election, 3:17	Maryland operating agreements (3)(2012), 20:2
other business entities, final regulations, 3:10	Massachusetts LLC agreement (2013), 20:12
overview of business entities, 3:7 partnership terminations, 3:18	Michigan manager-managed model LLC (2013), 20:9
prior to the check-the-box regulations, below	New York operating agreement (2008), 20:1
proposed amendments to check-the-box	North Carolina LLC operating agreement
regulations, below	(2012), 20:3
single owner entity, final regulations, 3:11	South Carolina LLC agreement (2013), 20:10
transition rules, 3:19	Texas S corporation LLC operating agreement
Classification of LLC for federal tax purposes, generally, 3:6 to 3:32	(2011), 20:6
Comparisons of LLCs with S corporations and	Virginia LLC agreement (2010), 20:7
limited partnerships, generally, 3:33 to 3:37	Free transferability of interests, 3:31
Continuity of life prior to the check-the-box	Gains and losses, allocation of, 3:50, 3:56
regulations, 3:29	General rules for entity classification prior to 1997, 3:27
Conversion of property or services, 3:53, 3:54	Introduction, 3:1
Conversion of partnership to LLC, 3:48	Liability
Corporations, final regulations, 3:8 Delaware LLC operating agreement (2022), 20:8	limited liability prior to the check-the-box
Disadvantages of LLC, 3:35	regulations, 3:28
Dispositions of LLC interests, 3:60	taxation of LLC and members, 3:55
Dissolution, 3:51	third parties, liability of members and manag-
Distributions	ers to, 3:47
organization, 3:50	Limited liability prior to the check-the-box regulations, 3:28
taxation of LLC and members, 3:58 Domestic eligible entities, 3:13	Limited partnerships, comparisons with, gener-
Duration, 3:42	ally, 3:33 to 3:37
Effective date	Limits on changes in classification by election, 3:17
check-the-box regulations, 3:19	Managing the LLC, 3:45, 3:46
proposed amendments to check-the-box	Maryland operating agreements (3)(2012), 20:2
regulations, 3:26	Massachusetts LLC Agreement (2013), 20:12
Elections, check-the-box regulations, 3:16 to	Members and membership
3:18	basic characteristics of LLCs, 3:38
Elective classification of certain entities, 3:12 to	management by members, 3:45
3:15	number of members of entity, change in, 3:23
Exemptions for LLC interests in Blue Sky regulations, survey of, 3:67	tax basis of members, 3:55
Existing eligible entities, 3:15	Michigan manager-managed operating agreement
Federal securities laws, generally, 3:2	(2013), 20:9
Final regulations. Check-the-box regulations,	Name, 3:39
above	Nature of business, 3:40
Flexible statutes, 3:5	New York LLC operating agreement (2008), 20:1
Florida LLC operating agreement form (2011), 20:5	North Carolina LLC operating agreement (2012), 20:3
Foreign corporations, final regulations, 3:9	Number of members of entity, change in, 3:23
Foreign eligible entities, 3:14	One percent ownership prior to the check-the-box
Formation of an LLC, 3:43, 3:53, 3:54	regulations, 3:32
Forms of operating agreements	Operating agreement
Arizona LLC agreement (2012), 20:11	generally, 3:44
California operating agreement (2011), 20:4	forms of operating agreements, above
Delaware LLC operating agreement (2022), 20:8	Organization generally, 3:43 to 3:51
	0,,

LIMITED LIABILITY COMPANIES—Cont'd	LIMITED LIABILITY COMPANIES—Cont'd
Organization—Cont'd	Tabular comparison of nontax and tax
allocation of profits, losses and distributions,	characteristics of limited partnerships LLCs
3:50	and S corporations, 3:37
articles of organization, 3:44	Taxation of LLC and members
capital contributions, 3:49	generally, 3:52 to 3:66
conversion of partnership to LLC, 3:48	accounting methods, 3:61 allocation of gains and losses, 3:56
dissolution, 3:51	at-risk limitations, 3:63
distributions, allocation of, 3:50	book value/tax basis differences, 3:57
formation, 3:43	contributions of property or services, 3:53,
liability to third parties, 3:47	3:54
managing the LLC, 3:45, 3:46	dispositions of LLC interests, 3:60
members, management by, 3:45	distributions to LLC members, 3:58
operating agreement, 3:44	formation of an LLC, 3:53, 3:54
partnership, conversion to LLC, 3:48	gains and losses, allocation of, 3:56
profits and losses, allocation of, 3:50	liabilities of LLCs, 3:55
third parties, liability to, 3:47 Partnerships	members tax basis, 3:55
1	other tax issues, 3:61 to 3:66
conversion to LLC, 3:48 taxation of LLC and members, 3:52	partnerships, LLCs treated as, generally, 3:52
	passive loss limitations, 3:62
terminations, check-the-box regulations, 3:18 Passive loss limitations, 3:62	property, contributions of, 3:53
•	retirement plans, 3:65
Powers, generally, 3:41 Prior to the cheek the how reculations	self-employment taxes, 3:65
Prior to the check-the-box regulations	services, contributions of, 3:54
generally, 3:28 to 3:32	state taxation of LLCs, 3:66
additional complications, 3:32	tabular comparison of nontax and tax characteristics of limited partnerships
centralization of management, 3:30	LLCs and S corporations, 3:37
continuity of life, 3:29	tax matters partner, 3:64
free transferability of interests, 3:31	tax shelters, 3:61
limited liability, 3:28 one percent ownership, 3:32	termination of an LLC, 3:59
transferability of interests, 3:31	Termination of an LLC, 3:59
Profits and losses, allocation of, 3:50, 3:56	Texas S corporation LLC operating agreement
Property, contributions of, 3:53	form (2011), 20:6
Real Estate Mortgage Investment Conduit	Third parties, liability of members and mangers
(REMIC), 3:7	to, 3:47
Retirement plans, taxation of LLC and members,	Time or date
3:65	effective date, above
Self-employment taxes, 3:65	elective changes in classification, timing of,
Services, contributions of, 3:54	3:24
Shelters from taxes, 3:61	Transferability of interests, 3:31
Single owner entity, final regulations, 3:11	Transition rule, check-the-box regulations, 3:19
South Carolina LLC agreement (2013), 20:10	Types of LLC statutes, 3:4, 3:5
Special basis adjustments under section 743, 3:25	Uniform Limited Liability Company Act, gener-
State securities regulation	ally, 3:1
generally, 3:2	Virginia LLC operating agreement (2010), 20:7
survey of LLC interests under, 3:67	LIMITED OFFERINGS
State taxation of LLCs, 3:66	Form 1-A Regulation A offering statement under
Statutes and acts	Securities Act of 1933, App 1.7
state securities laws, above	NASAA small company offering registration
Uniform Limited Liability Company Act	(SCOR) manual, App 1.5A
(1996), 3:1	Regulation A-conditional small issues exemption,
Survey of LLC interests under state securities	App 1.6
laws, 3:67	Regulation D, App 1

LIMITED OFFERINGS—Cont'd

SEC Release No. 33-4552 (November 6, 1962), **App 1.3**

SEC Release No. 33-6455 (March 3, 1983), **App** 1.1

Small business

NASAA small company offering registration (SCOR) manual, **App 1.5A**

Regulation A, small issues exemption, **App 1.6** Small Entity Compliance Guide

Amendments to Regulation A, App 1.9

Disclosure and simplification, App 1.11

State blue sky regulation, 15:10

LIMITED PARTNERSHIPS

Advertising

c&DIs relating to prohibition of general advertising, **6:2:50**

General partners, Model Early Stage SBIC Limited Partnership Agreement, **4:18**

Limited liability companies compared with, **3:33** to **3:37**

S corporations, limitation on passive losses under Tax Reform Act of 1986, 2:54

Small Business Administration, Model Early Stage SBIC Limited Partnership Agreement, 4:18

LIOUIDATION

Choosing the business financing format, **1:17** Preferred stock, **6:106**

LISTING REQUIREMENTS OF STOCK EXCHANGES

Going public, 12:28

LITIGATION

Default of institutional private placements, 7:9

Due Diligence and Civil Liability (this index)

Preferred Stock (this index)

Term loan agreements, 7:42

LOAN FEES

Small Business Administration, financing from, temporary elimination of loan fees, **4:1.50**

LOANS

Due diligence and civil liability, opinion or belief statements, loan loss reserve, **14:15**

Federal securities laws, 11:47

Recovery loans extension, financing from Small Business Administration, **4:1.50**

S corporations, self-charged interest on direct loan to S corporation, **2:46**

Small Business Administration, financing from,

State blue sky regulation, 15:26

LONG TERM FINANCING

Small Business Administration (this index)

LORNE, SIMON

Small Business Administration, financing from, 4:6, 4:12, 4:15

LOSS CAUSATION

Due diligence and civil liability

generally, 14:45

fraud-on-the-Market, 14:45.60

generic misstatements, fraud-on-the-Market, 14:45.60

materialization of the risk, 14:45.50

mixed affirmative statements and omissions, reliance, 14:45.70

reliance, mixed affirmative statements and omissions. **14:45.70**

time delay between corrective disclosure and share price drop, **14:45.80**

LOUISIANA

Small business, assistance programs for, **App 18.19**

MAINE

Small business, assistance programs for, **App** 18.20

MAIN STREET CAPITAL (MAIN)

Business development company (BDC), 5:3

MANAGEMENT ASSESSMENT QUESTIONNAIRE

Early Stage SBIC licensing process, **4:17**

MANAGEMENT DISCUSSION AND ANALYSIS

Emerging growth companies, special MD&A disclosures, **11:146.50**

Financial condition and results of operations, SEC guidance on, 13:1.58

Going public, 12:11

Regulation S-K, proposed amendments to, 13:1.58

MANAGEMENT FEE POLICIES

Small Business Administration, financing from, 4:18

MANAGEMENT RIGHTS LETTER

NVCA model venture financings documents (2007), **15A:8**

MANAGERS AND MANAGEMENT

Disclosure (this index)

Due Diligence and Civil Liability (this index) Limited Liability Companies (this index), 3:46 NVCA model venture financings documents (2007), management rights letter, 15A:8

MARGIN ACCOUNT DEPOSITS

Federal securities laws, 11:49

MARITAL SEPARATIONS

Holding period for restricted securities, 11:113

MARKET RISKS

Disclosure, 13:36, 13:37

MARYLAND

LLC operating agreement, form of (2012), **20:2** Small business, assistance programs for, **App 18.21**

MASSACHUSETTS

Small business, assistance programs for, **App** 18.22

MATERIAL CONTRACTS AND OBLIGATIONS

Preferred stock, 6:32

MATERIALITY

Disclosure, qualitative approach to materiality, Celestica case, 13:4

Due diligence and civil liability aspirational statements, **14:15.60** financial statements, **14:43, 14:43.50, 14:43.75** prosecutorial position of SEC, **14:40.10** puffery immaterial as matter of law, **14:15.50**

"MATERIALITY ABUSE" ACCOUNTING PRACTICES

Due diligence and civil liability, 14:96

MCG CAPITAL (MCGC)

Business development company (BDC), 5:3

MEDLEY CAPITAL (MCC)

Business development company (BDC), 5:3

MEMBERS AND MEMBERSHIP

Limited Liability Companies (this index)

MEMORANDA

Offerings. **Due Diligence and Civil Liability** (this index)

"MERGER MAGIC" ACCOUNTING PRACTICES

Due diligence and civil liability, 14:96

MERGERS

Series A convertible preferred stock purchase agreement (annotated), **6:89**

MERIT REGULATION OF SECURITIES

State Blue Sky Regulation (this index)

MICHIGAN

Small business, assistance programs for, **App** 18.23

MINIMUM INVESTMENT

Series A convertible preferred stock purchase agreement (annotated), **6:53**

MINNESOTA

Small business, assistance programs for, **App** 18.24

MINORITY ENTERPRISE SMALL BUSINESS INVESTMENT COMPANIES (MESBICS)

Generally, 4:2

MISSISSIPPI

Small business, assistance programs for, **App** 18.25

MISSISSIPPI "REASONABLY FORESEEABLE" APPROACH

Due diligence and civil liability, 14:133

MISSOURI

Small business, assistance programs for, **App** 18.26

"MISSTATEMENTS"

Due diligence and civil liability, 14:47

MODEL EARLY STAGE SBIC LIMITED PARTNERSHIP AGREEMENT

Small Business Administration, financing from, 4:18

MODEL INDEMNIFICATION AGREEMENT

NVCA model venture financings documents (2007), **15A:9**

MODEL RULES OF PROFESSIONAL CONDUCT

Due diligence and civil liability, 14:65, 14:66

MODEL VENTURE FINANCINGS DOCUMENTS

NVCA Model Venture Financings Documents (2007) (this index)

MODIFICATION OR CHANGE

Amendments (this index)

Federal Securities Laws (this index)

Preferred Stock (this index)

S corporations, amendments, 2:65

MONROE CAPITAL (MRCC)

Business development company (BDC), 5:3

MONTANA

Small business, assistance programs for, **App** 18.27

MOTION PICTURE PRODUCTION AND DISTRIBUTION

Intrastate offering exemption, 11:53

MVC CAPITAL (MVC)

Business development company (BDC), 5:3

NAME

Limited liability companies, 3:39

NASAA

State Blue Sky Regulation (this index)

NASD

National Association of Securities Dealers (NASD) (this index)

NASDAO

Federal securities laws, **11:89 Going Public** (this index)

NATIONAL ASSOCIATION OF SECURITIES DEALERS (NASD)

See also topics beginning **FINRA**Due diligence and civil liability, **14:1 Going Public** (this index)

NATIONAL SECURITIES MARKETS IMPROVEMENT ACT OF 1996

State blue sky regulation, 15:1

NATIONAL VENTURE CAPITAL ASSOCIATION (NVCA)

NVCA Model Venture Financings Documents (2007) (this index)

"NEAR PRIVITY" APPROACH

Due diligence and civil liability, 14:127

NEBRASKA

Small business, assistance programs for, **App** 18.28

NEGATIVE COVENANTS

Series A convertible preferred stock purchase agreement (annotated), **6:71**

Term Loan Agreements (this index)

NEGLIGENT SECURITIES "FRAUD" ACTIONS BY SEC

Section 17(a)(2) misstatement liability, **14:39.50** Section 17(a)(3) scheme liability, **14:39.60**

NEGOTIATING SKILL

Term loan agreements, 7:29

NET

Base year income, S corporations, 2:77
Proceeds requirement, federal securities laws, 11:56

Worth standard, accredited investors, 11:6.70

NEVADA

Small business, assistance programs for, **App** 18.29

NEW HAMPSHIRE

Small business, assistance programs for, **App** 18.30

NEW JERSEY

Small business, assistance programs for, **App** 18.31

NEW MEXICO

Small business, assistance programs for, **App** 18.32

NEW MOUNTAIN FINANCE (NMFC)

Business development company (BDC), 5:3

NEW YORK

LLC operating agreement, form of (2008), **20:1** Small business, assistance programs for, **App 18.33**

NEW YORK STOCK EXCHANGE

Going public, 12:28

NGP CAPITAL RESOURCES COMPANY (NGPC)

Business development company (BDC), 5:3

NO-ACTION LETTERS

Federal Securities Laws (this index)

"NOISY" WITHDRAWAL

Sarbanes-Oxley Act, due diligence and civil liability, **14:58**

NON-ASSESSABLE STOCK

Preferred stock, 6:131, 6:138

NON-CASH DIVIDENDS

Preferred stock, 6:111

NONDISCLOSURE AGREEMENTS

Preferred stock, 6:67

NONREPORTING ISSUERS

SEC's 2005 securities offering rules revisions, 11:151

NORTH AMERICAN SECURITIES ADMINISTRATORS ASSOCIATION (NASAA)

State Blue Sky Regulation (this index)

NORTH CAROLINA

LLC operating agreement, form of (2012), **20:3** Small business, assistance programs for, **App 18.34**

NORTH DAKOTA

Small business, assistance programs for, **App** 18.35

NOTICE OR KNOWLEDGE

Federal securities laws, notice of sale requirement under Rule 144, 11:90

Form D, Notice of Sales under Regulation D or Section 4(6), **App 2**

Internet offerings, Rule 135c notice, 11:8

Series A convertible preferred stock purchase agreement (annotated), **6:95**

State blue sky regulation, 15:16

NUMBER OF MEMBERS

Limited liability companies, 3:23

NUMBER OF OUTSTANDING SHARES

Preferred stock, 6:127

NVCA MODEL VENTURE FINANCINGS DOCUMENTS (2007)

Generally, 15A:1 et seq.

Amended and restated certificate of incorporation, **15A:4**

Certificate of incorporation (amended and restated), **15A:4**

Co-sale agreement, 15A:7

First refusal right and co-sale agreement, 15A:7

Indemnification agreement, 15A:9

Investors' rights agreement, 15A:5

Management rights letter, 15A:8

Model indemnification agreement, 15A:9

Overview of project, 15A:1

Right of first refusal and co-sale agreement, 15A:7

Stock purchase agreement, 15A:3

Term sheet, 15A:2

Voting agreement, 15A:6

OBLIGATIONS

S corporations, obligations treated as equity, 2:23

OBSERVER RIGHTS

Series A convertible preferred stock purchase agreement (annotated), **6:63**

OFFERING PRICE

Disclosure, **13:24**, **13:25** State blue sky regulation, **15:22**

OFFERINGS

Public Offerings (this index)

OFFER OR SALE

State blue sky regulation, 15:2

OFFICE OF THRIFT SUPERVISION

Due diligence and civil liability, 14:98

OFFICERS

Disclosure (this index)

Due Diligence and Civil Liability (this index)

OFFSHORE TRANSACTIONS

Federal Securities Laws (this index)

OHIO

Small business, assistance programs for, **App** 18.36

OKLAHOMA

Small business, assistance programs for, **App** 18.37

ONE CLASS OF STOCK REQUIREMENT

S corporations, eligibility, 2:21 to 2:27

ONE PERCENT OWNERSHIP

Limited liability companies, 3:32

OPERATING AGREEMENT

Limited Liability Companies (this index)

OPERATING SBICS, DIRECTORY OF

Directory of Operating Small Business Investment Companies (SBIC) (this index)

OPINION OF COUNSEL

Due diligence and civil liability, 14:67, 14:94

Going Public (this index)

Institutional private placements, 7:5

Restricted shares, improper issuance of attorney opinion letter regarding, 11:132.50

Series A convertible preferred stock purchase agreement (annotated), **6:49**

OPINION OR BELIEF

Due diligence and civil liability, statements, 14:15

OPTIMAL CAPITAL STRUCTURE

Choosing the business financing format, 1:3

OPTIONS

Antidilution Provisions (this index)

Institutional private placements, 7:3

S corporations, one class of stock requirement for eligibility, 2:25, 2:26

State blue sky regulation, 15:21

OPT-OUT DISCLOSURES

Emerging growth companies, 11:146.50

OREGON

Small business, assistance programs for, **App** 18.38

ORGANIZATION

Limited Liability Companies (this index)

Small Business Administration, applicants for Early Stage SBIC Limited Partnership Agreement, **4:18**

ORIGINAL ISSUE DISCOUNT (OID)

Choosing the business financing format, **1:9**, **1:10** Preferred stock, **6:5** to **6:9**

OUTLINE OF BUSINESS PLAN

Generally, 18:1

OUT-OF-STATE

Foreign State or Country (this index)

OWNERS AND OWNERSHIP

S corporations, pass-through entities, 2:42, 2:44

OWN STOCK OR DEBT AS WORTHLESS

S corporations, 2:47

OXFORD LANE CAPITAL (OXLC)

Business development company (BDC), 5:3

PARAGRAPH LENGTHS

Disclosure, 13:13

PARALLEL STRUCTURE OF SENTENCES

Disclosure, 13:12

PARTICIPATING SECURITIES

Choosing the business financing format, **1:12** S corporations, material participation and limitation on passive losses under Tax Reform Act of 1986, **2:53**

PARTNERSHIPS

Limited Liability Companies (this index), 3:1 to 3:67

Research and development, partnerships for, 1:23

PASSIVE ACTIVITY LOSSES

Activity or activities

s corporations, limitation on passive losses under Tax Reform Act of 1986, 2:51

Limitations

s corporations, Tax Reform Act of 1986, 2:50

Limited liability companies, 3:62

Material participation

s corporations, limitation on passive losses under Tax Reform Act of 1986, 2:53

S corporations

limitation under Tax Reform Act of 1986, 2:50 to 2:54

shareholders, 2:54

Shareholders of S corporations, 2:54

PASS THROUGH ENTITIES

S corporations, investment interest limitation, 2:40 to 2:46

PAST EARNINGS RECORD

Small Business Administration, financing from, **4:1**

PATENTS

Due diligence and civil liability, **14:21**Series A convertible preferred stock purchase agreement (annotated), **6:30**Term loan agreements, **7:41**

PATTERN OF RACKETEERING ACTIVITY

Due Diligence and Civil Liability (this index)

PAY-FOR-PERFORMANCE

Going public, Dodd-Frank Act (2010) corporate governance provisions, **12:34**

"PAY TO PLAY" ANTIDILUTION PROVISIONS

Generally, 17:5

PENALTIES

S corporations, taxable year, **2:80** Term loan agreements, **7:35**

PENNANTPARK FLOATING RATE CAPITAL (PFLT)

Business development company (BDC), 5:3

PENNANTPARK INVESTMENT (PNNT)

Business development company (BDC), 5:3

PENNSYLVANIA

Small business, assistance programs for, **App**

PERCENT OR PERCENTAGE

S corporations, applicable percentage and taxable year, 2:75

PERMISSIBLE OR ALLOWABLE

S corporations, permissible fiscal years without election, **2:72**

PERMITTED LOANS BY SBIC

Small Business Administration, financing from, **4:3**

PERSONAL HOLDING COMPANY TAX

S corporations, avoidance, 2:10

PHASE-IN DISCLOSURE

Emerging growth companies, 11:146.50

PINNACLE FOODS INC.

Prospectus with Regulation S-K items. **Disclosure** (this index)

PINTER v DAHL

Due diligence and civil liability, 14:34

"PLAIN ENGLISH"

Disclosure (this index)

PLANS AND PLANNING

Business Plans (this index)

Disclosure (this index)

Term loan agreements, 7:53

PLEADING

Due diligence and civil liability, special pleading requirements for Rule 10b-5 claims, 14:52.90

PLEDGES

Federal Securities Laws (this index)

POINTS AND RELATED CHARGES

Term loan agreements, 7:33

adjustment of conversion prices

generally, 6:109 to 6:114

PREFERRED STOCK—Cont'd "POSITIVE" WRITING Annotated opinion of stock purchase agreement Disclosure, 13:12 —Cont'd **POST-PINTER CASES** issuance and status of shares Due diligence and civil liability, 14:35 generally, 6:134 to 6:138 duly authorized common stock, 6:138 PREEMPTION OF LAWS first refusal, rights of, 6:136 Generally. **Federal Preemption** (this index) fully paid common stock, 6:138 Internet offerings and blue sky laws, 11:8 Preferred stock, preemptive rights, 6:136 non-assessable common stock, 6:138 preemptive rights, 6:136 PREFERRED STOCK reservation of common stock, 6:137 Generally, 6:1 to 6:145 validly issued common stock, 6:138 Absence of changes or liabilities, series A conlitigation, 6:140 vertible preferred stock purchase agreement non-assessable stock, 6:131, 6:138 (annotated), 6:27, 6:34 number of outstanding shares, 6:127 Accredited investor, representations of purchaspower of corporation, generally, 6:119 to ers, 6:45 6:124 Accuracy of representations by company, series preemptive rights, 6:136 A convertible preferred stock purchase reservation of common stock, 6:137 agreement (annotated), 6:59 securities law compliance, 6:142 Actions. Litigation, below status of corporation, generally, 6:116 to 6:119 Adjustment of conversion prices. Certificate of valid and binding obligations, 6:124 amendment of articles of incorporation of valid existence of corporation, 6:118 Megabucks, Inc. (annotated), below validly issued stock, 6:129, 6:138 Allocation of expenses, series A convertible preferred stock purchase agreement Antidilution provisions and adjustments, 1:15 (annotated), 6:81 Approval. Consent or approval, below Articles of incorporation. Certificate of amend-Amendments certificate of amendment of articles of ment of articles of incorporation of incorporation of Megabucks, Inc. Megabucks, Inc. (annotated), below (annotated), below Assets, representations of company, **6:29** series A convertible preferred stock purchase Assigns, series A convertible preferred stock agreement (annotated), 6:98 purchase agreement (annotated), 6:90 Annotated opinion of stock purchase agreement Auditor, covenants of company, 6:69 generally, **6:115 to 6:142** Authority and authorization authority of corporation, generally, 6:120 to annotated opinion of stock purchase agree-6:124 ment, 6:120 to 6:124, 6:126 authorized capital stock, 6:126 series A convertible preferred stock purchase binding obligations, 6:124 agreement (annotated), 6:13, 6:23, 6:43 capitalization Binding obligations of stock purchase agreement, generally, 6:125 to 6:133 6:124 authorized capital stock, 6:126 Blue Sky approvals, **6:51**, **6:60** duly authorized outstanding shares, 6:128 Books and records, series A convertible preferred fully paid outstanding shares, 6:130 stock purchase agreement (annotated), 6:37 Brokers, series A convertible preferred stock non-assessable outstanding shares, 6:131 purchase agreement (annotated), 6:96 no rights, options, etc., 6:133 number of outstanding shares, 6:127 Capital and capitalization preferred stock, 6:132 annotated opinion of stock purchase agreement, above validly issued outstanding shares, 6:129 conflicts, absence of, 6:139 reorganizations, 6:111 consent and approvals, 6:141 series A convertible preferred stock purchase agreement (annotated), 6:19 delivery, **6:123** due organization of corporation, 6:117 Certificate of amendment of articles of incorporation of Megabucks, Inc. (annotated) duly authorized stock, 6:128, 6:138 generally, **6:103 to 6:114** execution and delivery, 6:123

first refusal, rights of, **6:136** fully paid stock, **6:130**, **6:138**

PREFERRED STOCK—Cont'd	PREFERRED STOCK—Cont'd
Certificate of amendment of articles of incorporation of Megabucks, Inc. (annotated)	Compliance and compliance certificate, series A convertible preferred stock purchase agree-
—Cont'd adjustment of conversion prices—Cont'd	ment (annotated), 6:33 , 6:56 Conditions. Series A convertible preferred stock
capital reorganizations, 6:111	purchase agreement (annotated), below
changes affecting series A, 6:114	Confidentiality, series A convertible preferred
combinations, 6:110	stock purchase agreement (annotated), 6:92
dissolutions, 6:111	Conflicts, absence of, 6:139
dividends, 6:110	Consent or approval
issuances at less than conversion price, 6:112	annotated opinion of stock purchase agreement, 6:141
non-cash dividends, 6:111 reorganizations, 6:111	series A convertible preferred stock purchase agreement (annotated), 6:24
status of converted or redeemed stock, 6:113	Contribution, registration rights, 6:82
stock purchase rights, 6:111	Conversion prices. Adjustment of conversion
stock splits, 6:110	prices, above in this group
capital reorganizations, 6:111	certificate of amendment of articles of
changes affecting series A, 6:114 combinations, 6:110	incorporation of Megabucks, Inc. (annotated)
conversion prices. Adjustment of conversion	Convertible debt, 6:6
prices, above in this group dissolutions, 6:111	Convertible preferred stock, form of redemption provisions for, 18:2
dividends, 6:105 , 6:110	Counterparts, series A convertible preferred stock
issuances at less than conversion price, 6:112	purchase agreement (annotated), 6:99
liquidation, preference on, 6:106	Covenants of company. Series A convertible
non-cash dividends, 6:111	preferred sock purchase agreement
preference on liquidation, 6:106	(annotated), below
reorganizations, 6:111	Definitions, registration rights, 6:76
series A preferred stock, generally, 6:103 to 6:114	Delivery, annotated opinion of stock purchase agreement, 6:123
status of converted or redeemed stock, 6:113	Directors, expenses of, 6:72
stock purchase rights, 6:111	Disclosures, representations of company, 6:40
stock putchase rights, 6:111 stock splits, 6:110	Dissolutions, 6:111
voting, 6:107	Dividends, 6:105 , 6:110
Certificates and certification	Due organization of a corporation, annotated opinion of stock purchase agreement, 6:117
amendment of articles. Certificate of amend-	Duly authorized stock, 6:128, 6:138
ment of articles of incorporation of Megabucks, Inc. (annotated), above	Employees, series A convertible preferred stock purchase agreement (annotated), 6:35
series A convertible preferred stock purchase agreement (annotated), 6:33 , 6:52 , 6:56	Entire agreement, series A convertible preferred stock purchase agreement (annotated), 6:97
Change or modification	ERISA, representations of company, 6:36
certificate of amendment of articles of incorporation of Megabucks, Inc.	Execution, annotated opinion of stock purchase agreement, 6:123
(annotated), 6:114 series A convertible preferred stock purchase	Expenses. Series A convertible preferred stock purchase agreement (annotated), below
agreement (annotated), below	Experience, representations of purchasers, 6:44
Choosing the Business Financing Format (this index)	Financial statements, 6:26, 6:64
Closing a series A convertible preferred stock	First refusal, right of
purchase agreement (annotated), 6:16 Combinations, certificate of amendment of	annotated opinion of stock purchase agree- ment, 6:136
articles of incorporation of Megabucks, Inc. (annotated), 6:110	series A convertible preferred stock purchase agreement (annotated), 6:68
Common stock with debt, structuring investments	Forms
to improve returns. 6:7	preferred stock provisions forms, 16:1, 16:2

PREFERRED STOCK—Cont'd

Forms—Cont'd

redemption provisions for convertible preferred stock, **18:2**

Fully paid stock, **6:130**, **6:138**

Governing law, 6:102

Governmental consents, series A convertible preferred stock purchase agreement (annotated), **6:24**

Headings, series A convertible preferred stock purchase agreement (annotated), **6:100**

Incidental registration, 6:79

Indemnification, registration rights, **6:82**, **6:83**Information by holder, registration rights, **6:84**Inspection, covenants of company, **6:62**

Insurance. Series A convertible preferred stock purchase agreement (annotated), below

Introduction, 6:1

Investment representations of purchasers, **6:42** Issuance of shares

annotated opinion of stock purchase agreement, above

certificate of amendment of articles of incorporation of Megabucks, Inc. (annotated), **6:112**

series A convertible preferred stock purchase agreement (annotated), **6:22**

Key issues in negotiating venture capital contract, 6:11

Key man insurance, 6:66

Later-stage investing, 6:10

Legend, registration rights, **6:77**

Leveraged buy-out (LBO) funds, 6:2

Limitations on subsequent registration rights, **6:86**

Liquidation, preference on, 6:106

Litigation

annotated opinion of stock purchase agreement, **6:140**

series A convertible preferred stock purchase agreement (annotated), **6:25**, **6:65**

Material changes in covenants of company, **6:65** Material contracts and obligations, **6:32**

Mergers, series A convertible preferred stock purchase agreement (annotated), **6:89**

Minimum investment, series A convertible preferred stock purchase agreement (annotated), **6:53**

Modification. Change or modification, above Negative covenants, series A convertible preferred stock purchase agreement (annotated), **6:71**

Non-assessable stock, 6:131, 6:138

Non-cash dividends, 6:111

Nondisclosure agreements, 6:67

Note and warrant purchase agreement, 6:144

PREFERRED STOCK—Cont'd

Notices, series A convertible preferred stock purchase agreement (annotated), **6:95**

Number of outstanding shares, **6:127**

NVCA Model Venture Financings Documents (2004) (this index)

Observer rights, series A convertible preferred stock purchase agreement (annotated), **6:63**

Opinion of counsel, series A convertible preferred stock purchase agreement (annotated), **6:49**

Organization, representations of company, **6:18** Original issue discount (OID), **6:5** to **6:9**

Participating preferred stock provisions, form, 16:2

Patents, series A convertible preferred stock purchase agreement (annotated), **6:30**

Power of corporation. Annotated opinion of stock purchase agreement, above

Preemptive rights, 6:136

Preference on liquidation, 6:106

Property, representations of company, 6:29

Purchase agreement, note and warrant purchase agreement, **6:144**

"Reasonable redemption premiums," **6:9** Redemption

convertible preferred stock, form of redemption provisions for, **18:2**

redemption premiums, preferred stock with, **6:9**

Registration rights. Series A convertible preferred stock purchase agreement (annotated), below

Regulation "D," 6:2

Reorganizations, certificate of amendment of articles of incorporation of Megabucks, Inc. (annotated), 6:111

Repayment premiums, debt with, 6:5

Representations. Series A convertible preferred stock purchase agreement (annotated), below

Required registrations, series A convertible preferred stock purchase agreement (annotated), 6:78

Reservation of common stock

annotated opinion of stock purchase agreement, **6:137**

series A convertible preferred stock purchase agreement (annotated), **6:73**

Rule 144 requirements, 6:87

Sales or transfers, series A convertible preferred stock purchase agreement (annotated), **6:14**, **6:77**, **6:91**

Securities law compliance, 6:142

Series A convertible preferred stock purchase agreement (annotated)

generally, **6:12 to 6:102**

absence of changes or liabilities, **6:27**, **6:34**

PREFERRED STOCK—Cont'd	PREFERRED STOCK—Cont'd
Series A convertible preferred stock purchase	Series A convertible preferred stock purchase
agreement (annotated)—Cont'd	agreement (annotated)—Cont'd
accredited investor, representations of purchas-	covenants of company—Cont'd
ers, 6:45	material changes, 6:65
accuracy of representations by company, 6:59	negative covenants, 6:71
allocation of expenses, 6:81	nondisclosure agreements, 6:67
amendments, 6:98	observer rights, 6:63
assets, representations of company, 6:29	reservation of common stock of, 6:73
assigns, 6:90	termination of covenants, 6:74
auditor, covenants of company, 6:69	definitions, registration rights, 6:76
authority and authorization, 6:13, 6:23, 6:43	directors, expenses of, 6:72
Blue Sky approvals, 6:51 , 6:60	disclosures, representations of company, 6:40
books and records, 6:37	employees, 6:35
brokers, 6:96	entire agreement, 6:97
capitalization, representations of company, 6:19	ERISA, representations of company, 6:36 expenses
certificates and documents, 6:52, 6:56	generally, 6:94
changes	covenants of company, 6:72
covenants of company, 6:65	registration rights, 6:81
representations of company, 6:34	experience, representations of purchasers, 6:44
closing, 6:16	financial statements, 6:26 , 6:64
compliance and compliance certificate, 6:33,	first refusal, right of, 6:68
6:56	governing law, 6:102
conditions to obligations of purchasers	governmental consents, 6:24
generally, 6:46 to 6:57	headings, 6:100
accuracy of representations, 6:47	incidental registration, 6:79
Blue Sky approvals, 6:51	indemnification, registration rights, 6:82 , 6:83
certificates and documents, 6:52, 6:56	information by holder, registration rights, 6:84
compliance certificate, 6:56	inspection, covenants of company, 6:62
minimum investment, 6:53	insurance
opinion of counsel, 6:49	key man insurance, 6:66
other matters or agreements, 6:50, 6:55,	representations of company, 6:31
6:57	investment representations of purchasers, 6:42
performance, 6:48	issuance of shares, 6:22
small business concern documents, 6:54	key man insurance, 6:66
warranties, accuracy of, 6:47	legend, registration rights, 6:77
conditions to obligations of the company, gen-	limitations on subsequent registration rights,
erally, 6:58 to 6:60	6:86
confidentiality, 6:92	litigation, 6:25 , 6:65
consents of government, 6:24	material changes in covenants of company,
contribution, registration rights, 6:82	6:65
counterparts, 6:99	material contracts and obligations, 6:32
covenants of company	mergers, 6:89
generally, 6:61 to 6:74	minimum investment, 6:53
additional covenants, 6:70	negative covenants, 6:71
auditor, 6:69	nondisclosure agreements, 6:67
changes, 6:65	notices, 6:95
directors, expenses of, 6:72	observer rights, 6:63
expenses of directors, 6:72	opinion of counsel, 6:49
financial statements, 6:64	organization, representations of company, 6:18
first refusal, right of, 6:68	patents, 6:30
inspection, 6:62	property, representations of company, 6:29
key man insurance, 6:66	registration rights
litigation, 6:65	•
nugauon, v.v ə	generally, 6:75 to 6:89

Series A convertible preferred stock purchase agreement (annotated)—Cont'd registration rights—Cont'd allocation of expenses, 6:81 contribution, 6:82 definitions, 6:76 expenses, allocation of, 6:81 incidental registration, 6:79 indemnification, 6:82, 6:83 information by holder, 6:84 legend, 6:77 initiations on subsequent registration rights, 6:86 mergers, 6:89 procedures, 6:80 required registrations, 6:78 Rule 144 requirements, 6:87 sale or transfer of shares, 6:77 "stand-off" agreement, 6:85 underwriter or underwritten, 6:83, 6:88 representations of company generally, 6:170 fo:49 absence of changes or liabilities, 6:27, 6:34 assets, 6:29 authority for agreement, 6:23 books and records, 6:37 capitalization, 6:19 changes, absence of, 6:34 compliance, 6:33 consents of government, 6:24 disclosures, 6:40 employees, 6:35 ERISA, 6:36 financial statements, 6:26 governmental consents, 6:24 insurance, 6:33 issuance of shares, 6:22 litigation, 6:18 patents, 6:30 property, 6:29 small business concern, 6:38 standing, 6:18 stockholder list and agreement for articles of incorporation of Megabucks, Inc. (annotated), above convertible stock. Series A convertible preferred stock purchase agreement (annotated), above convertible stock. Series A convertible preferred stock purchase agreement (annotated), above convertible stock. Series A convertible preferred stock purchase agreement (annotated), above convertible stock. Series A convertible preferred stock purchase agreement (annotated), above convertible stock. Series A convertible preferred stock purchase agreement (annotated), above convertible stock. Series A convertible preferred stock purchase agreement (annotated), above convertible stock. Series A convertible preferred stock purchase agreement (annotated), above convertible stock. Series A convertible preferred stock purchase agreement (annotated) above convertible stock. Series A convertible preferred stock purchase agreement (annotated) above convertible preferred stock purchase agreement (annotated) (annotated) (annot	PREFERRED STOCK—Cont'd	PREFERRED STOCK—Cont'd
agreement (annotated)—Cont'd registration rights—Cont'd allocation of expenses, 6:81 contribution, 6:82 definitions, 6:76 expenses, allocation of, 6:81 incidental registration, 6:79 indemnification, 6:82, 6:83 information by holder, 6:84 legend, 6:77 limitations on subsequent registration rights, 6:86 mergers, 6:89 procedures, 6:80 required registrations, 6:78 Rule 144 requirements, 6:87, 33 ale or transfer of shares, 6:77 "stand-off" agreement, 6:83, 6:88 representations of company generally, 6:17 to 6:40 absence of changes or liabilities, 6:27, 6:34 assets, 6:29 authority for agreement, 6:23 books and records, 6:37 capitalization, 6:19 changes, absence of, 6:34 compliance, 6:33 consents of government, 6:24 disclosures, 6:40 employees, 6:35 ERISA, 6:36 financial statements, 6:24 insurance, 6:31 issuance of shares, 6:22 litigation, 6:25 material contracts and obligations, 6:32 organization, 6:18 stockholder list and agreements, 6:21 subsidiaries, 6:20 taxes, 6:28 trademarks, 6:30 property, 6:29 small business concern, 6:38, 6:54 standing, representations of company, 6:18 "stand-off" agreement, 6:28 trademarks, 6:30 property, 6:29 small business concern, 6:38, 6:54 standing, representations by company, 6:18 "stand-off" agreement, 6:85 usuckidaries, 6:20 underwriter or underwritten, 6:83, 6:58 underwriter or underwriter, 6:83, 6:88 representations of government, 6:23 consents of government, 6:23 consents of government, 6:24 disclosures, 6:40 employees, 6:35 ERISA, 6:36 financial statements, 6:24 insurance, 6:31 issuance of shares, 6:22 litigation, 6:18 patents, 6:30 property, 6:29 small business concern, 6:38 standing, 6:18 concerned to a state of the first of the firs		
allocation of expenses, 6:81 contribution, 6:82 definitions, 6:76 expenses, allocation of, 6:81 incidental registration, 6:79 indemnification, 6:82, 6:83 information by holder, 6:84 legend, 6:77 limitations on subsequent registration rights, 6:86 mergers, 6:89 procedures, 6:80 required registrations, 6:78 Rule 144 requirements, 6:85 and or transfer of shares, 6:77 "stand-off" agreement, 6:85 anderwriter or underwriter or shares, 6:77 "stand-off" agreement, 6:85 underwriter or underwriter or underwriter or or underwriter or underwriter or underwriter or underwriter or or dependent of shares, 6:27, 6:34 assets, 6:29 authority for agreement, 6:85 consents of government, 6:23 books and records, 6:37 capitalization, 6:19 changes, absence of, 6:34 compliance, 6:35 ERISA, 6:36 financial statements, 6:24 disclosures, 6:40 employees, 6:35 ERISA, 6:36 financial statements, 6:26 governmental consents, 6:24 disclosures, 6:40 employees, 6:35 ERISA, 6:30 property, 6:29 small business concern, 6:38 standing, 6:18 stockholder list and agreement (annotated), above centificate of amendment of articles of incorporation of Megabucks, Inc. (annotated), above convertible preferred stock purchase agreement (annotated), above stock purchase agreement (annotated), above standing, representations of company, 6:28 trademarks, 6:30 property, 6:29 small business concern, 6:38 standing, 6:18 stockholder list and agreements, 6:21 subsidiaries, 6:20 trade of transfer of the first and agreement (annotated), above convertible preferred stock purchase agreement (annotated), above stock splits, 6:110 structuring investments to improve returns generally, 6:63 to 6:12 common stock, debt with, 6:7 convertible debt, 6:6 original issue discount (OID), 6:5 to 6:9		
contribution, 6:82 definitions, 6:76 expenses, allocation of, 6:81 incidental registration, 6:79 indemnification, 6:82, 6:83 information by holder, 6:84 legend, 6:77 limitations on subsequent registration rights, 6:86 mergers, 6:89 procedures, 6:89 procedures, 6:80 required registrations, 6:78 Rule 144 requirements, 6:87 sale or transfer of shares, 6:77 "stand-off" agreement, 6:85 underwriter or underwritten, 6:83, 6:88 representations of company generally, 6:17 to 6:40 absence of changes or liabilities, 6:27, 6:34 assets, 6:29 authority for agreement, 6:23 books and records, 6:37 capitalization, 6:19 changes, absence of, 6:34 compliance, 6:33 consents of government, 6:24 disclosures, 6:40 employces, 6:35 ERISA, 6:36 financial statements, 6:26 governmental consents, 6:24 insurance, 6:31 issuance of shares, 6:22 litigation, 6:25 material contracts and obligations, 6:32 organization, 6:18 patents, 6:30 U.S. real property holding corporation, 6:39 representations of company, 6:18 standing, representations of company, 6:18 "stand-off" agreements, 6:20 successor and assigns, 6:90 survival of representations of company, 6:28 termination of covernation of company, 6:28 termination of covernations, 6:39 underwriter or underwritten, 6:83, 6:88 U.S. real property holding corporation, 6:39 series A preferred stock certificate of amendment of articles of incorporation of Megabucks, Inc. (annotated), above severability, series A convertible preferred stock purchase agreement (annotated), 6:101 Situs of corporation, generally, 6:111 series A convertible preferred stock purchase agreement, above ertificate of amendment of articles of incorporation of Megabucks, Inc. (annotated), above severability, series A convertible preferred stock purchase agreement or rights annotated opinion of stock purchase agreement or rights annotated, 6:111 series A convertible preferred stock purchase agreement or rights annotated opinion of stock purchase agreement (annotated), above stock splits, 6:10 Structuring investments to improve returns g		sales or transfers, 6:14 , 6:77 , 6:91
definitions, 6:76 expenses, allocation of, 6:81 incidental registration, 6:79 indemnification, 6:82, 6:83 information by holder, 6:84 legend, 6:77 limitations on subsequent registration rights, 6:86 mergers, 6:89 procedures, 6:80 required registrations, 6:78 Rule 144 requirements, 6:87 sale or transfer of shares, 6:77 "stand-off" agreement, 6:85 underwriter or underwritten, 6:83, 6:88 representations of company generally, 6:17 to 6:40 absence of changes or liabilities, 6:27, 6:34 assets, 6:29 authority for agreement, 6:23 books and records, 6:37 capitalization, 6:19 changes, absence of, 6:34 compliance, 6:33 consents of government, 6:24 disclosures, 6:40 employees, 6:35 ERISA, 6:36 financial statements, 6:26 governmental consents, 6:22 litigation, 6:25 material contracts and obligations, 6:32 organization, 6:18 standing, representations of company, 6:18 "stand-off" agreements, 6:21 subsidiaries, 6:20 authority for agreement, 6:87 standing, representations of company, 6:28 termination of covenants, 6:21 subsidiaries, 6:30 underwriter or underwritten, 6:83, 6:88 representations of company, 6:18 "stand-off" agreements, 6:21 subsidiaries, 6:20 authority for agreement, 6:85 underwriter or underwritten, 6:83, 6:88 representations of company generally, 6:17 to 6:40 absence of changes or liabilities, 6:27, 6:34 assets, 6:29 authority for agreement, 6:23 books and records, 6:37 capitalization, 6:19 consents of government, 6:24 disclosures, 6:40 employees, 6:35 ERISA, 6:36 financial statements, 6:26 governmental consents, 6:24 insurance, 6:31 issuance of shares, 6:22 litigation, 6:25 material contracts and obligations, 6:32 organization, 6:18 stand-off" agreement, 6:83 standing, representations of company survival of representations and warranties, 6:93 taxes, representations of company, 6:18 stand-off" agreement fo:39 use of proceeds, 6:15 waivers, 6:98 warranties accuracy of representations of company, 6:47 survival of, 6:33 Series A preferred stock certificate of amendment of articles of incorporation of Megabucks, In		severability, 6:101
expenses, allocation of, 6:81 incidental registration, 6:79 indemnification, 6:82, 6:83 information by holder, 6:84 legend, 6:77 limitations on subsequent registration rights, 6:86 mergers, 6:89 procedures, 6:80 required registrations, 6:78 Rule 144 requirements, 6:87 sale or transfer of shares, 6:77 "stand-off" agreement, 6:85 underwriter or underwriten, 6:83, 6:88 representations of company generally, 6:17 to 6:40 absence of changes or liabilities, 6:27, 6:34 assets, 6:29 authority for agreement, 6:23 books and records, 6:37 capitalization, 6:19 changes, absence of, 6:34 compliance, 6:33 consents of government, 6:24 disclosures, 6:40 employees, 6:35 ERISA, 6:36 financial statements, 6:26 governmental consents, 6:24 insurance, 6:31 issuance of shares, 6:22 litigation, 6:25 material contracts and obligations, 6:32 organization, 6:18 stockholder list and agreements, 6:21 subsidiaries, 6:20 taxes, 6:28 trademarks, 6:30 U.S. real property holding corporation, 6:39 standing, 6:18 stockholder list and agreement, 6:21 subsidiaries, 6:20 taxes, 6:28 trademarks, 6:30 U.S. real property holding corporation, 6:39 convertible preferred stock purchase agreement (annotated), above convertible preferred stock purchase agreement (annotated), above convertible preferred stock purchase agreement or rights annotated opinion of stock purchase agreement or rights annotated opinion of stock purchase agreement or rights annotated opinion of stock purchase agreement (annotated), 6:111 series A convertible preferred stock purchase agreement or rights annotated opinion of stock purchase agreement, above certificate of amendment of articles of incorporation of Megabucks, Inc. (annotated), 6:111 series A convertible preferred stock purchase agreement (annotated), above certificate of amendment of articles of incorporation of Megabucks, Inc. (annotated), 6:111 series A convertible preferred stock purchase agreement (annotated), 6:111 series A convertible preferred stock purchase agreement (annotated), 6:111 series A convertible preferred		small business concerns, 6:38 , 6:54
incidental registration, 6:79 indemnification, 6:82, 6:83 information by holder, 6:84 legend, 6:77 limitations on subsequent registration rights, 6:86 mergers, 6:89 procedures, 6:80 required registrations, 6:78 Rule 144 requirements, 6:87 sale or transfer of shares, 6:77 "stand-off" agreement, 6:85 underwriter or underwritten, 6:83, 6:88 representations of company generally, 6:17 to 6:40 absence of changes or liabilities, 6:27, 6:34 assets, 6:29 authority for agreement, 6:23 books and records, 6:37 capitalization, 6:19 changes, absence of, 6:34 compliance, 6:33 consents of government, 6:24 disclosures, 6:40 employees, 6:35 ERISA, 6:36 financial statements, 6:26 governmental consents, 6:24 insurance, 6:31 issuance of shares, 6:22 litigation, 6:25 material contracts and obligations, 6:32 organization, 6:18 patents, 6:30 property, 6:29 small business concern, 6:38 standing, 6:18 stockholder list and agreements, 6:21 subsidiaries, 6:20 taxes, 6:28 trademarks, 6:30 U.S. real property holding corporation, 6:39 use of proceeds, 6:15 waivers, 6:98 warranties accuracy of representations by company, 6:59 conditions to obligations of purchasers, 6:47 survival of, 6:93 taxes, representations of company, 6:28 termination of covenants, 6:74 trademarks, 6:30 underwriter or underwritten, 6:83, 6:88 representations of company (6:29 trademy ferror of proceeds, 6:15 waivers, 6:98 warranties accuracy of representations by company, 6:59 conditions to obligations of purchasers, 6:47 survival of, 6:93 taxes, representations of company, 6:28 termination of covenants, 6:74 trademarks, 6:30 underwriter or underwritten, 6:83, 6:88 U.S. real property holding corporation of foresent of company, 6:18 survival of, 6:93 taxes, representations of company, 6:28 termination of covenants, 6:21 subsidiaries, 6:20 taxes, 6:27, 6:34 trademarks, 6:30 underwriter or underwriten, 6:83, 6:88 U.S. real property holding corporation of secretary ferroresentations of company, 6:59 conditions to obligations of purchasers, 6:47 survival of, 6:93 taxes, repres	definitions, 6:76	standing, representations of company, 6:18
indemnification, 6:82, 6:83 information by holder, 6:84 legend, 6:77 limitations on subsequent registration rights, 6:86 mergers, 6:89 procedures, 6:80 required registrations, 6:78 Rule 144 requirements, 6:87 sale or transfer of shares, 6:77 "stand-off" agreement, 6:85 underwriter or underwritten, 6:83, 6:88 representations of company generally, 6:17 to 6:40 absence of changes or liabilities, 6:27, 6:34 assets, 6:29 authority for agreement, 6:23 books and records, 6:37 capitalization, 6:19 changes, absence of, 6:34 compliance, 6:33 consents of government, 6:24 disclosures, 6:40 employees, 6:35 ERISA, 6:36 financial statements, 6:26 governmental consents, 6:24 insurance, 6:31 issuance of shares, 6:22 litigation, 6:25 material contracts and obligations, 6:32 organization, 6:18 patents, 6:30 property, 6:29 small business concern, 6:38 standing, 6:18 stockholder list and agreements, 6:21 subsidiaries, 6:20 taxes, 6:28 trademarks, 6:30 U.S. real property holding corporation, 6:39 use of proceeds, 6:15 waivers, 6:93 varianties accuracy of representations by company, 6:59 conditions to obligations of purchasers, 6:47 survival of, 6:93 Series A preferred stock certificate of amendment of articles of incorporation of Megabucks, Inc. (annotated), above Severability, series A convertible preferred stock purchase agreement (annotated), 6:101 Status of corporation, generally, 6:116 to 6:119 Stockholder list and agreements, 6:21 subsidiaries, 6:20 taxes, 6:28 trademarks, 6:30 urusery for representations of company, 6:28 termination of covenants, 6:30 underwriter or underwritten, 6:83, 6:88 U.S. real property holding corporation, 6:34 certificate of amendment of articles of incorporation of Megabucks, Inc. (annotated), above Status of corporation, generally, 6:116 to 6:119 Stockholder list and agreements, 6:21 subsidiaries, 6:20 care and member of articles of incorporation of Megabucks, Inc. (annotated), 6:111 Stock splits, 6:110 Structuring investments to improve returns generally, 6:3 to 6:12 common stock, debt with, 6:7 co		"stand-off" agreement, 6:85
information by holder, 6:84 legend, 6:77 limitations on subsequent registration rights, 6:86 mergers, 6:89 procedures, 6:80 required registrations, 6:78 Rule 144 requirements, 6:87 sale or transfer of shares, 6:77 "stand-off" agreement, 6:85 underwriter or underwritten, 6:83, 6:88 representations of company generally, 6:17 to 6:40 absence of changes or liabilities, 6:27, 6:34 assets, 6:29 authority for agreement, 6:23 books and records, 6:37 capitalization, 6:19 changes, absence of, 6:34 compliance, 6:33 consents of government, 6:24 disclosures, 6:40 employees, 6:35 ERISA, 6:36 financial statements, 6:26 governmental consents, 6:24 insurance, 6:31 issuance of shares, 6:22 litigation, 6:25 material contracts and obligations, 6:32 organization, 6:18 stockholder list and agreements, 6:21 subsidiaries, 6:20 taxes, epresentations of company, 6:28 termination of covenants, 6:74 trademarks, 6:30 underwriter or underwritten, 6:83, 6:88 underwriter or underwritten, 6:83, 6:88 varranties accuracy of representations by company, 6:59 conditions to obligations of purchasers, 6:47 survival of, 6:93 taxes, representations of company, 6:28 termination of covenants, 6:74 trademarks, 6:30 underwriter or underwritten, 6:83, 6:88 varranties accuracy of representations by company, 6:59 conditions to obligations of purchasers, 6:47 survival of, 6:93 series A proferred stock certificate of amendment of articles of incorporation of Megabucks, Inc. (annotated), above Severability, series A convertible preferred stock purchase agreement or rights annotated opinion of stock purchase agreement, 6:21 Stock purchase agreement or rights annotated opinion of stock purchase agreement or rights annotated opinion of stock purchase agreement, 6:21 Stock purchase agreement or rights annotated opinion of stock purchase agreement, 6:21 Stock purchase agreement or rights annotated opinion of stock purchase agreement, 6:21 Stock purchase agreement or rights annotated opinion of stock purchase agreement, 6:32 Status of corporation, 6:39 Status of corpo		
legend, 6:77 limitations on subsequent registration rights, 6:86 mergers, 6:89 procedures, 6:80 required registrations, 6:78 Rule 144 requirements, 6:87 sale or transfer of shares, 6:77 "stand-off" agreement, 6:85 underwriter or underwritten, 6:83, 6:88 representations of company generally, 6:17 to 6:40 absence of changes or liabilities, 6:27, 6:34 sasets, 6:29 authority for agreement, 6:23 books and records, 6:37 capitalization, 6:19 changes, absence of, 6:34 compliance, 6:33 consents of government, 6:24 disclosures, 6:40 employees, 6:35 ERISA, 6:36 financial statements, 6:24 insurance, 6:31 issuance of shares, 6:22 litigation, 6:25 material contracts and obligations, 6:32 organization, 6:18 standing, 6:18 stockholder list and agreements, 6:21 subsidiaries, 6:20 taxes, 6:28 trademarks, 6:30 U.S. real property holding corporation, 6:39 representations of company, 6:28 termination of covenants, 6:74 trademarks, 6:30 underwriter or underwritten, 6:83, 6:88 U.S. real property holding corporation, 6:39 usivers, 6:98 warranties accuracy of representations by company, 6:59 conditions to obligations of purchasers, 6:47 survival of, 6:93 taxes, representations of company, 6:28 termination of covenants, 6:74 trademarks, 6:30 underwriter or underwritten, 6:83, 6:88 U.S. real property holding corporation, 6:39 series A preferred stock certificate of amendment of articles of incorporation of Megabucks, Inc. (annotated), above Severability, series A convertible preferred stock purchase agreement (annotated), 6:101 Situs of corporation, generally, 6:116 to 6:119 Stockholder list and agreements, 6:21 subsidiaries, 6:20 taxes, 6:28 trademarks, 6:30 U.S. real property holding corporation, 6:39 tracerial contracts and obligations of purchasers, 6:47 survival of, 6:29 statemantion of company, 6:28 trademarks, 6:30 underwriter or underwritten or underwritten or underwritten, 6:83, 6:88 U.S. real property holding corporation, 6:39 taxes, representations of company, 6:29 conditions to obligations of purchasers, 6:47 survival of, 6:		
limitations on subsequent registration rights, 6:86 mergers, 6:89 procedures, 6:80 required registrations, 6:78 Rule 144 requirements, 6:87 sale or transfer of shares, 6:77 "stand-off" agreement, 6:85 underwriter or underwritten, 6:83, 6:88 representations of company generally, 6:17 to 6:40 absence of changes or liabilities, 6:27, 6:34 assets, 6:29 authority for agreement, 6:23 books and records, 6:37 capitalization, 6:19 changes, absence of, 6:34 compliance, 6:33 consents of government, 6:24 disclosures, 6:40 employees, 6:35 ERISA, 6:36 financial statements, 6:26 governmental consents, 6:24 insurance, 6:31 issuance of shares, 6:22 litigation, 6:25 material contracts and obligations, 6:32 organization, 6:18 standing, 6:18 stockholder list and agreements, 6:21 subsidiaries, 6:20 small business concern, 6:38 standing, 6:18 stockholder list and agreements, 6:21 subsidiaries, 6:20 taxes, 6:28 trademarks, 6:30 U.S. real property holding corporation, 6:39 underwriter or underwritten, 6:83, 6:88 U.S. real property holding corporation, 6:39 use of proceeds, 6:15 waivers, 6:98 warranties accuracy of representations by company, 6:59 conditions to obligations of purchasers, 6:47 survival of, 6:99 conditions to obligations of purchasers, 6:47 survival of, 6:99 conditions to obligations of purchasers, 6:47 survival of, 6:99 conditions to obligations of purchasers, 6:47 survival of, 6:99 conditions to obligations of purchasers, 6:47 survival of, 6:99 conditions to obligations of purchasers, 6:47 survival of, 6:99 conditions to obligations of purchasers, 6:47 survival of, 6:99 conditions to obligations of purchasers, 6:47 survival of, 6:99 conditions to obligations of purchasers, 6:47 survival of, 6:99 conditions to obligations of purchasers, 6:47 survival of, 6:99 conditions to obligations of purchasers, 6:47 survival of, 6:99 conditions to obligations of purchasers, 6:47 survival of, 6:99 conditions of overentions of company, 6:18 stand-off" agreement (annotated), 6:101 Simple interest, debt with, 6:4 Small business concern	•	
mergers, 6:89 procedures, 6:80 required registrations, 6:78 Rule 144 requirements, 6:87 sale or transfer of shares, 6:77 "stand-off" agreement, 6:85 underwriter or underwritten, 6:83, 6:88 representations of company generally, 6:17 to 6:40 absence of changes or liabilities, 6:27, 6:34 assets, 6:29 authority for agreement, 6:23 books and records, 6:37 capitalization, 6:19 changes, absence of, 6:34 compliance, 6:33 consents of government, 6:24 disclosures, 6:40 employees, 6:35 ERISA, 6:36 financial statements, 6:24 disclosures, 6:40 employees, 6:35 ERISA, 6:36 financial statements, 6:26 governmental consents, 6:24 insurance, 6:31 issuance of shares, 6:22 litigation, 6:25 material contracts and obligations, 6:32 organization, 6:18 patents, 6:30 property, 6:29 small business concern, 6:38 standing, 6:18 stockholder list and agreements, 6:21 subsidiaries, 6:30 U.S. real property holding corporation, 6:39 representations of company, 6:28 termination of covenants, 6:30 underwriter or underwritten, 6:83, 6:88 U.S. real property holding corporation, 6:39 use of proceeds, 6:15 waivers, 6:98 warranties continue of opporations to obligations to obligations to obligations to obligations to obligations to obligations of purchasers, 6:47 survival of, 6:93 Series A preferred stock. certificate of amendment of articles of incorporation of Megabucks, Inc. (annotated), above Severability, series A convertible preferred stock purchase agreement, 6:85 Status of corporation, generally, 6:116 to 6:119 Stockholder list and agreements, 6:21 subsidiaries, 6:30 U.S. real property holding corporation, 6:39 representations of purchasers, 6:47 survival of, 6:93 Series A preferred stock. Series A convertible preferred stock purchase agreement (annotated), above Severability, series A convertible preferred stock purchase agreement, 6:185 Status of corporation of Megabucks, Inc. (annotated), 6:101 Simple interest, debt with, 6:4 Small business concerns, 6:38, 6:54 Status of corporation of property holding corporation of megabucks, file tranina	•	and the second s
mergers, 6:80 procedures, 6:80 required registrations, 6:78 Rule 144 requirements, 6:87 sale or transfer of shares, 6:77 "stand-off" agreement, 6:85 underwriter or underwritten, 6:83, 6:88 representations of company generally, 6:17 to 6:40 absence of changes or liabilities, 6:27, 6:34 assets, 6:29 authority for agreement, 6:23 books and records, 6:37 capitalization, 6:19 changes, absence of, 6:34 compliance, 6:33 consents of government, 6:24 disclosures, 6:40 employees, 6:35 ERISA, 6:36 financial statements, 6:26 governmental consents, 6:24 insurance, 6:31 issuance of shares, 6:22 litigation, 6:25 material contracts and obligations, 6:32 organization, 6:18 patents, 6:30 property, 6:29 small business concern, 6:38 standing, 6:18 stockholder list and agreements, 6:21 subsidiaries, 6:20 taxes, 6:28 trademarks, 6:30 U.S. real property holding corporation, 6:39 use of proceeds, 6:15 waivers, 6:98 warranties accuracy of representations by company, 6:59 conditions to obligations of purchasers, 6:47 survival of, 6:93 Series A preferred stock certificate of amendment of articles of incorporation of Megabucks, Inc. (annotated), above Severability, series A convertible preferred stock purchase agreement, 6:85 Status of corporation of Company, 6:18 "Status of corporation of Megabucks, Inc. (annotated), 6:101 Simple interest, debt with, 6:4 Small business concerns, 6:38, 6:54 Status of corporation of Stock purchase agreement (annotated), 6:101 Simple interest, debt with, 6:4 Status of corporation of Megabucks, Inc. (annotated), 6:101 Simple interest, debt with, 6:4 Status of corporation of Megabucks, Inc. (annotated), 6:101 Simple interest, debt with, 6:4 Status of corporation of of company, 6:18 "Status of corporation of Company, 6:18 "Status of corporation of Company, 6:18 "Status of corporation of Office agreement of a incorporation of Company, 6:18 "Status of corporation of Company, 6:18 "Status of corporation of Office agreement of an ordinated, 6:101 Status of corporation of Megabucks, Inc. (annotated), 6:101 Simple i		
trademarks, 6:30 underwriter or underwritten, 6:83, 6:88 representations of company generally, 6:17 to 6:40 absence of changes or liabilities, 6:27, 6:34 assets, 6:29 authority for agreement, 6:23 books and records, 6:37 capitalization, 6:19 changes, absence of, 6:34 compliance, 6:33 consents of government, 6:24 disclosures, 6:40 employees, 6:35 ERISA, 6:36 financial statements, 6:26 governmental consents, 6:24 insurance, 6:31 issuance of shares, 6:22 litigation, 6:25 material contracts and obligations, 6:32 organization, 6:18 patents, 6:30 property, 6:29 small business concern, 6:38 standing, 6:18 stockholder list and agreements, 6:21 subsidiaries, 6:20 taxes, 6:28 trademarks, 6:30 U.S. real property holding corporation, 6:39 use of proceeds, 6:15 waivers, 6:98 warranties accuracy of representations by company, 6:59 conditions to obligations of purchasers, 6:47 survival of, 6:93 Series A preferred stock certificate of amendment of articles of incorporation of Megabucks, Inc. (annotated), above Severability, series A convertible preferred stock purchase agreement (annotated), 6:101 Simple interest, debt with, 6:4 Small business concern, 6:38 status of corporation of company, 6:18 Status of corporation of of Megabucks, Inc. (annotated), above Severability, series A convertible preferred stock purchase agreement of articles of incorporation of Megabucks, Inc. (annotated), above Severability, series A convertible preferred stock purchase agreement or rights annotated opinion of stock purchase agreement or rights annotated opinion of stock purchase agreement (annotated), 6:111 series A convertible preferred stock purchase agreement (annotated), above Stotk splits, 6:30 Trace A property holding corporation, 6:39 use of proceeds, 6:15 waivers, 6:98 warranties accuracy of representations by company, 6:59 conditions to obligations of purchasers, 6:47 survival of, 6:93 Series A preferred stock purchase agreement (annotated), above Severability, series A convertible preferred stock purchase agreement or articles of incor	****	
required registrations, 6:78 Rule 144 requirements, 6:87 sale or transfer of shares, 6:77 "stand-off" agreement, 6:85 underwriter or underwritten, 6:83, 6:88 representations of company generally, 6:17 to 6:40 absence of changes or liabilities, 6:27, 6:34 assets, 6:29 authority for agreement, 6:23 books and records, 6:37 capitalization, 6:19 changes, absence of, 6:34 compliance, 6:33 consents of government, 6:24 disclosures, 6:40 employees, 6:35 ERISA, 6:36 financial statements, 6:26 governmental consents, 6:24 insurance, 6:31 issuance of shares, 6:22 litigation, 6:15 waivers, 6:98 warranties accuracy of representations by company, 6:59 conditions to obligations of purchasers, 6:47 survival of, 6:93 Series A preferred stock certificate of amendment of articles of incorporation of Megabucks, Inc. (annotated), above convertible stock. Series A convertible preferred stock purchase agreement (annotated), above Severability, series A convertible preferred stock purchase agreement of company, 6:59 conditions to obligations of purchasers, 6:47 survival of, 6:93 Series A preferred stock certificate of amendment of articles of incorporation of Megabucks, Inc. (annotated), above Severability, series A convertible preferred stock purchase agreement (annotated), 6:101 Simple interest, debt with, 6:4 Small business concerns, 6:38, 6:54 Status of converted or redeemed stock, 6:113 Status of converted or redeemed stock, 6:113 Status of converted or redeemed stock, 6:113 Status of converted or redeemed stock, 6:111 Status of converted or rede		
Rule 144 requirements, 6:87 sale or transfer of shares, 6:77 "stand-off" agreement, 6:85 underwriter or underwritten, 6:83, 6:88 representations of company generally, 6:17 to 6:40 absence of changes or liabilities, 6:27, 6:34 assets, 6:29 authority for agreement, 6:23 books and records, 6:37 capitalization, 6:19 changes, absence of, 6:34 compliance, 6:33 consents of government, 6:24 disclosures, 6:40 employees, 6:35 ERISA, 6:36 financial statements, 6:26 governmental consents, 6:24 insurance, 6:31 issuance of shares, 6:22 litigation, 6:25 material contracts and obligations, 6:32 organization, 6:18 patents, 6:30 property, 6:29 small business concern, 6:38 standing, 6:18 stockholder list and agreements, 6:21 subsidiaries, 6:20 taxes, 6:28 trademarks, 6:30 U.S. real property holding corporation, 6:39 use of proceeds, 6:15 wavers, 6:39 warranties accuracy of representations by company, 6:59 conditions to obligations of purchasers, 6:47 survival of, 6:93 Series A preferred stock certificate of amendment of articles of incorporation of Megabucks, Inc. (annotated), above Severability, series A convertible preferred stock purchase agreement (annotated), 6:101 Simple interest, debt with, 6:4 Small business concerns, 6:38 Status of corporation of stock purchase agreement or rights annotated opinion of stock purchase agreement (annotated), above Stock purchase agreement or rights annotated opinion of stock purchase agreement or rights annotated opinion of stock purchase agreement or rights annotated opinion of stock purchase agreement (annotated), above Stock purchase agreement or rights annotated opinion of stock purchase agreement or rights annotated opinion of stock purchase agreement (annotated), above Stock purchase agreement or rights annotated opinion of stock purchase agreement or rights annotated opinion of stock purchase agreement or fights annota		
sale or transfer of shares, 6:77 "stand-off" agreement, 6:85 underwriter or underwriten, 6:83, 6:88 representations of company generally, 6:17 to 6:40 absence of changes or liabilities, 6:27, 6:34 assets, 6:29 authority for agreement, 6:23 books and records, 6:37 capitalization, 6:19 changes, absence of, 6:34 compliance, 6:33 consents of government, 6:24 disclosures, 6:40 employees, 6:35 ERISA, 6:36 financial statements, 6:26 governmental consents, 6:24 insurance, 6:31 issuance of shares, 6:22 litigation, 6:25 material contracts and obligations, 6:32 organization, 6:18 patents, 6:30 property, 6:29 small business concern, 6:38 standing, 6:18 stockholder list and agreements, 6:21 subsidiaries, 6:20 taxes, 6:28 trademarks, 6:30 U.S. real property holding corporation, 6:39 representations of purchasers, generally, 6:41 to 6:45 required registrations, 6:78 reservation of common stock, 6:73 use of proceeds, 6:15 waivers, 6:98 warranties accuracy of representations by company, 6:59 conditions to obligations of purchasers, 6:47 survival of, 6:93 Series A preferred stock certificate of amendment of articles of incorporation of Megabucks, Inc. (annotated), above severability, series A convertible preferred stock purchase agreement (annotated), 6:101 Simple interest, debt with, 6:4 Small business concerns, 6:38 Status of corporation, generally, 6:116 to 6:119 Stockholder list and agreements, 6:21 subsidiaries, 6:20 taxes, 6:28 trademarks, 6:30 U.S. real property holding corporation, 6:39 representations of purchasers, generally, 6:41 to 6:45 required registrations, 6:78 reservation of common stock, 6:73		
"stand-off" agreement, 6:85 underwriter or underwritten, 6:83, 6:88 representations of company generally, 6:17 to 6:40 absence of changes or liabilities, 6:27, 6:34 assets, 6:29 authority for agreement, 6:23 books and records, 6:37 capitalization, 6:19 changes, absence of, 6:34 compliance, 6:33 consents of government, 6:24 disclosures, 6:40 employees, 6:35 ERISA, 6:36 financial statements, 6:26 governmental consents, 6:24 insurance, 6:31 issuance of shares, 6:22 litigation, 6:25 material contracts and obligations, 6:32 organization, 6:18 patents, 6:30 property, 6:29 small business concern, 6:38 standing, 6:18 stockholder list and agreements, 6:21 subsidiaries, 6:20 taxes, 6:28 trademarks, 6:30 U.S. real property holding corporation, 6:39 representations of purchasers, generally, 6:41 to 6:45 required registrations, 6:78 reservation of common stock, 6:73 waivers, 6:98 warranties accuracy of representations by company, 6:59 conditions to obligations of purchasers, 6:47 survival of, 6:98 warranties accuracy of representations by company, 6:59 conditions to obligations of purchasers, 6:47 survival of, 6:98 varranties accuracy of representations by company, 6:59 conditions to obligations of purchasers, 6:47 survival of, 6:93 Series A preferred stock certificate of amendment of articles of incorporation of Megabucks, Inc. (annotated), above Severability, series A convertible preferred stock purchase agreement (annotated), 6:101 Simple interest, debt with, 6:45 Status of corporations of company, 6:18 "Stand-off" agreement, 6:85 Status of corporation of stock purchase agreement or rights annotated opinion of stock purchase agreement or inghts annotated opinion of stock purchase agreement (annotated), 6:111 series A convertible preferred stock purchase agreement or of the first of the firs		
underwriter or underwritten, 6:83, 6:88 representations of company generally, 6:17 to 6:40 absence of changes or liabilities, 6:27, 6:34 assets, 6:29 authority for agreement, 6:23 books and records, 6:37 capitalization, 6:19 changes, absence of, 6:34 compliance, 6:33 consents of government, 6:24 disclosures, 6:40 employees, 6:35 ERISA, 6:36 financial statements, 6:26 governmental consents, 6:24 insurance, 6:31 issuance of shares, 6:22 litigation, 6:25 material contracts and obligations, 6:32 organization, 6:18 patents, 6:30 property, 6:29 small business concern, 6:38 standing, 6:18 stockholder list and agreements, 6:21 subsidiaries, 6:20 taxes, 6:28 trademarks, 6:30 U.S. real property holding corporation, 6:39 representations of purchasers, generally, 6:41 to 6:45 required registrations, 6:78 reservation of common stock, 6:73 warranties accuracy of representations by company, 6:6:59 conditions to obligations of purchasers, 6:47 survival of, 6:93 Series A preferred stock certificate of amendment of articles of incorporation of Megabucks, Inc. (annotated), above Severability, series A convertible preferred stock purchase agreement (annotated), 6:101 Simple interest, debt with, 6:4 Small business concerns, 6:38, 6:54 Status of corporation of company, 6:18 "Stand-off" agreement, 6:85 Status of corporation of redeemed stock, 6:110 Stockholder list and agreements of company, 6:6:93 Series A preferred stock certificate of amendment of articles of incorporation of Megabucks, Inc. (annotated), above Severability, series A convertible preferred stock purchase agreement (annotated), 6:101 Simple interest, debt with, 6:4 Small business concerns, 6:38, 6:54 Status of corporation of company, 6:6:93 Status of corporation of redeemed stock, 6:113 Status of corporation of stock purchase agreement (annotated), obital "Stand-off" agreement, 6:25 Status of corporation of office of incorporation of stock purchase agreement of incorporation of stock purchase agreement of incorporation of Megabucks, Inc. (annotated), 5:101 Simple int		
representations of company generally, 6:17 to 6:40 absence of changes or liabilities, 6:27, 6:34 assets, 6:29 authority for agreement, 6:23 books and records, 6:37 capitalization, 6:19 changes, absence of, 6:34 compliance, 6:33 consents of government, 6:24 disclosures, 6:40 employees, 6:35 ERISA, 6:36 financial statements, 6:26 governmental consents, 6:24 insurance, 6:31 issuance of shares, 6:22 litigation, 6:25 material contracts and obligations, 6:32 organization, 6:18 patents, 6:30 property, 6:29 small business concern, 6:38 standing, 6:18 stockholder list and agreements, 6:21 subsidiaries, 6:20 taxes, 6:28 trademarks, 6:30 U.S. real property holding corporation, 6:39 representations of common stock, 6:73 accuracy of representations by company, 6:59 conditions to obligations of purchasers, 6:47 survival of, 6:93 Series A preferred stock certificate of amendment of articles of incorporation of Megabucks, Inc. (annotated), above convertible stock. Series A convertible preferred stock purchase agreement (annotated), 6:101 Simple interest, debt with, 6:4 Small business concerns, 6:38, 6:54 Standing, representations of company, 6:59 Series A preferred stock certificate of amendment of articles of incorporation of Megabucks, Inc. (annotated), above Severability, series A convertible preferred stock purchase agreement, 6:85 Status of corporation of redeemed stock, 6:113 Status of corporation, generally, 6:116 to 6:119 Stockholder list and agreements, 6:21 Stock purchase agreement or rights annotated opinion of stock purchase agreement, above certificate of amendment of articles of incorporation of Megabucks, Inc. (annotated), above Severability, series A convertible preferred stock purchase agreement or rights annotated opinion of stock purchase agreement or rights annotated opinion of stock purchase agreement (annotated), 6:111 series A convertible preferred stock purchase agreement or rights annotated opinion of stock purchase agreement or rights annotated opinion of stock purchase agreement (annotated), 6:101 S		•
generally, 6:17 to 6:40 absence of changes or liabilities, 6:27, 6:34 assets, 6:29 authority for agreement, 6:23 books and records, 6:37 capitalization, 6:19 changes, absence of, 6:34 compliance, 6:33 consents of government, 6:24 disclosures, 6:40 employees, 6:35 ERISA, 6:36 financial statements, 6:26 governmental consents, 6:24 insurance, 6:31 issuance of shares, 6:22 litigation, 6:25 material contracts and obligations, 6:32 organization, 6:18 patents, 6:30 property, 6:29 small business concern, 6:38 standing, 6:18 stockholder list and agreements, 6:21 subsidiaries, 6:20 taxes, 6:28 trademarks, 6:30 U.S. real property holding corporation, 6:39 representations of purchasers, generally, 6:41 to 6:45 required registrations, 6:78 reservation of common stock, 6:73		
absence of changes or liabilities, 6:27, 6:34 assets, 6:29 authority for agreement, 6:23 books and records, 6:37 capitalization, 6:19 changes, absence of, 6:34 compliance, 6:33 consents of government, 6:24 disclosures, 6:40 employees, 6:35 ERISA, 6:36 financial statements, 6:26 governmental consents, 6:24 insurance, 6:31 issuance of shares, 6:22 litigation, 6:25 material contracts and obligations, 6:32 organization, 6:18 patents, 6:30 property, 6:29 small business concern, 6:38 standing, 6:18 stockholder list and agreements, 6:21 subsidiaries, 6:20 taxes, 6:28 trademarks, 6:30 U.S. real property holding corporation, 6:39 representations of purchasers, generally, 6:41 to 6:45 required registrations, 6:78 reservation of common stock, 6:73 conditions to obligations of purchasers, 6:47 survival of, 6:93 Series A preferred stock certificate of amendment of articles of incorporation of Megabucks, Inc. (annotated), above convertible stock. Series A convertible preferred stock purchase agreement (annotated), 6:101 Simple interest, debt with, 6:4 Small business concerns, 6:38 Status of corporations of company, 6:18 'Stand-off'' agreement, 6:85 Status of converted or redeemed stock, 6:113 Status of corporation of megabucks, Inc. (annotated), above severability, series A convertible preferred stock purchase agreement (annotated), 6:101 Simple interest, debt with, 6:4 Small business concerns, 6:38 Status of corporation of segment, 6:85 Status of corporation of megabucks, Inc. (annotated), 6:101 Simple interest, debt with, 6:4 Small business concerns, 6:38 Status of corporation of segment of redeemed stock, 6:113 Status of corporation of megabucks, Inc. (annotated), 6:101 Simple interest, debt with, 6:4 Small business concerns, 6:38 Status of corporation of ompany, 6:18 'Stand-off'' agreement, 6:85 Status of converted or redeemed stock, 6:113 Status of corporation of Megabucks, Inc. (annotated), 6:101 Simple interest, debt with, 6:4 Small business concerns, 6:32 Status of corporation of ompany, 6:18 'Stand-off'' agreement	· · · · · · · · · · · · · · · · · · ·	
assets, 6:29 authority for agreement, 6:23 books and records, 6:37 capitalization, 6:19 changes, absence of, 6:34 compliance, 6:33 consents of government, 6:24 disclosures, 6:40 employees, 6:35 ERISA, 6:36 financial statements, 6:26 governmental consents, 6:24 insurance, 6:31 issuance of shares, 6:22 litigation, 6:25 material contracts and obligations, 6:32 organization, 6:18 patents, 6:30 property, 6:29 small business concern, 6:38 standing, 6:18 stockholder list and agreements, 6:21 subsidiaries, 6:20 taxes, 6:28 trademarks, 6:30 U.S. real property holding corporation, 6:39 representations of purchasers, generally, 6:41 to 6:45 required registrations, 6:78 reservation of common stock, 6:73 survival of, 6:93 Series A preferred stock certificate of amendment of articles of incorporation of Megabucks, Inc. (annotated), above Severability, series A convertible preferred stock purchase agreement (annotated), 6:101 Simple interest, debt with, 6:4 Small business concerns, 6:38 Status of converted or redeemed stock, 6:113 Status of corporation, generally, 6:116 to 6:119 Stockholder list and agreements, 6:21 Stock purchase agreement or rights annotated opinion of stock purchase agreement, above convertible stock. Series A convertible preferred stock certificate of amendment of articles of incorporation of Megabucks, Inc. (annotated), above Severability, series A convertible preferred stock purchase agreement (annotated), 6:101 Simple interest, debt with, 6:4 Small business concerns, 6:38 Status of corporation of oreparalty, 6:116 to 6:119 Stockholder list and agreements, 6:21 Stock purchase agreement or rights annotated opinion of stock purchase agreement (annotated), 6:110 Structuring investments to improve returns generally, 6:3 to 6:12 common stock, debt with, 6:7 convertible debt, 6:6 original issue discount (OID), 6:5 to 6:9		****
authority for agreement, 6:23 books and records, 6:37 capitalization, 6:19 changes, absence of, 6:34 compliance, 6:33 consents of government, 6:24 disclosures, 6:40 employees, 6:35 ERISA, 6:36 financial statements, 6:26 governmental consents, 6:24 insurance, 6:31 issuance of shares, 6:22 litigation, 6:25 material contracts and obligations, 6:32 organization, 6:18 patents, 6:30 property, 6:29 small business concern, 6:38 standing, 6:18 stockholder list and agreements, 6:21 subsidiaries, 6:20 taxes, 6:28 trademarks, 6:30 U.S. real property holding corporation, 6:39 representations of purchasers, generally, 6:41 to 6:45 required registrations, 6:78 reservation of common stock, 6:73		
books and records, 6:37 capitalization, 6:19 changes, absence of, 6:34 compliance, 6:33 consents of government, 6:24 disclosures, 6:40 employees, 6:35 ERISA, 6:36 financial statements, 6:26 governmental consents, 6:24 insurance, 6:31 issuance of shares, 6:22 litigation, 6:18 patents, 6:30 property, 6:29 small business concern, 6:38 standing, 6:18 stockholder list and agreements, 6:21 subsidiaries, 6:20 taxes, 6:28 trademarks, 6:30 U.S. real property holding corporation, 6:39 representations of purchasers, generally, 6:41 to 6:45 required registrations, 6:78 reservation of common stock, 6:73 certificate of amendment of articles of incorporation of Megabucks, Inc. (annotated), above convertible stock. Series A convertible preferred stock purchase agreement (annotated), above Severability, series A convertible preferred stock purchase agreement (annotated), 6:101 Simple interest, debt with, 6:4 Small business concerns, 6:38, 6:54 Standing, representations of company, 6:18 "Status of converted or redeemed stock, 6:113 Status of corporation, generally, 6:116 to 6:119 Stockholder list and agreements, 6:21 Stock purchase agreement or rights annotated opinion of stock purchase agreement, 6:21 subsidiaries, 6:20 taxes, 6:28 trademarks, 6:30 U.S. real property holding corporation, 6:39 representations of purchasers, generally, 6:41 to 6:45 required registrations, 6:78 reservation of common stock, 6:73		
capitalization, 6:19 changes, absence of, 6:34 compliance, 6:33 consents of government, 6:24 disclosures, 6:40 employees, 6:35 ERISA, 6:36 financial statements, 6:26 governmental consents, 6:24 insurance, 6:31 issuance of shares, 6:22 litigation, 6:25 material contracts and obligations, 6:32 organization, 6:18 patents, 6:30 property, 6:29 small business concern, 6:38 standing, 6:18 stockholder list and agreements, 6:21 subsidiaries, 6:20 taxes, 6:28 trademarks, 6:30 U.S. real property holding corporation, 6:39 representations of purchasers, generally, 6:41 to 6:45 required registrations, 6:78 reservation of common stock, 6:73 incorporation of Megabucks, Inc. (annotated), above convertible stock. Series A convertible preferred stock purchase agreement (annotated), 6:101 Simple interest, debt with, 6:4 Small business concerns, 6:38, 6:54 Standing, representations of company, 6:18 Status of converted or redeemed stock, 6:113 Status of converted or redeemed stock, 6:113 Status of converted or redeemed stock, 6:119 Stockholder list and agreement or rights annotated), above Severability, series A convertible preferred stock purchase agreement (annotated), 6:101 Simple interest, debt with, 6:4 Small business concerns, 6:38, 6:54 Standing, representations of company, 6:18 Status of converted or redeemed stock, 6:113 Status of convertid or redeemed stock, 6:113 Stock purchase agreement or rights annotated opinion of stock purchase agreement, above certificate of amendment of articles of incorporation of Megabucks, Inc. (annotated), above Severability, series A convertible preferred stock purchase agreement (annotated), 6:101 Simple interest, debt with, 6:4 Small business concerns, 6:38, 6:54 Standing, representations of company, 6:18 Status of convertible preferred stock purchase agreement or rights annotated opinion of stock purchase agreement (annotated). Stock purchase agreement or rights annotated opinion of stock purchase agreement (annotated). Stock purchase agreement or rights annotated opinion of stock purchase		
changes, absence of, 6:34 compliance, 6:33 consents of government, 6:24 disclosures, 6:40 employees, 6:35 ERISA, 6:36 financial statements, 6:26 governmental consents, 6:24 insurance, 6:31 issuance of shares, 6:22 litigation, 6:25 material contracts and obligations, 6:32 organization, 6:18 patents, 6:30 property, 6:29 small business concern, 6:38 standing, 6:18 stockholder list and agreements, 6:21 subsidiaries, 6:20 taxes, 6:28 trademarks, 6:30 U.S. real property holding corporation, 6:39 representations of purchasers, generally, 6:41 to 6:45 required registrations, 6:78 reservation of common stock, 6:73 (annotated), above convertible stock. Series A convertible preferred stock purchase agreement (annotated), 6:101 Simple interest, delb with, 6:4 Small business concerns, 6:38, 6:54 Standing, representations of company, 6:18 "Stand-off" agreement, 6:85 Status of converted or redeemed stock, 6:113 Status of converted or redeemed stock, 6:119 Stockholder list and agreement or rights annotated), above Severability, series A convertible preferred stock purchase agreement (annotated), 6:101 Simple interest, delb with, 6:4 Small business concerns, 6:38, 6:54 Standing, representations of company, 6:18 "Stand-off" agreement, 6:85 Status of converted or redeemed stock, 6:119 Stockholder list and agreement or rights annotated), above Severability, series A convertible preferred stock purchase agreement (annotated), 6:101 Simple interest, delb with, 6:4 Small business concerns, 6:38, 6:54 Standing, representations of company, 6:18 "Stand-off" agreement, 6:85 Status of converted or redeemed stock, 6:119 Stock purchase agreement or rights annotated), above Severability, series A convertible preferred stock purchase agreement (annotated), 6:101 Simple interest, debt with, 6:4 Small business concerns, 6:38, 6:54 Standing, representations of company, 6:18 "Stand-off" agreement, 6:85 Status of convertion of company of convertions of company of convertions of company of convertions of convertions of convertions of convertions o		
compliance, 6:33 consents of government, 6:24 disclosures, 6:40 employees, 6:35 ERISA, 6:36 financial statements, 6:26 governmental consents, 6:24 insurance, 6:31 issuance of shares, 6:22 litigation, 6:25 material contracts and obligations, 6:32 organization, 6:18 patents, 6:30 property, 6:29 small business concern, 6:38 standing, 6:18 stockholder list and agreements, 6:21 subsidiaries, 6:20 taxes, 6:28 trademarks, 6:30 U.S. real property holding corporation, 6:39 representations of purchasers, generally, 6:41 to 6:45 required registrations, 6:78 reservation of common stock, 6:73 convertible stock. Series A convertible preferred stock purchase agreement (annotated), above Severability, series A convertible preferred stock purchase agreement (annotated), 6:101 Simple interest, debt with, 6:4 Small business concerns, 6:38, 6:54 Standing, representations of company, 6:18 Status of corporation, generally, 6:116 to 6:119 Stockholder list and agreements, 6:21 Stock purchase agreement or rights annotated opinion of stock purchase agreement (annotated), 6:111 series A convertible preferred stock purchase agreement (annotated), 6:101 Simple interest, debt with, 6:4 Small business concerns, 6:38, 6:54 Standing, representations of company, 6:18 Status of corporation, generally, 6:116 to 6:119 Stockholder list and agreements, 6:21 Stock purchase agreement or rights annotated opinion of stock purchase agreement or rights annotated opinion of stock purchase agreement (annotated), 6:111 Standing, representations of company, 6:18 Status of corporation, generally, 6:116 to 6:119 Stockholder list and agreements, 6:21 Stock purchase agreement or rights annotated opinion of stock purchase agreement or rights annotated opinion of stock purchase agreement (annotated), 6:101 Simple interest, debt with, 6:4 Small business concerns, 6:38 Status of corporations of company, 6:18		
consents of government, 6:24 disclosures, 6:40 employees, 6:35 ERISA, 6:36 financial statements, 6:26 governmental consents, 6:24 insurance, 6:31 issuance of shares, 6:22 litigation, 6:25 material contracts and obligations, 6:32 organization, 6:18 patents, 6:30 property, 6:29 small business concern, 6:38 standing, 6:18 stockholder list and agreements, 6:21 subsidiaries, 6:20 taxes, 6:28 trademarks, 6:30 U.S. real property holding corporation, 6:39 representations of purchasers, generally, 6:41 to 6:45 required registrations, 6:78 reservation of common stock, 6:73 preferred stock purchase agreement (annotated), above Severability, series A convertible preferred stock purchase agreement (annotated), 6:101 Simple interest, debt with, 6:4 Small business concerns, 6:38, 6:54 Standing, representations of company, 6:18 "Stand-off" agreement, 6:85 Status of corporation, generally, 6:116 to 6:119 Stockholder list and agreements, 6:21 Stock purchase agreement or rights annotated opinion of stock purchase agreement (annotated), 6:111 Simple interest, debt with, 6:4 Small business concerns, 6:38, 6:54 Stand-off" agreement, 6:85 Status of corporation, generally, 6:116 to 6:119 Stockholder list and agreements, 6:21 Stock purchase agreement or rights annotated opinion of stock purchase agreement (annotated), 6:111 Simple interest, debt with, 6:4 Small business concerns, 6:38, 6:54 Stand-off" agreement, 6:85 Status of corporation, generally, 6:116 to 6:119 Stockholder list and agreements, 6:21 Stock purchase agreement or rights annotated opinion of stock purchase agreement (annotated), 6:110 Stratus of corporation, generally, 6:18 Status of corporation, generally, 6:118 Status of corporation of Megabucks, Inc. (annotated), above Stock purchase agreement or rights annotated opinion of stock		
disclosures, 6:40 employees, 6:35 ERISA, 6:36 financial statements, 6:26 governmental consents, 6:24 insurance, 6:31 issuance of shares, 6:22 litigation, 6:25 material contracts and obligations, 6:32 organization, 6:18 patents, 6:30 property, 6:29 small business concern, 6:38 standing, 6:18 stockholder list and agreements, 6:21 subsidiaries, 6:20 taxes, 6:28 trademarks, 6:30 U.S. real property holding corporation, 6:39 representations of purchasers, generally, 6:41 to 6:45 required registrations, 6:78 reservation of common stock, 6:73 Severability, series A convertible preferred stock purchase agreement (annotated), 6:101 Simple interest, debt with, 6:4 Small business concerns, 6:38, 6:54 Stand-off" agreement, 6:85 Status of converted or redeemed stock, 6:113 Status of corporation, generally, 6:116 to 6:119 Stockholder list and agreements, 6:21 Stock purchase agreement or rights annotated opinion of stock purchase agreement, above certificate of amendment of articles of incorporation of Megabucks, Inc. (annotated), 6:101 Structuring investments to improve returns generally, 6:3 to 6:12 common stock, debt with, 6:7 convertible debt, 6:6 original issue discount (OID), 6:5 to 6:9		
employees, 6:35 ERISA, 6:36 financial statements, 6:26 governmental consents, 6:24 insurance, 6:31 issuance of shares, 6:22 litigation, 6:25 material contracts and obligations, 6:32 organization, 6:18 patents, 6:30 property, 6:29 small business concern, 6:38 stockholder list and agreements, 6:21 subsidiaries, 6:20 trademarks, 6:30 U.S. real property holding corporation, 6:39 representations of purchasers, generally, 6:41 to 6:45 required registrations, 6:78 reservation of common stock, 6:73 Severability, series A convertible preferred stock purchase agreement (annotated), 6:101 Simple interest, debt with, 6:4 Small business concerns, 6:38, 6:54 Standing, representations of company, 6:18 Status of converted or redeemed stock, 6:113 Status of converted or redeemed stock, 6:119 Stockholder list and agreement or rights annotated opinion of stock purchase agreement, above certificate of amendment of articles of incorporation of Megabucks, Inc. (annotated), 6:111 series A convertible preferred stock purchase agreement (annotated), 6:18 Stand-off' agreement, 6:85 Status of converted or redeemed stock, 6:119 Stockholder list and agreements or rights annotated opinion of stock purchase agreement, above certificate of amendment of articles of incorporation of Megabucks, Inc. (annotated), 6:111 series A convertible preferred stock standing, representations of company, 6:18 Status of converted or redeemed stock, 6:119 Stock purchase agreement or rights annotated opinion of stock purchase agreement, above certificate of amendment of articles of incorporation of Megabucks, Inc. (annotated), 6:111 Stock purchase agreement or rights annotated opinion of stock purchase agreement, 6:21 Stock purchase agreement or rights annotated opinion of stock purchase agreement, 6:21 Stock purchase agreement or rights annotated opinion of stock purchase agreement, 6:21 Stock purchase defended to redeemed stock, 6:119 Stock purchase agreement or rights annotated opinion of stock purchase agreement, 6:21 Stock purchase defended to redeemed st		(annotated), above
ERISA, 6:36 financial statements, 6:26 governmental consents, 6:24 insurance, 6:31 issuance of shares, 6:22 litigation, 6:25 material contracts and obligations, 6:32 organization, 6:18 patents, 6:30 property, 6:29 small business concern, 6:38 standing, 6:18 stockholder list and agreements, 6:21 subsidiaries, 6:20 taxes, 6:28 trademarks, 6:30 U.S. real property holding corporation, 6:39 representations of purchasers, generally, 6:41 to 6:45 required registrations, 6:78 reservation of common stock, 6:73 simple interest, debt with, 6:4 Small business concerns, 6:38, 6:54 Standing, representations of company, 6:18 Stand-off" agreement, 6:85 Status of converted or redeemed stock, 6:113 Status of corporation, generally, 6:116 to 6:119 Stockholder list and agreement or rights annotated opinion of stock purchase agreement, above certificate of amendment of articles of incorporation of Megabucks, Inc. (annotated), 6:111 series A convertible preferred stock purchase agreement (annotated), above Stockholder list and agreements, 6:22 Stock purchase agreement or rights annotated opinion of stock purchase agreement (annotated) of converted or redeemed stock, 6:119 Stockholder list and agreements or rights annotated opinion of stock purchase agreement (annotated), 6:111 series A convertible preferred stock purchase agreement (annotated), above Stock splits, 6:110 Structuring investments to improve returns generally, 6:3 to 6:12 common stock, debt with, 6:7 convertible debt, 6:6 original issue discount (OID), 6:5 to 6:9		
financial statements, 6:26 governmental consents, 6:24 insurance, 6:31 issuance of shares, 6:22 litigation, 6:25 material contracts and obligations, 6:32 organization, 6:18 patents, 6:30 property, 6:29 small business concern, 6:38 standing, 6:18 stockholder list and agreements, 6:21 subsidiaries, 6:20 trademarks, 6:30 U.S. real property holding corporation, 6:39 representations of purchasers, generally, 6:41 to 6:45 required registrations, 6:78 reservation of common stock, 6:73 simple interest, debt with, 6:4 Small business concerns, 6:38, 6:54 Standing, representations of company, 6:18 Stand-off" agreement, 6:85 Status of corporation, generally, 6:116 to 6:119 Stockholder list and agreements, 6:21 Stock purchase agreement or rights annotated opinion of stock purchase agreement, above certificate of amendment of articles of incorporation of Megabucks, Inc. (annotated), 6:111 series A convertible preferred stock purchase agreement (annotated), above Stock splits, 6:10 Structuring investments to improve returns generally, 6:3 to 6:12 common stock, debt with, 6:7 convertible debt, 6:6 original issue discount (OID), 6:5 to 6:9		
governmental consents, 6:24 insurance, 6:31 issuance of shares, 6:22 litigation, 6:25 material contracts and obligations, 6:32 organization, 6:18 patents, 6:30 property, 6:29 small business concern, 6:38 standing, 6:18 stockholder list and agreements, 6:21 subsidiaries, 6:20 trademarks, 6:30 U.S. real property holding corporation, 6:39 representations of purchasers, generally, 6:41 to 6:45 required registrations, 6:78 reservation of common stock, 6:73 Standing, representations of company, 6:18 Standing, egreement, 6:85 Status of converted or redeemed stock, 6:119 Stockholder list and agreements, 6:21 Stock purchase agreement or rights annotated opinion of stock purchase agreement, anotated opinion of Megabucks, Inc. (annotated), 6:111 Series A convertible preferred stock purchase agreement (annotated), above Stock splits, 6:110 Structuring investments to improve returns generally, 6:3 to 6:12 common stock, debt with, 6:7 convertible debt, 6:6 original issue discount (OID), 6:5 to 6:9		
insurance, 6:31 issuance of shares, 6:22 litigation, 6:25 material contracts and obligations, 6:32 organization, 6:18 patents, 6:30 property, 6:29 small business concern, 6:38 standing, ferpresentations of company, 6:18 Stand-off" agreement, 6:85 Status of converted or redeemed stock, 6:113 Status of corporation, generally, 6:116 to 6:119 Stockholder list and agreements, 6:21 Stock purchase agreement or rights annotated opinion of stock purchase agreement, above certificate of amendment of articles of incorporation of Megabucks, Inc. (annotated), 6:111 series A convertible preferred stock purchase agreement (annotated), above Stock splits, 6:110 Structuring investments to improve returns generally, 6:3 to 6:12 common stock, debt with, 6:7 convertible debt, 6:6 original issue discount (OID), 6:5 to 6:9		
issuance of shares, 6:22 litigation, 6:25 material contracts and obligations, 6:32 organization, 6:18 patents, 6:30 property, 6:29 small business concern, 6:38 standing, 6:18 stockholder list and agreements, 6:21 subsidiaries, 6:20 trademarks, 6:30 U.S. real property holding corporation, 6:39 representations of purchasers, generally, 6:41 to 6:45 required registrations, 6:78 reservation of common stock, 6:73 Status of converted or redeemed stock, 6:113 Status of corporation, generally, 6:116 to 6:119 Stockholder list and agreement or rights annotated opinion of stock purchase agreement, above certificate of amendment of articles of incorporation of Megabucks, Inc. (annotated), 6:111 series A convertible preferred stock purchase agreement (annotated), above Stock splits, 6:110 Structuring investments to improve returns generally, 6:3 to 6:12 common stock, debt with, 6:7 convertible debt, 6:6 original issue discount (OID), 6:5 to 6:9		
litigation, 6:25 material contracts and obligations, 6:32 organization, 6:18 patents, 6:30 property, 6:29 small business concern, 6:38 standing, 6:18 stockholder list and agreements, 6:21 subsidiaries, 6:20 trademarks, 6:30 U.S. real property holding corporation, 6:39 representations of purchasers, generally, 6:41 to 6:45 required registrations, 6:78 reservation of common stock, 6:73 Status of converted of redeemed stock, 6:113 Status of converted of redeemed stock, 6:113 Status of converted of redeemed stock, 6:113 Status of converted of redeemed stock, 6:119 Stockholder list and agreements, 6:21 Stock purchase agreement or rights annotated opinion of stock purchase agreement, above certificate of amendment of articles of incorporation of Megabucks, Inc. (annotated), 6:111 series A convertible preferred stock purchase agreement (annotated), above Stock splits, 6:110 Structuring investments to improve returns generally, 6:3 to 6:12 common stock, debt with, 6:7 convertible debt, 6:6 original issue discount (OID), 6:5 to 6:9		
material contracts and obligations, 6:32 organization, 6:18 patents, 6:30 property, 6:29 small business concern, 6:38 standing, 6:18 stockholder list and agreements, 6:21 subsidiaries, 6:20 trademarks, 6:30 U.S. real property holding corporation, 6:39 representations of purchasers, generally, 6:41 to 6:45 required registrations, 6:78 reservation of common stock, 6:73 Status of corporation, generally, 6:116 to 6:119 Stockholder list and agreements, 6:21 Stock purchase agreement or rights annotated opinion of stock purchase agreement, above certificate of amendment of articles of incorporation of Megabucks, Inc. (annotated), 6:111 series A convertible preferred stock purchase agreement (annotated), above Stock splits, 6:110 Structuring investments to improve returns generally, 6:3 to 6:12 common stock, debt with, 6:7 convertible debt, 6:6 original issue discount (OID), 6:5 to 6:9		
organization, 6:18 patents, 6:30 property, 6:29 small business concern, 6:38 stockholder list and agreements, 6:21 subsidiaries, 6:20 taxes, 6:28 trademarks, 6:30 U.S. real property holding corporation, 6:39 representations of purchasers, generally, 6:41 to 6:45 required registrations, 6:78 reservation of common stock, 6:73 Stock purchase agreement or rights annotated opinion of stock purchase agreement, above certificate of amendment of articles of incorporation of Megabucks, Inc. (annotated), 6:111 series A convertible preferred stock purchase agreement (annotated), above Stock splits, 6:110 Structuring investments to improve returns generally, 6:3 to 6:12 common stock, debt with, 6:7 convertible debt, 6:6 original issue discount (OID), 6:5 to 6:9	£ ,	
patents, 6:30 property, 6:29 small business concern, 6:38 standing, 6:18 subsidiaries, 6:20 trademarks, 6:30 U.S. real property holding corporation, 6:39 representations of purchasers, generally, 6:41 to 6:45 required registrations, 6:78 reservation of common stock, 6:73 small business concern, 6:38 annotated opinion of stock purchase agreement, above certificate of amendment of articles of incorporation of Megabucks, Inc. (annotated), 6:111 series A convertible preferred stock purchase agreement (annotated), above Stock splits, 6:110 Structuring investments to improve returns generally, 6:3 to 6:12 common stock, debt with, 6:7 convertible debt, 6:6 original issue discount (OID), 6:5 to 6:9		
property, 6:29 small business concern, 6:38 standing, 6:18 stockholder list and agreements, 6:21 subsidiaries, 6:20 trademarks, 6:30 U.S. real property holding corporation, 6:39 representations of purchasers, generally, 6:41 to 6:45 required registrations, 6:78 reservation of common stock, 6:73 annotated opinion of stock purchase agreement, above certificate of amendment of articles of incorporation of Megabucks, Inc. (annotated), 6:111 series A convertible preferred stock purchase agreement (annotated), above Stock splits, 6:110 Structuring investments to improve returns generally, 6:3 to 6:12 common stock, debt with, 6:7 convertible debt, 6:6 original issue discount (OID), 6:5 to 6:9		1 0
small business concern, 6:38 standing, 6:18 stockholder list and agreements, 6:21 subsidiaries, 6:20 taxes, 6:28 trademarks, 6:30 U.S. real property holding corporation, 6:39 representations of purchasers, generally, 6:41 to 6:45 required registrations, 6:78 reservation of common stock, 6:73 certificate of amendment of articles of incorporation of Megabucks, Inc. (annotated), 6:111 series A convertible preferred stock purchase agreement (annotated), above Stock splits, 6:110 Structuring investments to improve returns generally, 6:3 to 6:12 common stock, debt with, 6:7 convertible debt, 6:6 original issue discount (OID), 6:5 to 6:9	-	
standing, 6:18 stockholder list and agreements, 6:21 subsidiaries, 6:20 trademarks, 6:30 U.S. real property holding corporation, 6:39 representations of purchasers, generally, 6:41 to 6:45 required registrations, 6:78 reservation of common stock, 6:73 incorporation of Megabucks, Inc. (annotated), 6:111 series A convertible preferred stock purchase agreement (annotated), above Stock splits, 6:110 Structuring investments to improve returns generally, 6:3 to 6:12 common stock, debt with, 6:7 convertible debt, 6:6 original issue discount (OID), 6:5 to 6:9	·	,
stockholder list and agreements, 6:21 subsidiaries, 6:20 taxes, 6:28 trademarks, 6:30 U.S. real property holding corporation, 6:39 representations of purchasers, generally, 6:41 to 6:45 required registrations, 6:78 reservation of common stock, 6:73 (annotated), 6:111 series A convertible preferred stock purchase agreement (annotated), above Stock splits, 6:110 Structuring investments to improve returns generally, 6:3 to 6:12 common stock, debt with, 6:7 convertible debt, 6:6 original issue discount (OID), 6:5 to 6:9		
subsidiaries, 6:20 taxes, 6:28 trademarks, 6:30 U.S. real property holding corporation, 6:39 representations of purchasers, generally, 6:41 to 6:45 required registrations, 6:78 reservation of common stock, 6:73 series A convertible preferred stock purchase agreement (annotated), above Stock splits, 6:110 Structuring investments to improve returns generally, 6:3 to 6:12 common stock, debt with, 6:7 convertible debt, 6:6 original issue discount (OID), 6:5 to 6:9	•	
taxes, 6:28 trademarks, 6:30 U.S. real property holding corporation, 6:39 representations of purchasers, generally, 6:41 to 6:45 required registrations, 6:78 reservation of common stock, 6:73 agreement (annotated), above Stock splits, 6:110 Structuring investments to improve returns generally, 6:3 to 6:12 common stock, debt with, 6:7 convertible debt, 6:6 original issue discount (OID), 6:5 to 6:9	•	
trademarks, 6:30 U.S. real property holding corporation, 6:39 representations of purchasers, generally, 6:41 to 6:45 required registrations, 6:78 reservation of common stock, 6:73 Stock splits, 6:110 Structuring investments to improve returns generally, 6:3 to 6:12 common stock, debt with, 6:7 convertible debt, 6:6 original issue discount (OID), 6:5 to 6:9		
U.S. real property holding corporation, 6:39 representations of purchasers, generally, 6:41 to 6:45 required registrations, 6:78 reservation of common stock, 6:73 Structuring investments to improve returns generally, 6:3 to 6:12 common stock, debt with, 6:7 convertible debt, 6:6 original issue discount (OID), 6:5 to 6:9		
representations of purchasers, generally, 6:41 to 6:45 required registrations, 6:78 reservation of common stock, 6:73 generally, 6:3 to 6:12 common stock, debt with, 6:7 convertible debt, 6:6 original issue discount (OID), 6:5 to 6:9		•
to 6:45 required registrations, 6:78 reservation of common stock, 6:73 common stock, debt with, 6:7 convertible debt, 6:6 original issue discount (OID), 6:5 to 6:9		
required registrations, 6:78 convertible debt, 6:6 reservation of common stock, 6:73 original issue discount (OID), 6:5 to 6:9		
reservation of common stock, 6:73 original issue discount (OID), 6:5 to 6:9		

PREFERRED STOCK—Cont'd

Structuring investments to improve returns
—Cont'd

redemption premiums, preferred stock with, **6:9**

repayment premiums, debt with, **6:5** simple interest, debt with, **6:4** warrants, debt with, **6:8**

Subsidiaries, series A convertible preferred stock purchase agreement (annotated), **6:20**

Successor and assigns, 6:90

Survival of representations and warranties, **6:93** Taxes, representations of company, **6:28**

Termination of covenants, series A convertible preferred stock purchase agreement (annotated), 6:74

Trademarks, 6:30

Transaction documents, typical, 6:143

Typical venture capital transaction documents, 6:143

Underwriter or underwritten, 6:83, 6:88

U.S. real property holding corporation, **6:39**Use of proceeds series A convertible preferred

Use of proceeds, series A convertible preferred stock purchase agreement (annotated), **6:15**

Validity, matters of. Annotated opinion of stock purchase agreement, above

Venture capital investment, generally, **6:2 to 6:14** Voting, certificate of amendment of articles of incorporation of Megabucks, Inc. (annotated), **6:107**

Waivers, series A convertible preferred stock purchase agreement (annotated), **6:98**

Warranties. Series A convertible preferred stock purchase agreement (annotated), above

Warrants, 6:8, 6:144

PRELIMINARY OFFERING CIRCULAR

Federal securities laws, 11:67

PREPAYMENTS

Institutional private placements, 7:3

PRESENCE

Absence of Presence (this index)

PRICING THE DEAL

Small Business Administration, financing from, 4:13

"PRINCIPAL OFFICE REQUIREMENT" OF (c)(2)(iv)

Federal securities laws, 11:57

PRINCIPLE STOCKHOLDERS

Disclosure, principle and selling stockholders, 13:46, 13:47

PRIOR OR PREVIOUS MATTERS

S corporations, previously taxed income election, 2:38

PRIOR TO CHECK-THE-BOX REGULATIONS

Limited Liability Companies (this index), 3:1 to 3:67

PRIVATE FUNDS

SEC enforcement authority, Fifth Circuit ruling, 14:90.35

PRIVATE OFFERING EXEMPTION

C&DIs (this index)

Federal Securities Laws (this index)

PRIVATE PLACEMENTS

Due diligence and civil liability, FINRA guidance, 14:28.50

Institutional Private Placements (this index) Integration of "separate" offerings, **11:30**

PRIVATE RIGHT OF ACTION

Professional standards, Sarbanes-Oxley Act and SEC professional conduct rules, **14:64**

PRIVATE SECURITIES LITIGATION REFORM ACT

Due Diligence and Civil Liability (this index)

PRIVITY

Due diligence and civil liability, 14:138, 14:139

PROFESSIONAL CONDUCT RULES

Sarbanes Oxley Act. See Sarbanes Oxley Act (this index)

PROFESSIONAL STANDARDS

Due Diligence and Civil Liability (this index) Sarbanes-Oxley Act. See **Sarbanes-Oxley Act** (this index)

PROFITS AND LOSSES

Howey test for investment contract and security, 15:3.60

Investment contract and security, Howey test, **15:3.60**

Limited liability companies, allocation of, **3:50**, **3:56**

PROMOTERS

Disclosure, 13:5, 13:40, 13:41

Due Diligence and Civil Liability (this index)

PROPERTY

S corporations, distribution of appreciated property, **2:62 to 2:66**

PROPORTIONATE LIABILITY

Due Diligence and Civil Liability (this index)

PROPOSED AMENDMENTS

Limited Liability Companies (this index)

PROSPECT CAPITAL (PSEC)

Business development company (BDC), 5:3

PROSPECTUS

Disclosure (this index)

Federal Securities Laws (this index)

PROXIMATE CAUSE

Due Diligence and Civil Liability (this index)

PUBLIC COMPANY ACCOUNTING OVERSIGHT BOARD

Auditing Standards Release # 2012-001, **App**

Auditor communications with audit committees, PCAOB Auditing Standard No. 16, **12:8.50**

Internal control, PCAOB Guidance for Auditors of Smaller Public Companies (January 23, 2009), **App 11.3**

Professional standards, Sarbanes-Oxley Act, 14:70

Proposed Auditing Standard Related to Auditor's Assessment of and Response to Risk of Material Misstatement in Financial Statements (Dec. 17, 2009), **App 11.2**

PUBLIC OFFERINGS

Due diligence and civil liability, 14:37

Final prospectus, 19:1

Forms

final prospectus, 19:1

initial public offering forms, 19:1, 19:4

letter of intent, 19:5

responsibility schedule for initial public offering of common stock, **19:4**

S-1 offering, **19:1, 19:3**

timetable for initial public offering of common stock, **19:4**

underwriting agreements, 19:3

Initial public offering forms, 19:1, 19:4

Letter of intent, form of, 19:5

Responsibility schedule for initial public offering of common stock, form of, **19:4**

S-1 offering form, **19:1, 19:3**

SEC forms. Forms, above

Testing-the-waters, underwriting agreement for emerging growth company, 19:3.50

Timetable for initial public offering of common stock, form of, 19:4

Underwriting agreement

emerging growth company, 19:3.50

Form S-1 offering, 19:3

PUBLIC OWNERSHIP

Going Public (this index)

PUERTO RICO

Small business, assistance programs for, App 18.40

PUFFERY

Due diligence and civil liability, 14:15.50

PURCHASE AGREEMENT

Preferred stock, note and warrant purchase agreement, 6:144

PURCHASER REPRESENTATIVES

Federal securities laws, C&DIs, 11:10.90

QUALIFIED LEGAL COMPLIANCE COMMITTEE (OLCC)

Sarbanes-Oxley Act and SEC professional conduct rules, **14:56**

QUALIFIED OR QUALIFICATION

State blue sky regulation, registration by qualification, **15:17**

OUANTITY

Amount or Quantity (this index)

RACKETEER INFLUENCED AND CORRUPT PRACTICES ORGANIZATIONS (RICO)

Due Diligence and Civil Liability (this index)

RATE OR RATES

S corporations, adjusted highest section one rate and taxable year, 2:76

REAL ESTATE MORTGAGE INVESTMENT CONDUIT (REMIC)

Limited liability companies, 3:7

REASONABLE INVESTIGATION

FINRA Regulatory Notice 10-22, reasonable investigations by broker-dealers in Regulation D offerings, **App 1.2A**

REASONABLENESS STANDARD

Due diligence and civil liability, 14:4

"REASONABLE REDEMPTION PREMIUMS"

Preferred stock, 6:9

"REASONABLY FORESEEABLE" APPROACH

Due diligence and civil liability, **14:130 to 14:133**

RECAPITALIZATIONS

Federal Securities Laws (this index)

RECAPTURE

S corporations, inventory appreciation recaptured upon conversion from C corporation to S corporation, **2:68**

RECORDS AND RECORD-KEEPING

Due diligence and civil liability, 14:16

NVCA Model Venture Financings Documents (2007) (this index)

RECOVERY LOANS EXTENSION

Small Business Administration, financing from, 4:1.50

REDEMPTION

Choosing the Business Financing Format (this index)

Preferred stock. 6:9

Provisions for convertible debentures, forms of, **18:2**

S corporations, one class of stock requirement for eligibility, 2:22

"RED FLAGS"

Due diligence and civil liability, 14:51.50

REFORM AND REVISION

Federal Securities Laws (this index)

REFUNDS

S corporations, required payments, 2:79

REGIONS FINANCING TRUST LITIGATION

Due diligence and civil liability, 14:15

REGISTRATION

Choosing the business financing format, 1:22 Emerging Growth Companies (EGCs) (this index)

Federal Securities Laws (this index)

Form of registration rights agreement, 18:10

Going Public (this index)

Preferred Stock (this index)

REGULATION A

Federal Securities Laws (this index) Limited Offerings (this index)

REGULATION CROWDFUNDING

Crowdfunding (this index)

REGULATION D

Defenses, Rule 508, 11:4.70

Federal Securities Laws (this index)

FINRA Regulatory Notice 10-22, reasonable investigations by broker-dealers, **App 1.2A**

Form D, Notice of Sales under Regulation D or Section 4(6), App 2

Going Public (this index)

Limited offerings

generally, App 1

Preferred stock, 6:2

Proposed amendment, 11:4.60

State blue sky regulation, 15:11

REGULATION S

Generally, App 8

Federal Securities Laws (this index)

REGULATION S-B

Disclosure (this index)

SEC forms and related regulations, App 5

REGULATION S-K

Disclosure (this index)

REGULATION S-K—Cont'd

Item 402, Executive Compensation Staff Q&A (Feb 12, 2007), **App 5.8**

Proposed amendments to, 13:1.58

SEC forms and related regulations, **App 5.7**

SEC staff compliance and disclosure interpretations (C&DIs) (February 2019), **App 5.9**

REGULATION S-P

Internet offerings, 11:8

RE KAYE, SCHOLER

Due diligence and civil liability, 14:98

RELATED PARTY TRANSACTIONS

Due diligence standards proposed by PCAOB, 12:14.50

RELIANCE BY SELLER ON RULE 144A

Federal securities laws, 11:132

REMEDIES

S corporations, relief from inadvertent termination, 2:39

SEC disgorgement remedy, statute of limitations, 14:90.60

REMUNERATION OF MANAGEMENT

Disclosure, 13:6, 13:42, 13:43

REORGANIZATIONS

Certificate of amendment of articles of incorporation of Megabucks, Inc. (annotated), **6:111** Federal securities laws. **11:100**

REPAYMENT PENALTIES

Term loan agreements, 7:35

REPAYMENT PREMIUMS

Preferred stock, 6:5

REPEAL OR REPEALS

S corporations, repeal of "General Utilities" doctrine, 2:64

REPORTS AND REPORTING

Due diligence and civil liability, 14:90

Financial reporting

FAQs, Management's Report on Internal Control (Sept. 24, 2007), **App 11.1**

Interactive Data for Financial Reporting—A Small Entity Reporting Guide, App 5.4

PCAOB Auditing Standards Release # 2012-001, **App 11.4**

PCAOB Proposed Auditing Standard Related to Auditor's Assessment of and Response to Risk of Material Misstatement in Financial Statements (Dec. 17, 2009), App 11.2

Securities and Exchange Commission Guidance Regarding Management's Report on Internal Control (June 20, 2007), **App 11**

REPORTS AND REPORTING—Cont'd

Going Public (this index)

Institutional investment managers, Dodd-Frank Act (2010) corporate governance provisions, **12:34**

Regulation A, offering exemption reporting requirements, 11:71.10

Sarbanes-Oxley Act, 14:56, 14:62, 14:73

REPRESENTATIONS

Term Loan Agreements (this index)

RE-SALE OF RIGHTS

Choosing the business financing format, 1:22

RESALES OF SECURITIES

C&DIs (this index)

Federal Securities Laws (this index) Safe harbor, Regulation S, 11:81.09 State blue sky regulation, 15:27

RESEARCH AND DEVELOPMENT

Partnerships for, 1:23

RESEARCH AND DEVELOPMENT PARTNERSHIPS

Choosing the business financing format, 1:23

RESEARCH REPORTS

SEC's 2005 offering revisions, 11:143

RESERVATION OF COMMON STOCK

Preferred Stock (this index)

RESIDENCE REQUIREMENT

Intrastate offering exemption, 11:42

RESPONDEAT SUPERIOR

Due diligence and civil liability, 14:81

RESTRICTIONS

Limitations and Restrictions (this index)

RESULTS OF OPERATION

Disclosure, 13:4

RETIREMENT PLANS

Limited liability companies, 3:65

RETURNS

S corporations, taxable year, **2:74**

"REVENUE RECOGNITION

MANIPULATION" ACCOUNTING PRACTICES

Due diligence and civil liability, **14:96**

REVENUE RECOGNITION POLICY AND PRACTICES

Going public, 12:13

REVIEW BY SEC

"Accredited investor" definition, **11:4.30** Going public, **12:21**

REVOCATION

S corporations, termination of election, 2:30

REVOLVING CREDIT

Term loan agreements, 7:11, 7:21

RHODE ISLAND

Small business, assistance programs for, **App** 18.41

RICO CLAIMS

Due Diligence and Civil Liability (this index)

RIGHT OF FIRST REFUSAL

NVCA model venture financings documents (2007), **15A:7**

RISK FACTORS

Disclosure, 13:20, 13:21

RISKS

Term loan agreements, 7:28

ROSENBLOOM TEST IN NEW JERSEY

Due diligence and civil liability, 14:131

RULE 10b-5 (1934 ACT)

Due Diligence and Civil Liability (this index)

RULE 15c2-11

Federal securities laws, 11:75.40

RULE 24b-2

Confidential treatment applications, App 19

RULE 102(E) PROCEEDINGS

Due diligence and civil liability, 14:92

RULE 135c NOTICE

Internet offerings, 11:8

RULE 135C NOTICE

Internet offerings, 11:8

RULES 144 AND 144A

Federal Securities Laws (this index)

Institutional Private Placements (this index)

Offering exemption, Regulation A, 11:75.40

Preferred stock, 6:87

Questions and staff answers, App 4.1A

Release adopting Rule 144A, App 4.4

Revised Staff Legal Bulletin No. 3 (CF) (Oct. 20, 1999), App 4.2A

Rule 144A Private Resales of securities to institutions, **App 4.3**

Rule 144 under Securities Act of 1933, **11:75.40**, **App 4**

SEC Release No. 33-5306 (September 26, 1972), **App 4.1**

SEC Release No. 33-6099 (August 2, 1979), **App 4.2**

Staff Legal Bulletin No. 4 (CF) (Sept. 16, 1997), App 4.2B

RULE 147

Amendments, exemptions from registration requirements, **11:41.50**Integration problems under, **11:59**Selected C&DIs, **11:59.50**

RULE 147A

Intrastate offering exemption, 11:41.60 SEC guidance, 11:59.50 Selected C&DIs, 11:59.50

RULE 152

Federal securities laws, 11:20, 11:39, 11:40

RULE 155

Federal securities laws, 11:39, 11:40, 11:40.50

RULE 163B

Test-the-waters communication, 11:137.60

RULE 176

Due diligence and civil liability, 14:12

RULE 262

Federal securities laws, 11:74

RULE 406

Confidential treatment applications, App 19

RULE 415

Proposed amendments to, 11:149

RULE 504

Federal securities laws, 11:12.40

RULE 505

Federal securities laws, 11:12.40

RULE 506

Bad actor disqualification under Rule 506(d), C&DI (Dec 2013), 11:4. 52 C&DIs, integration of offerings, 11:4.53 Federal securities laws, 11:4.51, 11:4.52,

11:12.40

General solicitation under Rule 506(c), C&DI, 11:4.51

Internet offerings and blue sky laws, preemption of Rule 506 offerings, 11:8

RULE 508

Defense to SEC enforcement actions under Regulation D, 11:4.70

Exemptions form Securities Act (1933) registration, 11:4.70

SAFE HARBORS

Due Diligence and Civil Liability (this index) **Federal Securities Laws** (this index)

Going public, SEC audit committee disclosure rules, 12:29

S corporations, one class of stock requirement for eligibility, **2:24**, **2:26**

SALES OR TRANSFERS

Co-Sales (this index)

Disclosure, principle and selling stockholders, 13:46, 13:47

Going Public (this index)

S corporations, buy-sell agreements, 2:22

SAMPLE NOTE AGREEMENT

Institutional private placements, 7:10

SANCTIONS

Sarbanes-Oxley Act and SEC professional conduct rules, **14:61**

SANDERS, JAMES

Small Business Administration, financing from, 4:16

SANDERS LITIGATION

Due diligence and civil liability, 14:14

SARBANES-OXLEY ACT

Generally, 14:54 to 14:64, 14:69 et seq.

ABA and state ethical rules, **14:63**

Alternative reporting to QLCC, 14:56

"Appropriate response" by issuer, 14:57

Attorney rules, generally, 14:54 to 14:64

Auditor rules, generally, 14:69 et seq.

Confidential information, permissive disclosure of, **14:59**

Disclosures in accounting (required), 14:71

Due diligence and civil liability. See entries throughout this topic

Independence of auditors, strengthening, 14:72

Investigation, reporting attorney has no duty of,

"Noisy" withdrawal and disaffirmances proposal and alternative proposal, 14:58

Permissive disclosure of confidential information, 14:59

Private right of action, 14:64

Public Company Accounting Oversight Board, 14:70

Reports and reporting, generally, **14:56**, **14:62**, **14:73**

Sanctions and discipline for rule violations, 14:61

SEC auditor rules, generally, 14:69 to 14:73

SEC professional conduct rules, generally, **14:54** to **14:64**

Supervisory and subordinate attorneys, 14:60

Timely reporting by auditor to audit committee, audit committee's role, 14:73

"Up-the-ladder" reporting, 14:55, 14:58

Whistle-blower protection for employees in employment termination cases, **14:53.50**

SBIC

Small Business Investment Companies (SBIC) (this index)

SCALED DISCLOSURE

Smaller reporting companies. **Disclosure** (this index)

SCHEMES TO EVADE REGISTRATION

Federal securities laws, 11:92

SCIENTER

Corporate scienter. **Due Diligence and Civil Liability** (this index)

S CORPORATIONS

Generally, 2:1 to 2:85

Accumulated earnings tax, avoidance of, 2:10

Acquisition of interest in pass-through entity, investment interest limitation, **2:43**

Additional benefits of entity, **2:11**

Adjusted highest section one rate, taxable year, **2:76**

Affected taxpayers, limitation on passive losses under Tax Reform Act of 1986, 2:52

Allocation of tax items, comparison of taxation of partners and shareholders, 2:58

Allowances of losses and deductions, 2:59, 2:60

Alternative minimum tax, avoidance of corporate alternative minimum tax, **2:9**

Amendments, 2:65

Applicable payments, taxable year, 2:78

Applicable percentage or payments, taxable year, 2:75

Appreciation

distribution of appreciated property, comparison of taxation of partners and shareholders, 2:62 to 2:66

recapture of inventory appreciation upon conversion from C corporation to S corporation, comparison of taxation of partners and shareholders, **2:68**

Arrangements treated as equity, one class of stock requirement for eligibility, 2:23

Audits, comparison of taxation of partners and shareholders, **2:69, 2:70**

Avoidance

accumulated earnings tax, 2:10

corporate alternative minimum tax, 2:9

double taxation, 2:7

elections to avoid election, passive investment income, 2:32

personal holding company tax, 2:10

section 1375, passive investment income, 2:36

Basis, comparison of taxation of partners and shareholders, 2:55 to 2:57

Benefits of entity, 2:1 et seq.

Buy-sell agreements, one class of stock requirement for eligibility, 2:22

Case law governing basis, comparison of taxation of partners and shareholders, **2:57**

S CORPORATIONS—Cont'd

C corporations, comparison of taxation of partners and shareholders, **2:66**, **2:68**

Chart, comparison of partnership and S corporation provisions, 2:83

Choice of entity, factors in determining, 2:5, 2:6

Classification of entity, comparison of taxation of partners and shareholders, **2:82**

Comparisons

partnership and S corporation provisions, 2:83 taxation of partners and taxation of S corporation shareholders, 2:55 to 2:82

Consent of shareholders, elections, 2:29

Conversion from C corporation to S corporation, recapture of inventory appreciation, 2:68

Convertible debt, 2:27

Corporations eligible, 2:14

Debt

basis of indebtedness, final regulations on, **2:56**

convertible debt, 2:27

discharge of indebtedness income, tax treatment of certain items, 2:49

investment interest limitation, tax treatment of certain items, 2:43, 2:44

straight debt safe harbor, one class of stock requirement for eligibility, 2:24

worthless debt, tax treatment of certain items, 2:47, 2:48

Deductions

allowed, 2:59, 2:60

business interest, limitations on, 2:4

pass-through business income, Section 199A,

Deemed dividend election, passive investment income. 2:37

Definitions

passive activity, 2:51

passive investment income, 2:34

Determining basis, comparison of taxation of partners and shareholders, 2:55, 2:57

Direct loan to S corporation, self-charged interest, 2:46

Discharge of indebtedness income, tax treatment of certain items, 2:49

Distributions

appreciated property, comparison of taxation of partners and shareholders, **2:62 to 2:66**

debt financed distributions from pass-through entity to its owners, investment interest limitation, 2:44

Double taxation, avoidance of, 2:7

Elections

generally, 2:28 to 2:32

deemed dividend election, passive investment income, 2:37

S CORPORATIONS—Cont'd Elections—Cont'd IRS Form 2553, election by small business corporation, 2:84, 2:85 passive investment income, 2:33 to 2:38 permissible fiscal years without election, taxable year, 2:72 small business trusts, eligible shareholders, 2:19 termination, 2:30 to 2:32, 2:39 To avoid election, passive investment income, transition rules for C corporations electing S corporation status, distribution of appreciated property, **2:66** Eligibility generally, 2:13 to 2:27 small business administration, financing from, taxable year, comparison of taxation of partners and shareholders, 2:73 Equity, one class of stock requirement for eligibility, 2:23 Estates, eligible shareholders, 2:17 Estimated tax payments, comparison of taxation of partners and shareholders, 2:67 Excess passive investment income, 2:32, 2:35 Expense, investment interest limitation, 2:40 to Failure to qualify as small business corporation, termination of election, 2:31 Financed by debt distributions from pass-through entity to its owners, investment interest limitation, 2:44 Fiscal years permissible without election, taxable year, 2:72 Forms election by small business corporation (IRS Form 2553), 2:84, 2:85 "General Utilities" doctrine, distribution of appreciated property, 2:64 Highest section one rate, taxable year, 2:76 Impact on shareholders and limited partners, limitation on passive losses under Tax Reform Act of 1986, 2:54 Inadvertent termination, relief from, 2:39 Income discharge of indebtedness income, tax treatment of certain items, 2:49 net base year income, taxable year, 2:77 passive investment income, 2:33 to 2:38 pass-through business income, deduction for,

Section 199A, 2:3

Indebtedness. See Debt, above

2:81

state income tax considerations, comparison of taxation of partners and shareholders,

```
S CORPORATIONS—Cont'd
  Instruments, one class of stock requirement for
       eligibility, 2:23, 2:25
  Inventory appreciation, recapture upon conver-
       sion from C corporation to S corporation,
       2:68
  Investment
     interest limitation, tax treatment of certain
         items, 2:40 to 2:46
     passive investment income, 2:33 to 2:38
    potential as investment vehicle, 2:1 et seq.
  IRS Form 2553, election by small business
       corporation, 2:84, 2:85
  IRS Initiative on S Corporation Compliance, 2:12
  Limitations
     investment interest limitation, tax treatment of
         certain items, 2:40 to 2:46
     passive losses, Tax Reform Act of 1986, 2:50
         to 2:54
     statute of limitations, audits, 2:70
    transfers, one class of stock requirement for
         eligibility, 2:22
  Limited liability companies
     comparisons with, 3:33 to 3:37
     Texas S corporation LLC operating agreement
         (2011), 20:6
  Limited partners, limitation on passive losses
       under Tax Reform Act of 1986, 2:54
  Losses
     allowance of losses, 2:59, 2:60
     utilization of corporate losses, 2:8
  Material participation, limitation on passive
       losses under Tax Reform Act of 1986, 2:53
  Mechanics of election, 2:28
  Net base year income, taxable year, 2:77
  Obligations treated as equity, one class of stock
       requirement for eligibility, 2:23
  One class of stock requirement, eligibility, 2:21
  Options, one class of stock requirement for
       eligibility, 2:25, 2:26
  Other instruments, obligations or arrangements
       treated as equity, one class of stock require-
       ment for eligibility, 2:23
  Owners of pass-through entities, investment
       interest limitation, 2:42, 2:44
  Own stock or debt of S corporation as worthless,
       2:47
  Partners and partnerships
     chart, comparison of partnership and S
         corporation provisions, 2:83
     limited partners, limitation on passive losses
         under Tax Reform Act of 1986, 2:54
     taxation of partners compared with taxation of
         S corporation shareholders, 2:55 to 2:82
  Passive investment income, 2:33 to 2:38
```

S CORPORATIONS—Cont'd

Pass-through business income, deduction for, Section 199A, 2:3

Pass-through entities, investment interest limitation, 2:40 to 2:46

Payments

applicable payments, taxable year, 2:78 estimated tax payments, comparison of taxation of partners and shareholders, 2:67 refunds of required payments, taxable year, 2:79

Penalties, taxable year, 2:80

Permissible fiscal years without election, taxable year, 2:72

Personal holding company tax, avoidance of, 2:10

Potential as investment vehicle, **2:1 et seq.**

Previously taxed income election, passive investment income, 2:38

Qualified or qualifying

failure to qualify as small business corporation, termination of election, **2:31**

subsidiaries, eligible shareholders, **2:16** trusts, eligible shareholders, **2:18**, **2:20**

Recapture of inventory appreciation upon conversion from C corporation to S corporation, comparison of taxation of partners and shareholders, **2:68**

Recent tax legislation, 2:1

Redemptions, one class of stock requirement for eligibility, 2:22

Refunds of required payments, taxable year, 2:79 Relief from inadvertent termination. 2:39

Repeal of "General Utilities" doctrine, distribution of appreciated property, **2:64**

Return required, taxable year, 2:74

Revocation, termination of election, 2:30

At risk, comparison of taxation of partners and shareholders, **2:61**

Rules, distribution of appreciated property, comparison of taxation of partners and shareholders, 2:62 to 2:66

Safe harbors, one class of stock requirement for eligibility, 2:24, 2:26

Section 199A, deduction for pass-through business income, 2:3

Section 1368(e)(3) election to avoid Section 1375, passive investment income, **2:36**

Section 1375 avoidance, passive investment income, **2:36**

Self-charged interest, investment interest limitation, 2:45, 2:46

Shareholders

comparison of taxation of partners and taxation of S corporation shareholders, **2:55 to 2:82**

consents, elections, 2:29

S CORPORATIONS—Cont'd

Shareholders—Cont'd

eligibility, 2:15 to 2:19

impact on shareholders, limitation on passive losses under Tax Reform Act of 1986, 2:54

passive loss, 2:54

Small business

electing small business trusts, eligible shareholders, **2:19**

failure to qualify as small business corporation, termination of election, 2:31

IRS Form 2553, election by small business corporation, **2:84**, **2:85**

State income tax considerations, comparison of taxation of partners and shareholders, 2:81

Statute of limitations, audits, 2:70

Stock

disposition of, losses are suspended, **2:60** one class of stock requirement, eligibility, **2:21** to **2:27**

worthless stock, tax treatment of certain items, 2:47, 2:48

Straight debt safe harbor, one class of stock requirement for eligibility, **2:24**

Subsidiaries, qualified subchapter S subsidiaries, 2:16

Summary, comparison of partnership and S corporation provisions, **2:83**

Taxable year or years

comparison of taxation of partners and shareholders, 2:71 to 2:80

Taxation

statutes, see lines throughout this index topic

Tax Cuts and Jobs Act

allowances of losses and deductions, 2:59 choice of entity after, 2:6

Tax imposed on excess passive investment income, 2:35

Taxpayers affected, limitation on passive losses under Tax Reform Act of 1986, 2:52

Tax Reform Act of 1986

distribution of appreciated property, comparison of taxation of partners and shareholders, 2:62 to 2:66

limitation on passive losses under Tax Reform Act of 1986, 2:50 to 2:54

Tax Reform Act of 1996, audits, comparison of taxation of partners and shareholders, 2:69

Tax treatment of certain items, 2:40 to 2:49

Termination of election, 2:30 to 2:32, 2:39

Texas S corporation LLC operating agreement (2011), **20:6**

Third party debt, worthless debt, 2:48

Transfers, one class of stock requirement for eligibility, 2:22

S CORPORATIONS—Cont'd

Transition rules, distribution of appreciated property, **2:66**

Trusts, eligible shareholders, 2:17

2004 Act, 2:2

Utilization of corporate losses, 2:8

Warrants, one class of stock requirement for eligibility, 2:25

Worthless stock and debt, tax treatment of certain items, 2:47, 2:48

SEC

Cryptocurrency, SEC injunctive authority, 14:90.10

Disgorgement remedy, application of statute of limitations, 14:90.60

Due Diligence and Civil Liability (this index)

Enforcement authority, private funds and private fund advisers curtailed in Fifth Circuit ruling, 14:90.35

Federal Securities Laws (this index)

Forms. **SEC Forms and Related Regulations** (this index)

Going Public (this index)

Injunctive remedies, attempt to label as punitive, 14:90.70

Misrepresentations in connection with purchase or sale of a security, SEC enforcement, 14:90.30

Professional conduct rules. See Sarbanes Oxley
Act (this index)

SEC ENFORCEMENT ARSENAL

Due diligence and civil liability, against professionals and others, **14:90**

Sexual misconduct, 14:90.40

SEC FORMS AND RELATED REGULATIONS

2018 and 2008 amendments, summary, 11:152

Form 8-K, **App 5.5c**

Form 8-K, SEC staff interpretations, App 5.5d

Form 10-K, App 5.5b

Form 10-Q, **App 5.5**

Form D, proposed amendment, 11:4.60

Form S-1, 11:152, App 5.1

Form S-3, App 5.2

Form SB-2, App 5.4

Item 402 of Regulation S-K, Executive Compensation Staff Q&A (Feb 12, 2007), **App 5.8**

Management's Report on Internal Control, Commission Guidance Regarding (June 20, 2007), **App 11**

Regulation S-B, App 5

Regulation S-K, 11:152, App 5.7

Regulation S-K, SEC C&DIs (February 2019), App 5.9

SEC FORMS AND RELATED REGULATIONS —Cont'd

Sample letter regarding disclosures as to Russia's invasion of Ukraine and related supply chain issues, **App 5.30**

Staff C&DIs of Securities Act sections, **App 5.3** Staff Legal Bulletin No. 7 (Updated June 7, 1999), **App 5.6**

SEC NO-ACTION LETTERS

Federal Securities Laws (this index)

SECOND RESTATEMENT APPROACH

Due diligence and civil liability, 14:128

SECTION 10A OF EXCHANGE ACT OF 1934 Due Diligence and Civil Liability (this index)

SECTION 11 LIABILITY

Due Diligence and Civil Liability (this index)

SECTION 12(A)(2) OF 1933 ACT

Due diligence and liability. **Due Diligence and Civil Liability** (this index)

Regulation A offering exemption liability, 11:75.65

SECTION 17(A) OF 1933 ACT

Due diligence and civil liability, 14:39, 14:39.80

SECTION 199A

Pass-through business income, deduction for, 2:3

SECURITIES ACT OF 1933

Due Diligence and Civil Liability (this index)

Federal Securities Laws (this index)

Going public, generally, 12:1

Rules 144 and 144A (this index)

SECURITIES EXCHANGE ACT OF 1934

Exchange Act of 1934 (this index)

SECURITIES EXCHANGE COMMISSION

SEC (this index)

SECURITIES LAW COMPLIANCE

Preferred stock, 6:142

SECURITIES LAWS

For particular matters regarding securities laws and regulations, see more specific entries throughout this index

Generally, Federal Securities Laws (this index); State Securities Regulation (this index)

As to particular statutes or laws, see topics throughout this index

SECURITIES LITIGATION UNIFORM STANDARDS ACT (SLUSA)

Reach of, due diligence and civil liability, 14:123.50

SECURITIES OFFERING REVISION

Federal Securities Laws (this index)

SELECTING SECURITIES

Choosing the Business Financing Format (this index)

SELF CHARGED INTEREST

Generally, 2:45, 2:46

SELF-EMPLOYMENT TAX

Limited liability companies, 3:65

SELF-REGULATORY ORGANIZATIONS

Going Public (this index)

SENIOR SECURITIES

Choosing the Business Financing Format (this index)

SERIES A PREFERRED STOCK

Preferred Stock (this index)

SERVICES, CONTRIBUTIONS OF

Limited liability companies, 3:54

SEVERABILITY

Series A convertible preferred stock purchase agreement (annotated), **6:101**

SHAREHOLDERS

S Corporations (this index) **Stockholders** (this index)

SHELF OFFERINGS

SEC's 2005 securities offering revisions, 11:148

SHELF REGISTRATION

Automatic shelf registration for well-known seasoned issuers, 11:150

Process for registration under Securities Act of 1933, 11:147

SHELL COMPANY

Federal securities laws, 11:122

SHELTERS FROM TAXES

Limited liability companies, 3:61

SHORT SENTENCES, USE OF

Disclosure, 13:12

SIMPLE INTEREST, DEBT WITH

Preferred stock, 6:4

SIMULTANEOUS FUNDING

Term loan agreements, 7:24

SING, GEORGE

Small Business Administration, financing from, 4:6, 4:9, 4:15

SINGLE OWNER ENTITY

Limited liability companies, 3:11

SINGLE PLAN OF FINANCING

Federal securities laws, 11:17

SMALL BUSINESS

Administration. Small Business Administration, Financing From (this index)

Assistance programs to states

generally, 5:1, 5:2

summary of assistance programs for small business, state-by-state. **Small Business, State-by-State Summary of Assistance Programs for** (this index)

Business and Industrial Development Corporation (BIDCO), 5:1

Business development companies, introduction and listing, 5:3

Certified development companies, 5:1

Federal Securities Laws (this index)

Innovation Development Act, 5:1

Interactive Data for Financial Reporting—A Small Entity Reporting Guide, App 5.4

Investment companies. Small Business Investment Companies (this index)

Limited offerings

NASAA small company offering registration (SCOR) manual, App 1.5A

Regulation A, small issues exemption, App 1.6

Preferred stock, **6:38**, **6:54**

Profiles for state and territories, App 18.54

Registration form (Form U-7) for small corporate offerings, **App 1.5**

SBICs. Small Business Investment Companies (this index)

S Corporations (this index)

Small Business Innovation Development Act, 5:1

Small Entity Compliance Guide

Amendments to Regulation A, App 1.9

Disclosure and simplification, **App 1.11** Smaller reporting company, scaled disclosure.

Disclosure (this index)
Specialized small business investment companies

(SSBICs), **4:2**

State and territories, profiles for, App 18.54

State assistance to

generally, 5:1, 5:2

summary of assistance programs for small business, state-by-state. **Small Business, State-by-State Summary of Assistance Programs for** (this index)

State Blue Sky Regulation (this index)

State-by-state summary of assistance programs for small business. Small Business, Stateby-State Summary of Assistance Programs for (this index)

Summary of assistance programs for small business, state-by-state. Small Business, State-by-State Summary of Assistance

SMALL BUSINESS—Cont'd	SMALL BUSINESS, STATE-BY-STATE
Programs for (this index)	SUMMARY OF ASSISTANCE
CMAIL DICINECE CTATE DV CTATE	PROGRAMS FOR—Cont'd
SMALL BUSINESS, STATE-BY-STATE SUMMARY OF ASSISTANCE	Virginia, App 18.49
PROGRAMS FOR	Virgin Islands, App 18.48
Alabama, App 18.1	Washington, App 18.50
	West Virginia, App 18.51
Alaska, App 18.2	Wisconsin, App 18.52
Arizona, App 18.3	Wyoming, App 18.53
Arkansas, App 18.4	CMALL DICINECC ADMINISTRATION
California, App 18.5	SMALL BUSINESS ADMINISTRATION, FINANCING FROM
Colorado, App 18.6	
Connecticut, App 18.7	Generally, 4:1 to 4:20
Delaware, App 18.8	Ability to repay loan, showing of, 4:1
District of Columbia, App 18.9	Accessing the public markets, 4:16
Florida, App 18.10	Alternative size standards, 4:1.50
Georgia, App 18.11	Amendments to Early Stage SBIC Limited Partnership Agreement, 4:18
Guam, App 18.11A	Bold type provision in Model Early Stage SBIC
Hawaii, App 18.12	Limited Partnership Agreement, 4:18
Idaho, App 18.13	Brophy, David J., 4:8
Illinois, App 18.14	Burrill, G. Steven, 4:11
Indiana, App 18.15	Business plans, 4:11
Iowa, App 18.16	Call period, Early Stage licensing process, 4:17
Kansas, App 18.17	Capital information, sources of, 4:8
Kentucky, App 18.18	Capitalization, applicants for Early Stage SBIC
Louisiana, App 18.19	Limited Partnership Agreement, 4:18
Maine, App 18.20	Certified Lenders Program (CLP), 4:1
Maryland, App 18.21	Checklist, applicant for Early Stage licensing,
Massachusetts, App 18.22	4:17
Michigan, App 18.23	Comment letter from SBA to applicant for Early
Minnesota, App 18.24	Stage licensing, 4:17
Mississippi, App 18.25	Commercial real estate refinancing, 4:1.50
Missouri, App 18.26	Conflicts of interest, 4:4
Montana, App 18.27	Control prohibitions, 4:4
Nebraska, App 18.28	Deviation from Model Early Stage SBIC Limited
Nevada, App 18.29	Partnership Agreement, explanation, 4:18
New Hampshire, App 18.30	Directory of operating SBICs, 4:5
New Jersey, App 18.31	Due diligence, qualified applicants for Early
New Mexico, App 18.32	Stage licensing process, 4:17
New York, App 18.33	Early Stage SBIC Initiative (2012), 4:17
North Carolina, App 18.34	Eligibility for SBA loans, generally, 4:1
North Dakota, App 18.35	Enhanced loan extension, 4:1.50
Ohio, App 18.36	European sources of funds, 4:15
Oklahoma, App 18.37	Exceptions to eligibility for SBA loans, generally
Oregon, App 18.38	4:1
Pennsylvania, App 18.39	Extension of recovery loans, 4:1.50
Puerto Rico, App 18.40	Federal Register, notice of call periods for Early
Rhode Island, App 18.41	Stage licensing process, 4:17
Small Business Administration, financing from,	Financing growth-oriented ventures
4:5	
South Carolina, App 18.42	generally, 4:6 to 4:19
South Dakota, App 18.43	accessing the public markets, 4:16
Tennessee, App 18.44	business plans, 4:11
Texas, App 18.45	capital information, sources of, 4:8
Utah, App 18.46	Early Stage SBIC Initiative (2012), 4:17
Vermont, App 18.47	European sources, 4:15

SMALL BUSINESS ADMINISTRATION, SMALL BUSINESS ADMINISTRATION, FINANCING FROM—Cont'd FINANCING FROM—Cont'd Financing growth-oriented ventures—Cont'd Pricing the deal, **4:13** finders, 4:10 Recovery loans extension, **4:1.50** introduction, 4:7 Sanders, James, 4:6, 4:15 legal aspects in structuring the deal, 4:14 SBA financing sources, 4:16 Model Early Stage SBIC Limited Partnership Sing, George, 4:6, 4:9, 4:15 Agreement, 4:18, App 6 Small business investment companies (SBICs), offering circular, use of, 4:12 generally, 4:1 to 4:5 pricing the deal, 4:13 Small Business Jobs Act of 2010, **4:1.50** SBA financing sources, 4:16 Smerdon, Richard, 4:6 sources of capital information, 4:8 Sources of capital information, 4:8 specific sources of capital, generally, 4:15, Specialized small business investment companies 4:16 (SSBICs), generally, **4:2** structuring the deal, 4:13 Specific sources of capital, generally, 4:15, 4:16 United Kingdom sources, 4:6 Staebler, Michael, 4:10 valuing the deal, 4:13 State development company (SDC), 4:1 when to seek financing, generally, 4:9 to 4:13 Structuring the deal, 4:13 from whom to seek financing, generally, 4:9 to Surety bond program, 4:1 4:13 Taylor, William L., 4:7 Finders, **4:10** Temporary elimination of loan fees, Small Busi-Fundraising and document preparation, Early ness Jobs Act of 2010, **4:1.50** Stage licensing process, 4:17 Testa, Richard J., 4:6, 4:15 General partners, Early Stage SBIC Limited Tjaden, Joost, 4:6, 4:15 Partnership Agreement, 4:18 Track 1 and Track 2 applicants for Early Stage Green Light letters to qualified applicants for licensing process, 4:17 Early Stage licensing process, 4:17 United Kingdom sources of funds, 4:6 Hebb Jr., Donald B, 4:16 Valuing the deal, 4:13 Henning, Harry L., 4:6, 4:13, 4:15 Von Gehr, George, 4:10, 4:15 Initial review, Early Stage licensing process, 4:17 Withdrawal rights, Model Early Stage SBIC Interview of applicants for Early Stage licensing. Limited Partnership Agreement, 4:18 4:17 Working capital, temporary enhancements, **4:1.50** Introduction, 4:1

SMALL BUSINESS ASSISTANCE PROGRAMS, STATE-BY-STATE SUMMARY Generally, 5:2, App 18

SMALL BUSINESS DEVELOPMENT CENTERS AND SUBCENTERS

Small Business Administration, financing from, **4:5**

SMALL BUSINESS INNOVATION DEVELOPMENT ACT

Generally, 5:1

SMALL BUSINESS INVESTMENT COMPANIES (SBIC)

Directory, App 13

Financing form, Directory of Operating Small Business Investment Companies (SBIC), **4:5** Form of debenture purchase agreement with,

18:11

Small Business Administration (this index)

Specialized small business investment companies (SSBICs), **4:2**

Past earnings record, showing of, **4:1** Permitted loans by SBIC, **4:3**

Agreement, 4:18, App 6

Operating SBICs, directory of, 4:5

Offering circular, use of, 4:12

Investments by SBIC, 4:3

Loans by SBIC, 4:3

Kellman, Joel D., 4:6, 4:7, 4:15

Leverage of regulatory capital, 4:17

Licensed Early Stage SBICs, 4:17

Lorne, Simon, 4:6, 4:12, 4:15

Legal aspects in structuring the deal, 4:14

Limited partnerships, Model Early Stage SBIC

Limited Partnership Agreement, **4:18**

Management Assessment Questionnaire, submis-

Minority enterprise small business investment companies (MESBICs), generally, **4:2**

Model Early Stage SBIC Limited Partnership

Organizational structure of applicants for Early

Stage SBIC Limited Partnership Agreement,

Management fee policies of SBA, 4:18

sion in Early Stage licensing process, 4:17

4:18

SMALL BUSINESS JOBS ACT OF 2010

Small Business Administration, financing from, 4:1.50

SMALLER BUSINESS ISSUER

Federal Securities Laws (this index)

SMALLER REPORTING COMPANY

Amendments to definition of, **App 1.10**

Eligibility, 11:75.35, 13:1.60

Interactive Data for Financial Reporting—A Small Entity Reporting Guide, App 5.4

Internal control, PCAOB Guidance for Auditors of Smaller Public Companies (January 23, 2009), **App 11.3**

Scaled disclosure. **Disclosure** (this index)

SMERDON, RICHARD

Small Business Administration, financing from, 4:6, 4:15

SOFTWARE TOOLWORKS CASE

Due diligence and civil liability, 14:6, 14:11

SOLAR CAPITAL (SLRC)

Business development company (BDC), 5:3

SOLAR SENIOR CAPITAL (SUNS)

Business development company (BDC), 5:3

SOLICITATION, PROHIBITION OF

C&DI, permitted general solicitation under Rule 506(c), 11:4.51

Federal securities laws, 11:7, 11:8

Proposed rule eliminating prohibition, 11:4.50

SOPHISTICATION UNDER RULE 506

Federal securities laws, C&DIs, 11:10.90

SOUTH CAROLINA

Small business, assistance programs for, **App** 18.42

SOUTH DAKOTA

Small business, assistance programs for, **App**

SPECIAL BASIS ADJUSTMENTS UNDER SECTION 743

Limited liability companies, 3:25

SPECIALIZED SMALL BUSINESS INVESTMENT COMPANIES (SSBICS)

Generally, 4:2

SPECIAL PURPOSE ACQUISITION COMPANIES (SPACS)

Generally, 11:146.60

CF Disclosure Guidance Topic No. 11, **11:146.70** Final disclosure rules, SEC adopts, **11:146.95**

New regulatory regime and disclosure rule, SEC, 11:146.90

SPECIAL PURPOSE ACQUISITION COMPANIES (SPACS)—Cont'd

SEC

final disclosure rules, 11:146.95

proposed new regulatory regime and disclosure rules, 11:146.90

Selected C&DIs, 11:146.80

SPECIAL TACKING RULES

Federal Securities Laws (this index)

SPIN-OFFS

Federal securities laws, 11:100

SRO POLICIES

Going Public (this index)

STAEBLER, MICHAEL

Small Business Administration, financing from, **4:10**

STANDING

Preferred stock, 6:18

"STAND-OFF" AGREEMENT

Preferred stock, 6:85

STATE ASSISTANCE TO SMALL BUSINESS

Generally, 5:1, 5:2

Summary of assistance programs for small business, state-by-state. Small Business, State-by-State Summary of Assistance
Programs for (this index)

STATE BLUE SKY REGULATION

Generally, 15:1 to 15:27

Agent registration, **15:5**

Announcement, registration by, 15:27

Antifraud provisions, 15:6

Broker-dealer registration, 15:5

Capitalization, 15:25

Cheap stock, 15:20

Common enterprise, 15:3.50

Coordination, registration by, 15:15

"Covered" securities, federal law exclusive for, 15:1

Definitions. 15:3.50

Digital assets, 15:3.70

Dividend coverage, 15:24

Exemptions from registration requirements

generally, 15:7 to 15:13

Form U-7, 15:12

institutional buyer's exemption, 15:9

limited offering exemption (LOE), 15:10

Regulation D, 15:11

resales of securities, 15:27

securities based exemptions, 15:13

small offerings registration form, 15:12

transaction exemptions, 15:8 to 15:12

STATE BLUE SKY REGULATION—Cont'd	STATE BLUE SKY REGULATION—Cont'd
Exemptions from registration requirements	Security, 15:3
—Cont'd	Small company registrations
Uniform Limited Offering Exemption	Form U-7, 15:12
(ULOE), 15:11 Existing capitalization, 15:25	statement of policy regarding, App 7.4
Federal law exclusive for "covered" securities,	Transaction exemptions, 15:8 to 15:12
15:1	Underwriters' commissions, 15:19
Form U-7, 15:12	Uniform Limited Offering Exemption (ULOE), 15:11
Fraud provisions, 15:6	Uniform securities acts
Howey test, 15:3.40 , 15:3.50 , 15:3.60	generally, 15:1, App 6
Institutional buyer's exemption, 15:9	Uniform Securities Act (1985), App 6.1
Interest, 15:24	Voting rights, 15:23
Introduction, 15:1 to 15:6	Warrants, 15:21
Investment contract, domestic security warrant-	,
ing protection under federal securities laws	STATE DEVELOPMENT COMPANY (SDC)
15:3.90	Small Business Administration, financing from,
Jurisdiction of state, 15:4	4:1
Limited offering exemption (LOE), 15:10, App	STATE ETHICAL RULES
7.1	Professional standards, Sarbanes-Oxley Act and
Loans, 15:26	SEC professional conduct rules, 14:63
Merit regulation of securities	STATE LAW CLAIMS
generally, 15:18 to 15:26	Due Diligence and Civil Liability (this index)
capitalization, 15:25 cheap stock, 15:20	
dividend coverage, 15:24	STATE OF MIND SAFE HARBOR
existing capitalization, 15:25	Due diligence and civil liability, 14:104
interest, 15:24	STATE SECURITIES REGULATION
loans, 15:26	Limited Liability Companies (this index)
offering expenses, 15:19	State Blue Sky Regulation (this index)
offering price, 15:22	STATE SMALL BUSINESS DEVELOPMENT
options, 15:21	CENTERS AND SUBCENTERS
underwriters' commissions, 15:19	Small Business Development Centers and
voting rights, 15:23	Subcenters (this index)
warrants, 15:21	
Methods of state securities registration, 15:14 to	STATE SMALL BUSINESS INVESTMENT
15:17	COMPANIES, DIRECTORY OF OPERATING
NASAA disclosure guidelines for cover legends.	Directory of Operating Small Business Invest-
App 7.2	ment Companies (this index)
National Securities Markets Improvement Act of	_
1996, generally, 15:1	STATE TAX
North American Securities Administrators Association (NASAA)	S corporations, state income tax considerations,
generally, 15:1	2:81
Uniform Limited Offering Exemption, App 7	STATUS
Notification, registration by, 15:16	S corporations, transition rules for C corporation
Offering expenses, 15:19	electing S corporation status, 2:66
Offering price, 15:22	STATUTE OF LIMITATIONS
Offer or sale, 15:2	S corporations, audits, 2:70
Options, 15:21	SEC disgorgement remedy, 14:90.60
Profits derived solely from the efforts of others,	
15:3.60	STATUTORY PROVISIONS
Qualification, registration by, 15:17	Due Diligence and Civil Liability (this index)
Regulation D, 15:11	STELLUS CAPITAL INVESTMENT SENIOR
Resales of securities, 15:27	(SCM)
Securities based exemptions, 15:13	Business development company (BDC), 5:3
, to the case of the country to the country t	= somes at tropment company (BBC), c.b

STOCK DIVIDENDS

Federal securities laws, 11:100

STOCKHOLDER LIST AND AGREEMENTS

Preferred stock, 6:21

STOCKHOLDERS

Going Public (this index)

STOCK PURCHASE AGREEMENT

Form of stock purchase agreement (common stock), 18:7

NVCA model venture financings documents (2007), stock purchase agreement, **15A:3**

Preferred Stock (this index)

STOCK PURCHASE WARRANT-LONG FORM

Generally, 17:4

STOCK REPURCHASE AGREEMENT

Form of. 18:13

STOCK SPLITS

Preferred stock, 6:110

STOCK TRADING

Going Public (this index)

STRAIGHT DEBT SAFE HARBOR

S corporations, one class of stock requirement for eligibility, 2:24

STRUCTURING

Preferred Stock (this index)

Small Business Administration, financing from, 4:13

Term loan agreements, 7:18 to 7:22

SUBSIDIARIES

S corporations, qualified subsidiaries, **2:16**Series A convertible preferred stock purchase agreement (annotated), **6:20**

"SUBSTANTIAL PARTICIPATION"

Due diligence and civil liability, 14:48

SUCCESSOR AND ASSIGNS

Preferred stock, 6:90

SUMMARY

Disclosure, 13:14, 13:18

S corporations, comparison of partnership and S corporation provisions, 2:83

SUPERVISORS

Professional standards, Sarbanes-Oxley Act and SEC professional conduct rules—supervisory attorneys, **14:60**

SURETY BOND PROGRAM

Small Business Administration, financing from, 4:1

SURVIVAL OF REPRESENTATIONS AND WARRANTIES

Preferred stock, 6:93

SUSPENSION OF EXEMPTION

Regulation A exemption for offering of 75 million dollars or less, 11:73

TABLES, USE OF

Disclosure, 13:13, 13:30, 13:31

TASK FORCE ON INTEGRATION

Federal Securities Laws (this index)

TAX CUTS AND JOBS ACT

Allowance of losses and deductions, **2:59** S corporations, choice of entity after, **2:6**

TAXES AND TAXATION

Business development companies (BDCs), 5:3

Choosing the Business Financing Format (this index)

Limited Liability Companies (this index)

Overview of Federal Tax System, 2024, **App 20** Preferred stock, **6:28**

Term loan agreements, 7:40

TAX OPINIONS, REGISTERED OFFERINGS

SEC's 2005 securities offering revisions, 11:151.50

SEC Staff Legal Bulletin No. 19 (CF) (Oct. 14, 2011), **App 5.10**

TAXPAYERS

S corporations, limitation on passive losses under Tax Reform Act of 1986, 2:47

TAYLOR, WILLIAM L.

Small Business Administration, financing from, **4:7**

TCP CAPITAL (TCPC)

Business development company (BDC), 5:3

TECHNOLOGY

Due diligence and civil liability, 14:21

TECHNOLOGY CAPITAL NETWORK (TCN)

Federal securities laws, 11:8

TENNESSEE

Small business, assistance programs for, **App**18.44

TERMINATION

Limited liability companies, 3:59

Sarbanes-Oxley, whistle-blower protection for employees, **14:53.50**

S corporations, election, 2:30 to 2:32, 2:39

Series A convertible preferred stock purchase agreement (annotated), **6:74**

Generally, 7:11 to 7:55 Absence of default, 7:42, 7:47 Accuracy of information, representations and warranties, 7:43 Additional debt, creation of, 7:50 Affiliates, transactions with, 7:54 Affirmative covenants generally, 7:44 to 7:55 affiliates, transactions with, 7:54 Affiliates, transactions with, 7:54 Affilimative covenants generally, 7:44 to 7:55 affiliates, transactions with, 7:54 Affilimative covenants generally, 7:45 to 7:49 absence of default, 7:47 disclosure, 7:45 to 7:49 financial disclosure, 7:45 to 7:49 financial disclosure, 7:45 to 7:49 financial disclosure, 7:46 future operations, 7:48 maintenance of assets, 7:48 Choice of note, 7:20 Collateral, 7:17 Collateral advantages, 7:34 Compliance with state and federal laws, 7:40 Computation of interest assessment, 7:32 Consent of government, compliance with, 7:40 Control of licenses, 7:41 Corporate organization, representations and warranties, 7:38 Costs and expenses commitment fees, 7:35 evaluating cost of term loan financing, 7:12 to 7:15 incidental costs, 7:15, 7:27 Covenants generally, 7:44 to 7:55 affirmative covenants, above default provisions, 7:55 negative covenants, below restrictions, generally, 7:14 Current market conditions, evaluating cost of term loan financing, 7:13 Default absence of, 7:42, 7:47 covenants, provisions of, 7:55 Definitions, 7:22 Delayed funding, 7:25 Disclosure, Financial disclosure, below Documentation of loan, 7:16 Evaluating cost of term loan financing, 7:12 to 7:15 Expenses, Costs and expenses, above	TERM LOAN AGREEMENTS	TERM LOAN AGREEMENTS—Cont'd
Absence of default, 7:42, 7:47 Accuracy of information, representations and warranties, 7:39 Additional debt, creation of, 7:50 Affiliates, transactions with, 7:54 Affiliates, transactions with, 7:55 Affiliates, transactions with, 7:54 Affiliates, transactions with, 7:54 Affiliates, transactions with, 7:54 Affiliates, transactions with, 7:40 Guarantees, 7:17 Incidental costs, 7:15, 7:27 Index, choice of, 7:31 Inspection, 7:49 Insurance, 7:48 Interest rate, 7:31 Inspection, 7:49 Insurance, 7:48 Interest rate, 7:31 Inspection, 7:49 Insurance, 7:17 Incidental costs, 7:15, 7:27 Index, choice of, 7:31 Inspection, 7:49 Insurance, 7:48 Interest rate, 7:31 Inspection, 7:49 Insurance, 7:17 Incidental costs, 7:15, 7:27 Index, choice of, 7:31 Inspection, 7:49 Insurance, 7:48 Interest rate, 7:31 Inspection, 7:49 Insurance, 7:48 Interest rate, 7:31 Inspection, 7:49 Insurance, 7:48 Interest rates Guarantees, 7:17 Incidental costs, 7:15, 7:27 Index, choice of, 7:31 Inspection, 7:49 Insurance, 7:48 Interest rates Guarantees, 7:17 Incidental costs, 7:15, 7:27 Index, choice of, 7:31 Inspection, 7:49 Insurance, 7:48 Interest rates Guarantees, 7:17 Incidental costs, 7:15, 7:27 Index, choice of, 7:31 Inspection, 7:49 Insurance, 7:48 Interest rates Guarantees, 7:35 collateral dovantages, 7:34 computation of interest assessment, 7:32 consent of government, compliance with, 7:40 Control of licenses, 7:48 Inspection, 7:19 Insurance, 7:48 Interest rate, 7:30 Insurance, 7:48 Interest rates Guarantees, 7:35 collateral dovantages, 7:34 computati		
Accuracy of information, representations and warranties, 7:43 Additional debt, creation of, 7:50 Affiliates, transactions with, 7:54 Affiliates, transactions with, 7:55 Affiliates, transactions with, 7:54 Affiliates, transactions with, 7:40 Condition of interest assessment, 7:32 Consent of government, compliance with, 7:40 Control of licenses, 7:34 Computation of interest assessment, 7:32 Consent of government, compliance with, 7:40 Control of licenses, 7:35 Consents of government, compliance with, 7:40 Control of licenses, 7:35 Consent of government, compliance with, 7:40 Control of licenses, 7:35 evaluating cost of term loan financing, 7:12 to 7:15 incidental costs, 7:15, 7:27 Covenants generally, 7:44 to 7:55 affirmative covenants, above default provisions, 7:55 negative covenants, below restrictions, generally, 7:14 absence of, 7:42, 7:47 covenants provisions of, 7:55 Definitions, 7:22 Delayed funding, 7:25 Disclosure. Financial disclosure, below Documentation of loan, 7:16 Evaluating cost of term loan financing, 7:12 to 7:15 Expenses. Costs and expenses, above	· ·	representations and warranties, 7:39
warranties, 7:43 Additional debt, creation of, 7:50 Affiliates, transactions with, 7:54 Affiliates, transactions with, 7:55 Affiliates, transactions with, 7:54 Affiliates, transactions with, 7:49 Absence of default, 7:47 Affiliates, transactions with, 7:49 Affiliates, transactions with, 7:40 Collateral disclosure, 7:45 to 7:49 Insurance, 7:48 Insurance, 7:48 Interest rate, 7:31 Inspection, 7:49 Insurance, 7:48 Interest rates generally, 7:26 to 7:35 collateral advantages, 7:34 computation of interest assessment, 7:32 consent of government, compliance with, 7:40 Computation of interest assessment, 7:32 Consent of government, compliance with, 7:40 Control of Bicenses, 7:41 Corporate organization, representations and warranties, 7:38 Costs and expenses commitment fees, 7:35 evaluating cost of term loan financing, 7:12 to 7:15 incidental costs, 7:15, 7:27 Index, choice of, 7:31 Inspection, 7:49 Insurance, 7:48 Interest rate, 7:31 Incidental costs, 7:15, 7:27 Index, choice of, 7:31 Inspection, 7:49 Insurance, 7:48 Interest rates, 7:30 incidental costs, 7:34 commitment fees, 7:35 fixed interest rates, 7:30 incidental costs, 7:34 comm		Fixed interest rates, 7:30
Affiliates, transactions with, 7:54 Affirmative covenants generally, 7:44 to 7:49 absence of default, 7:47 default, absence, 7:47 disclosure, 7:45 to 7:49 financial disclosure, 7:45 to 7:49 financial disclosure, 7:46 future operations, 7:46 inspection, 7:49 insurance, 7:48 maintenance of assets, 7:48 Choice of note, 7:20 Collateral, 7:17 Collateral advantages, 7:34 Compiliance with state and federal laws, 7:40 Computation of interest assessment, 7:32 Consent of government, compliance with, 7:40 Control of licenses, 7:41 Corporate organization, representations and warrancies, 7:38 Costs and expenses commitment fees, 7:35 evaluating cost of term loan financing, 7:12 to 7:15 Covenants generally, 7:44 to 7:55 affirmative covenants, above default provisions, 7:25 Default absence of, 7:42, 7:47 covenants, perovisions of, 7:55 Definitions, 7:22 Delayed funding, 7:25 Disclosure, Financial disclosure, below Documentation of loan, 7:16 Evaluating cost of term loan financing, 7:12 to 7:15 Expenses, Costs and expenses, above		"Floating" interest rate, 7:31
Affirmative covenants generally, 7:44 to 7:49 absence of default, 7:47 default, absence, 7:47 disclosure, 7:45 to 7:49 financial disclosure, 7:45 to 7:49 finuding, use of, 7:46 inspection, 7:49 insurance, 7:48 Choice of note, 7:20 Collateral, 7:17 Collateral advantages, 7:34 Compinance with state and federal laws, 7:40 Computation of interest assessment, 7:32 Consent of government, compliance with, 7:40 Control of licenses, 7:41 Corporate organization, representations and warranties, 7:38 Costs and expenses commitment fees, 7:35 conjunction of interest assessment, 7:32 consent of government, compliance with, 7:40 Control of licenses, 7:41 Corporate organization, representations and warranties, 7:38 Costs and expenses commitment fees, 7:35 evaluating cost of term loan financing, 7:12 to 7:15 incidental costs, 7:15, 7:27 Covenants generally, 7:26 to 7:35 collateral advantages, 7:34 commitment fees, 7:35 fixed interest rates, 7:30 "floating" interest rates, 7:30 "floating" interest rates, 7:30 incidental costs, 7:27 findex, choice of, 7:31 Inspection, 7:49 Index, choice of, 7:31 Inspection, 7:49 Insurance, 7:48 Interest rates generally, 7:26 to 7:35 collateral advantages, 7:34 commitment fees, 7:35 collateral advantages, 7:34 commitment fees, 7:35 fixed interest rates, 7:30 "floating" interest rate, 7:31 incidental costs, 7:27 fees, 7:35 fixed interest rates, 7:30 incidental costs, 7:27 fees, 7:35 fixed interest rates, 7:30 incidental costs, 7:27 fees, 7:35 incidental costs, 7:32 costs, 7:27 fees, 7:35 incidental costs, 7:30 incidental costs, 7:32 costs, 7:27 fees, 7:35 incidental costs, 7:30 incidental costs, 7:32 costs, 7:27 fees, 7:35 incidental costs, 7:32 costs, 7:27 fees, 7:35 incidental costs, 7:32 costs, 7:27 index, choice of, 7:31 incidental costs, 7:36 incidental co	Additional debt, creation of, 7:50	Form of, 18:12
Affirmative covenants generally, 7:44 to 7:49 absence of default, 7:47 default, absence, 7:47 disclosure, 7:45 to 7:49 financial disclosure, 7:45 to 7:49 finuding, use of, 7:46 inspection, 7:49 insurance, 7:48 Choice of note, 7:20 Collateral, 7:17 Collateral advantages, 7:34 Compinance with state and federal laws, 7:40 Computation of interest assessment, 7:32 Consent of government, compliance with, 7:40 Control of licenses, 7:41 Corporate organization, representations and warranties, 7:38 Costs and expenses commitment fees, 7:35 conjunction of interest assessment, 7:32 consent of government, compliance with, 7:40 Control of licenses, 7:41 Corporate organization, representations and warranties, 7:38 Costs and expenses commitment fees, 7:35 evaluating cost of term loan financing, 7:12 to 7:15 incidental costs, 7:15, 7:27 Covenants generally, 7:26 to 7:35 collateral advantages, 7:34 commitment fees, 7:35 fixed interest rates, 7:30 "floating" interest rates, 7:30 "floating" interest rates, 7:30 incidental costs, 7:27 findex, choice of, 7:31 Inspection, 7:49 Index, choice of, 7:31 Inspection, 7:49 Insurance, 7:48 Interest rates generally, 7:26 to 7:35 collateral advantages, 7:34 commitment fees, 7:35 collateral advantages, 7:34 commitment fees, 7:35 fixed interest rates, 7:30 "floating" interest rate, 7:31 incidental costs, 7:27 fees, 7:35 fixed interest rates, 7:30 incidental costs, 7:27 fees, 7:35 fixed interest rates, 7:30 incidental costs, 7:27 fees, 7:35 incidental costs, 7:32 costs, 7:27 fees, 7:35 incidental costs, 7:30 incidental costs, 7:32 costs, 7:27 fees, 7:35 incidental costs, 7:30 incidental costs, 7:32 costs, 7:27 fees, 7:35 incidental costs, 7:32 costs, 7:27 fees, 7:35 incidental costs, 7:32 costs, 7:27 index, choice of, 7:31 incidental costs, 7:36 incidental co	Affiliates, transactions with, 7:54	Funding, use of, 7:46
absence of default, 7:47 default, absence, 7:47 default, absence, 7:48 disclosure, 7:45 to 7:49 financial disclosure, 7:45 to 7:49 financial disclosure, 7:45 to 7:49 financial disclosure, 7:46 future operations, 7:46 inspection, 7:49 insurance, 7:48 maintenance of assets, 7:48 Choice of note, 7:20 Collateral, 7:17 Collateral advantages, 7:34 Compitance with state and federal laws, 7:40 Computation of interest assessment, 7:32 Consent of government, compliance with, 7:40 Computation of interest assessment, 7:32 Consent of government, compliance with, 7:40 Corporate organization, representations and warranties, 7:38 Costs and expenses commitment fees, 7:35 evaluating cost of term loan financing, 7:12 to 7:15 incidental costs, 7:15, 7:27 Covenants generally, 7:44 to 7:55 affirmative covenants, above default provisions, 7:55 negative covenants, below restrictions, generally, 7:14 Current market conditions, evaluating cost of term loan financing, 7:13 Default absence of, 7:42, 7:47 covenants, provisions of, 7:55 Definitions, 7:22 Delayed funding, 7:25 Disclosure, Financial disclosure, below Documentation of loan, 7:16 Evaluating cost of term loan financing, 7:12 to 7:15 Expenses, Costs and expenses, above		Future operations, 7:46
default, absence, 7:47 disclosure, 7:45 to 7:49 financial disclosure, 7:45 to 7:49 funding, use of, 7:46 future operations, 7:46 future operations, 7:46 inspection, 7:49 insurance, 7:48 maintenance of assets, 7:48 Choice of note, 7:20 Collateral, 7:17 Collateral advantages, 7:34 Commitment fees, 7:35 Compensating balances, 7:34 Compliance with state and federal laws, 7:40 Compliance with state and federal laws, 7:40 Compliance with state and federal laws, 7:40 Computation of interest assessment, 7:32 Consent of government, compliance with, 7:40 Control of licenses, 7:45 Corporate organization, representations and warranties, 7:38 Costs and expenses commitment fees, 7:35 evaluating cost of term loan financing, 7:12 to 7:15 incidental costs, 7:15, 7:27 Covenants generally, 7:44 to 7:55 affirmative covenants, above default provisions, 7:55 negative covenants, provisions of, 7:55 Definitions, 7:22 Delayed funding, 7:25 Disclosure, 7:45 to 7:48 Interest rates generally, 7:26 to 7:35 collateral advantages, 7:34 commitment fees, 7:35 compensating balances, 7:34 commitment fees, 7:35 fixed interest rates, 7:30 "floating" interest rate, 7:31 incidental costs, 7:27 index, choice of, 7:48 Interest rates generally, 7:26 to 7:35 collateral advantages, 7:34 commitment fees, 7:35 fixed interest rates, 7:30 "floating" interest rates, 7:30 "floating" interest rates, 7:31 incidental costs, 7:27 index, choice of, 7:31 Late charges, 7:34 commitment fees, 7:35 regolateral advantages, 7:34 commitment fees, 7:35 fixed interest rates generally, 7:20 to 7:35 incidental costs, 7:27 index, choice of, 7:31 late charges, 7:35 negotiating skill, 7:29 penalties, 7:35 points and related charges, 7:33 repayment penalties, 7:35 Licenses, control of, 7:41 Limitations and restrictions negative covenants, restricted payments, 7:5 Licenses, control of, 7:41 Litigation, absence of, 7:42 Loan agreement and loan note, 7:19 Maintenance of assets, 7:48 Mechanics of funding, 7:23 to 7:25 Negotiating skill concerning interest rates, 7:29 planning and oper	generally, 7:44 to 7:49	Guarantees, 7:17
disclosure, 7:45 to 7:49 financial disclosure, 7:45 to 7:49 funding, use of, 7:46 future operations, 7:46 inspection, 7:49 insurance, 7:48 maintenance of assets, 7:48 maintenance of assets, 7:48 maintenance of assets, 7:48 Choice of note, 7:20 Collateral dvantages, 7:34 Commitment fees, 7:35 Compensating balances, 7:34 Computation of interest assessment, 7:32 Consent of government, compliance with, 7:40 Control of licenses, 7:41 Corporate organization, representations and warranties, 7:38 Costs and expenses commitment fees, 7:35 evaluating cost of term loan financing, 7:12 to 7:15 incidental costs, 7:15, 7:27 Covenants generally, 7:14 Current market conditions, evaluating cost of term loan financing, 7:13 Default absence of, 7:42, 7:47 covenants, provisions of, 7:55 Definitions, 7:22 Delayed funding, 7:25 Disclosure, Financial disclosure, below Documentation of loan, 7:16 Evaluating cost of term loan financing, 7:12 to 7:15 Expenses. Costs and expenses, above	absence of default, 7:47	Incidental costs, 7:15, 7:27
financial disclosure, 7:45 to 7:49 funding, use of, 7:46 inspection, 7:49 insurance, 7:48 maintenance of assets, 7:48 Choice of note, 7:20 Collateral, 7:17 Collateral advantages, 7:34 Commitment fees, 7:35 Compensating balances, 7:34 Compliance with state and federal laws, 7:40 Computation of interest assessment, 7:32 Consent of government, compliance with, 7:40 Control of licenses, 7:41 Corporate organization, representations and warranties, 7:38 Costs and expenses commitment fees, 7:35 fixed interest rates, 7:30 "floating" interest rate, 7:31 incidental costs, 7:27 index, choice of, 7:31 late charges, 7:35 negotiating skill, 7:29 penalites, 7:35 evaluating cost of term loan financing, 7:12 to 7:15 incidental costs, 7:15, 7:27 Covenants generally, 7:44 to 7:55 negative covenants, above default provisions, 7:55 negative covenants, below restrictions, generally, 7:14 Current market conditions, evaluating cost of term loan financing, 7:13 Default absence of, 7:42, 7:47 covenants, provisions of, 7:55 Definitions, 7:22 Delayed funding, 7:25 Disclosure. Financial disclosure, below Documentation of loan, 7:16 Evaluating cost of term loan financing, 7:12 to 7:15 Expenses. Costs and expenses, above	default, absence, 7:47	Index, choice of, 7:31
funding, use of, 7:46 future operations, 7:49 insurance, 7:48 maintenance of assets, 7:48 Choice of note, 7:20 Collateral, 7:17 Collateral advantages, 7:34 Commitment fees, 7:35 Compensating balances, 7:34 Commitment fees, 7:35 fixed interest rates generally, 7:40 commitment fees, 7:35 compensating balances, 7:34 computation of interest assessment, 7:32 costs, 7:27 fees, 7:35 fixed interest rates generally, 7:40 computation of interest assessment, 7:32 costs, 7:27 fees, 7:35 fixed interest rates generally, 7:40 computation of interest assessment, 7:32 costs, 7:27 fees, 7:35 fixed interest rates, 7:30 "floating" interest rates, 7:30 "floating" interest rates, 7:31 incidental costs, 7:27 index, choice of, 7:31 late charges, 7:35 negotiating skill, 7:29 penalties, 7:35 negotiating skill, 7:29 penalties, 7:35 risk, 7:28 usury problems, 7:33 repayment penalties, 7:35 risk, 7:28 usury problems, 7:33 risk dinterest rates generally, 7:20 index, choice of, 7:31 late charges, 7:35 negotiating skill, 7:29 penalties, 7:35 risk, 7:28 usury problems, 7:33 repayment penalties, 7:35 late charges, 7:35 Licenses, control of, 7:41 Limitations and restrictions negative covenants, restricted payments, 7:5 term loan financing, 7:14 Litigation, absence of, 7:42 Loan agreement and loan note, 7:19 Maintenance of assets, 7:48 Mechanics of funding, 7:23 to 7:25 Negative covenants generally, 7:40 commitment fees, 7:35 fixed interest rates, 7:30 "floating" interest rates, 7:30 "floating" interest rates, 7:30 Introduction, 7:11 Limitations and restrictions negative covenants, restricted payments, 7:55 Negative covenants generally, 7:40 Loan agreement and loan note, 7:19 Maintenance of assets, 7:48 Mechanics of funding, 7:23 to 7:25 Negative coven	disclosure, 7:45 to 7:49	Inspection, 7:49
future operations, 7:46 inspection, 7:49 insurance, 7:48 maintenance of assets, 7:48 Choice of note, 7:20 Collateral, 7:17 Collateral advantages, 7:34 Commitment fees, 7:35 Compensating balances, 7:34 Compilance with state and federal laws, 7:40 Computation of interest assessment, 7:32 Consent of government, compliance with, 7:40 Control of licenses, 7:41 Corporate organization, representations and warranties, 7:38 Costs and expenses commitment fees, 7:35 evaluating cost of term loan financing, 7:12 to 7:15 incidental costs, 7:15, 7:27 Covenants generally, 7:46 to 7:35 collateral advantages, 7:34 commitment fees, 7:35 compensating balances, 7:34 computation of interest assessment, 7:32 costs, 7:27 fees, 7:35 fixed interest rates, 7:30 "floating" interest rate, 7:31 incidental costs, 7:35 negotiating skill, 7:29 penalties, 7:35 points and related charges, 7:33 repayment penalties, 7:35 risk, 7:28 usury problems, 7:33 variable interest rates, 7:30 Introduction, 7:11 to 7:35 Late charges, 7:36 Compensating balances, 7:34 computation of interest assessment, 7:32 costs, 7:27 fees, 7:35 fixed interest rate, 7:30 "floating" interest rate, 7:30 "floating" interest rates, 7:30 Introduction, 7:11 to 7:35 Late charges, 7:35 Late char	financial disclosure, 7:45 to 7:49	Insurance, 7:48
inspection, 7:49 insurance, 7:48 maintenance of assets, 7:48 Choice of note, 7:20 Collateral, 7:17 Collateral advantages, 7:34 Commitment fees, 7:35 Compensating balances, 7:34 Compliance with state and federal laws, 7:40 Computation of interest assessment, 7:32 Consent of government, compliance with, 7:40 Control of licenses, 7:41 Corporate organization, representations and warrantics, 7:38 Costs and expenses commitment fees, 7:35 evaluating cost of term loan financing, 7:12 to 7:15 incidental costs, 7:15, 7:27 Covenants generally, 7:44 to 7:55 affirmative covenants, above default provisions, 7:55 negative covenants, below restrictions, generally, 7:14 Current market conditions, evaluating cost of term loan financing, 7:13 Default absence of, 7:42, 7:47 covenants, provisions of, 7:55 Definitions, 7:22 Delayed funding, 7:25 Disclosure. Financial disclosure, below Documentation of loan, 7:16 Evaluating cost of term loan financing, 7:12 to 7:15 Expenses. Costs and expenses, above collateral advantages, 7:34 commitment fees, 7:35 compnsating balances, 7:34 computation of interest assessment, 7:32 costs, 7:27 fees, 7:35 fixed interest rates, 7:30 "floating" interest rate, 7:31 incidental costs, 7:27 index, choice of, 7:31 late charges, 7:35 negotiating skill, 7:29 penalties, 7:35 responsating balances, 7:34 computation of interest assessment, 7:32 costs, 7:27 index, choice of, 7:31 late charges, 7:35 negotiating skill, 7:29 penalties, 7:35 responsating balances, 7:34 computation of interest assessment, 7:32 costs, 7:27 index, choice of, 7:31 late charges, 7:35 negotiating skill, 7:29 penalties, 7:35 responsating balances, 7:34 computation of interest rates, 7:30 "floating" interest rate, 7:30 index, choice of, 7:31 late charges, 7:35 negotiating skill, 7:29 penalties, 7:35 responsating balances, 7:34 computation of interest rates, 7:30 Introduction, 7:11 to 7:35 Late charges, 7:35 Late charges, 7:35 Late charges, 7:35 Late charges, 7:35 responsation retreate, 7:30 Introduction, 7:11 to 7:35 Late charges, 7:35 Late	funding, use of, 7:46	Interest rates
insurance, 7:48 maintenance of assets, 7:48 Choice of note, 7:20 Collateral, 7:17 Collateral advantages, 7:34 Commitment fees, 7:35 Compensating balances, 7:34 Commitment fees, 7:35 Compensating balances, 7:32 costs, 7:27 fees, 7:35 fixed interest rates, 7:30 "floating" interest rate, 7:31 incidental costs, 7:27 index, choice of, 7:31 late charges, 7:35 negotiating skill, 7:29 penalties, 7:35 negotiating skill charges, 7:35 negotiating skill ch	future operations, 7:46	generally, 7:26 to 7:35
compensating balances, 7:34 Choice of note, 7:20 Collateral, 7:17 Collateral advantages, 7:34 Commitment fees, 7:35 Compensating balances, 7:34 Compliance with state and federal laws, 7:40 Computation of interest assessment, 7:32 Consent of government, compliance with, 7:40 Control of licenses, 7:41 Corporate organization, representations and warranties, 7:38 Costs and expenses commitment fees, 7:35 evaluating cost of term loan financing, 7:12 to 7:15 covenants generally, 7:44 to 7:55 affirmative covenants, above default provisions, 7:55 negative covenants, below restrictions, generally, 7:14 Current market conditions, evaluating cost of term loan financing, 7:13 Default absence of, 7:42, 7:47 covenants provisions of, 7:55 Definitions, 7:22 Delayed funding, 7:25 Disclosure. Financial disclosure, below Documentation of loan, 7:16 Expenses. Costs and expenses, above computation of interest assessment, 7:32 consts, 7:27 fees, 7:35 fixed interest rates, 7:30 "floating" interest rate, 7:31 incidental costs, 7:31 late charges, 7:35 negotiating skill, 7:29 penalties, 7:35 negotiating skill, 7:29 penalties, 7:35 negotiating skill, 7:29 penalties, 7:35 negotiating skill, 7:29 points and related charges, 7:33 variable interest rates, 7:30 Introduction, 7:11 to 7:35 Late charges, 7:35 negotiating skill, 7:29 points and related charges, 7:33 variable interest rates, 7:30 Introduction, 7:11 to 7:35 Late charges, 7:35 Late charges, 7:35 negotiating skill, 7:29 points and related charges, 7:33 variable interest rate, 7:31 Limitations and restrictions negative covenants, restricted payments, 7:51 Limitations and restrictions and sustry problems, 7:32 Late charges, 7:35 Late charges, 7:35 respotiating skill charges, 7:35 respotiating	inspection, 7:49	collateral advantages, 7:34
Choice of note, 7:20 Collateral, 7:17 Collateral, 7:17 Collateral advantages, 7:34 Commitment fees, 7:35 Compensating balances, 7:34 Compliance with state and federal laws, 7:40 Computation of interest assessment, 7:32 Consent of government, compliance with, 7:40 Control of licenses, 7:41 Corporate organization, representations and warranties, 7:38 Costs and expenses commitment fees, 7:35 evaluating cost of term loan financing, 7:12 to 7:15 affirmative covenants, above default provisions, 7:55 negative covenants, below restrictions, generally, 7:14 Current market conditions, evaluating cost of term loan financing, 7:13 Default absence of, 7:42, 7:47 covenants, provisions of, 7:55 Definitions, 7:22 Delayed funding, 7:25 Disclosure. Financial disclosure, below Documentation of loan, 7:16 Evaluating cost of term loan financing, 7:12 to 7:15 Expenses. Costs and expenses, above	insurance, 7:48	commitment fees, 7:35
Collateral, 7:17 Collateral advantages, 7:34 Commitment fees, 7:35 Compensating balances, 7:34 Compliance with state and federal laws, 7:40 Computation of interest assessment, 7:32 Consent of government, compliance with, 7:40 Control of licenses, 7:41 Corporate organization, representations and warranties, 7:38 Costs and expenses commitment fees, 7:35 evaluating cost of term loan financing, 7:12 to 7:15 incidental costs, 7:15, 7:27 Covenants generally, 7:44 to 7:55 affirmative covenants, above default provisions, 7:55 negative covenants, below restrictions, generally, 7:14 Current market conditions, evaluating cost of term loan financing, 7:13 Default absence of, 7:42, 7:47 covenants, provisions of, 7:55 Definitions, 7:22 Delayed funding, 7:25 Disclosure. Financial disclosure, below Documentation of loan, 7:16 Evaluating cost of term loan financing, 7:12 to 7:15 Expenses. Costs and expenses, above	maintenance of assets, 7:48	compensating balances, 7:34
Collateral advantages, 7:34 Commitment fees, 7:35 Compensating balances, 7:34 Compliance with state and federal laws, 7:40 Computation of interest assessment, 7:32 Consent of government, compliance with, 7:40 Control of licenses, 7:41 Corporate organization, representations and warranties, 7:38 Costs and expenses commitment fees, 7:35 evaluating cost of term loan financing, 7:12 to 7:15 incidental costs, 7:15, 7:27 Covenants generally, 7:44 to 7:55 affirmative covenants, above default provisions, 7:55 negative covenants, below restrictions, generally, 7:14 Current market conditions, evaluating cost of term loan financing, 7:13 Default absence of, 7:42, 7:47 covenants, provisions of, 7:55 Definitions, 7:22 Delayed funding, 7:25 Disclosure. Financial disclosure, below Documentation of loan, 7:16 Evaluating cost of term loan financing, 7:12 to 7:15 Expenses. Costs and expenses, above fees, 7:35 fixed interest rates, 7:30 incidental costs, 7:27 index, choice of, 7:31 late charges, 7:35 negotiating skill, 7:29 penalties, 7:35 Late charges, 7:33 Late charges, 7:33 Licenses, control of, 7:41 Litigation, absence of, 7:42 Litigation, absence of, 7:42 Loan agreement and loan note, 7:19 Maintenance of assets, 7:54 maintenance of assets, 7:54 maintenance of assets, 7:52 planning and operation of business, 7:53 restricted payments, 7:51 Negotiating skill concerning interest rates, 7:30 Introduction, 7:11 to 7:35 Late charges, 7:36 Licenses, control of, 7:41 Litigation, absence of, 7:	Choice of note, 7:20	computation of interest assessment, 7:32
Commitment fees, 7:35 Compensating balances, 7:34 Compliance with state and federal laws, 7:40 Computation of interest assessment, 7:32 Consent of government, compliance with, 7:40 Control of licenses, 7:41 Corporate organization, representations and warranties, 7:38 Costs and expenses commitment fees, 7:35 evaluating cost of term loan financing, 7:12 to 7:15 incidental costs, 7:15, 7:27 Covenants generally, 7:44 to 7:55 negative covenants, above default provisions, 7:55 negative covenants, below restrictions, generally, 7:14 Current market conditions, evaluating cost of term loan financing, 7:13 Default absence of, 7:42, 7:47 covenants, provisions of, 7:55 Definitions, 7:22 Delayed funding, 7:25 Disclosure, Financial disclosure, below Documentation of loan, 7:16 Evaluating cost of term loan financing, 7:12 to 7:15 Expenses. Costs and expenses, above fixed interest rate, 7:30 "floating" interest rate, 7:31 incidental costs, 7:27 index, choice of, 7:31 late charges, 7:35 negotiating skill, 7:29 penalties, 7:35 repyment penalties, 7:33 variable interest rate, 7:30 Introduction, 7:11 to 7:35 Late charges, 7:35 repyment penalties, 7:33 variable interest rate, 7:30 Introduction, 7:11 to 7:35 Late charges, 7:35 repyment penalties, 7:35 risk, 7:28 usury problems, 7:33 variable interest rate, 7:30 Introduction, 7:11 to 7:35 Late charges, 7:35 Late charges, 7:35 repyment penalties, 7:36 risk, 7:28 usury problems, 7:30 Introduction, 7:11 to 7:35 Late charg	Collateral, 7:17	costs, 7:27
Compensating balances, 7:34 Compliance with state and federal laws, 7:40 Computation of interest assessment, 7:32 Consent of government, compliance with, 7:40 Control of licenses, 7:41 Corporate organization, representations and warranties, 7:38 Costs and expenses commitment fees, 7:35 evaluating cost of term loan financing, 7:12 to 7:15 incidental costs, 7:15, 7:27 Covenants generally, 7:44 to 7:55 affirmative covenants, above default provisions, 7:55 negative covenants, below restrictions, generally, 7:14 Current market conditions, evaluating cost of term loan financing, 7:13 Default absence of, 7:42, 7:47 covenants, provisions of, 7:55 Definitions, 7:22 Delayed funding, 7:25 Disclosure. Financial disclosure, below Documentation of loan, 7:16 Evaluating cost of term loan financing, 7:12 to 7:15 Expenses. Costs and expenses, above "floating" interest rate, 7:31 incidental costs, 7:27 index, choice of, 7:31 late charges, 7:35 negotiting skill, 7:29 penalties, 7:35 negotiting sk	Collateral advantages, 7:34	fees, 7:35
Compliance with state and federal laws, 7:40 Computation of interest assessment, 7:32 Consent of government, compliance with, 7:40 Control of licenses, 7:41 Corporate organization, representations and warranties, 7:38 Costs and expenses commitment fees, 7:35 evaluating cost of term loan financing, 7:12 to 7:15 incidental costs, 7:15, 7:27 Covenants generally, 7:44 to 7:55 affirmative covenants, above default provisions, 7:55 negative covenants, below restrictions, generally, 7:14 Current market conditions, evaluating cost of term loan financing, 7:13 Default absence of, 7:42, 7:47 covenants, provisions of, 7:55 Definitions, 7:22 Delayed funding, 7:25 Disclosure. Financial disclosure, below Documentation of loan, 7:16 Evaluating cost of term loan financing, 7:12 to 7:15 Expenses. Costs and expenses, above incidental costs, 7:27 index, choice of, 7:31 late charges, 7:35 negotiating skill, 7:29 penalties, 7:35 points and related charges, 7:33 repayment penalties, 7:35 risk, 7:28 usury problems, 7:30 Introduction, 7:11 to 7:35 Late charges, 7:35 Late charges, 7:35 points and related charges, 7:33 repayment penalties, 7:35 points and related charges, 7:33 repayment penalties, 7:35 risk, 7:28 usury problems, 7:30 Introduction, 7:11 to 7:35 Late charges, 7:35 Licenses, control of, 7:41 Limitations and related charges, 7:35 Litenses, control of, 7:41 Limitations and related charges, 7:35 Late charges, 7:36 Litenses, control of, 7:41 Limitations and related charges, 7:35 Late charges, 7:35 Late charges, 7:35 Late charges, 7:35 Late charges, 7:36 Licenses, control of, 7:41 Limitations and related charges, 7:35 Late charges, 7:36 Litenses, Control of, 7:41 Limitations and related charges, 7:30 Introduction, 7:11 to 7:35 Late charges, 7:35 Late charges, 7:36 La	Commitment fees, 7:35	fixed interest rates, 7:30
Consent of government, compliance with, 7:40 Control of licenses, 7:41 Corporate organization, representations and warranties, 7:38 Costs and expenses commitment fees, 7:35 evaluating cost of term loan financing, 7:12 to 7:15 incidental costs, 7:15, 7:27 Covenants generally, 7:44 to 7:55 affirmative covenants, above default provisions, 7:55 negative covenants, below restrictions, generally, 7:14 Current market conditions, evaluating cost of term loan financing, 7:13 Default absence of, 7:42, 7:47 covenants, provisions of, 7:55 Definitions, 7:22 Delayed funding, 7:25 Disclosure. Financial disclosure, below Documentation of loan, 7:16 Evaluating cost of term loan financing, 7:12 to 7:15 Expenses. Costs and expenses, above index, choice of, 7:31 late charges, 7:35 negotiating skill, 7:29 penalties, 7:35 risk, 7:28 usury problems, 7:33 variable interest rates, 7:30 Introduction, 7:11 to 7:35 Late charges, 7:35 Licenses, control of, 7:41 Limitations and restricted payments, 7:5 term loan financing, generally, 7:14 Litigation, absence of, 7:42 Loan agreement and loan note, 7:19 Maintenance of assets, 7:48 Mechanics of funding, 7:23 to 7:25 Negative covenants generally, 7:50 to 7:54 additional debt, creation of, 7:50 affiliates, transactions with, 7:54 maintenance of assets, 7:52 planning and operation of business, 7:53 restricted payments, 7:51 Negotiating skill, 7:29 points and related charges, 7:33 repayment penalties, 7:35 risk, 7:28 usury problems, 7:33 Late charges, 7:35 Late charges, 7:36 Late charges, 7:36 Late charges, 7:35 Late charges, 7:36 Late	Compensating balances, 7:34	"floating" interest rate, 7:31
Consent of government, compliance with, 7:40 Control of licenses, 7:41 Corporate organization, representations and warranties, 7:38 Costs and expenses commitment fees, 7:35 evaluating cost of term loan financing, 7:12 to 7:15 incidental costs, 7:15, 7:27 Covenants generally, 7:44 to 7:55 affirmative covenants, above default provisions, 7:55 negative covenants, below restrictions, generally, 7:14 Current market conditions, evaluating cost of term loan financing, 7:13 Default absence of, 7:42, 7:47 covenants, provisions of, 7:55 Definitions, 7:22 Delayed funding, 7:25 Disclosure. Financial disclosure, below Documentation of loan, 7:16 Evaluating cost of term loan financing, 7:12 to 7:15 Expenses. Costs and expenses, above late charges, 7:35 negotiating skill, 7:29 penalties, 7:35 negotiating skill charges, 7:35 negotiating skill charges, 7:35 negotiating skill charges, 7:35 negotiating skill charges, 7:35 nepalties, 7:36 nepalties, 7:35 nepalties, 7:36 nits and related charges, 7:35 nepalties, 7:35 nepalties, 7:35 nepalties	Compliance with state and federal laws, 7:40	incidental costs, 7:27
Control of licenses, 7:41 Corporate organization, representations and warranties, 7:38 Costs and expenses commitment fees, 7:35 evaluating cost of term loan financing, 7:12 to 7:15 incidental costs, 7:15, 7:27 Covenants generally, 7:44 to 7:55 affirmative covenants, above default provisions, 7:55 negative covenants, below restrictions, generally, 7:14 Current market conditions, evaluating cost of term loan financing, 7:13 Default absence of, 7:42, 7:47 covenants, provisions of, 7:55 Definitions, 7:22 Delayed funding, 7:25 Disclosure. Financial disclosure, below Documentation of loan, 7:16 Evaluating cost of term loan financing, 7:12 to 7:15 Expenses. Costs and expenses, above negotiating skill, 7:29 penalties, 7:35 points and related charges, 7:33 repayment penalties, 7:35 risk, 7:28 usury problems, 7:33 variable interest rates, 7:30 Introduction, 7:11 to 7:35 Late charges, 7:35 Licenses, control of, 7:41 Limitations and restrictions negative covenants, restricted payments, 7:5 term loan financing, generally, 7:14 Litigation, absence of, 7:42 Loan agreement and loan note, 7:19 Maintenance of assets, 7:48 Mechanics of funding, 7:23 to 7:25 Negative covenants generally, 7:50 to 7:54 additional debt, creation of, 7:50 affiliates, transactions with, 7:54 maintenance of assets, 7:52 planning and operation of business, 7:53 restricted payments, 7:51 Negotiating skill concerning interest rates, 7:29 Patents, control of, 7:41	Computation of interest assessment, 7:32	index, choice of, 7:31
Corporate organization, representations and warranties, 7:38 Costs and expenses commitment fees, 7:35 evaluating cost of term loan financing, 7:12 to 7:15 incidental costs, 7:15, 7:27 Covenants generally, 7:44 to 7:55 affirmative covenants, above default provisions, 7:55 negative covenants, below restrictions, generally, 7:14 Current market conditions, evaluating cost of term loan financing, 7:13 Default absence of, 7:42, 7:47 covenants, provisions of, 7:55 Definitions, 7:22 Delayed funding, 7:25 Disclosure. Financial disclosure, below Documentation of loan, 7:16 Evaluating cost of term loan financing, 7:12 to 7:15 Expenses. Costs and expenses, above penalties, 7:35 points and related charges, 7:33 repayment penalties, 7:35 risk, 7:28 usury problems, 7:33 usury problems, 7:33 Usury problems, 7:33 Licenses, control of, 7:41 Limitations and related charges, 7:33 repayment penalties, 7:35 points and related charges, 7:33 repayment penalties, 7:35 risk, 7:28 usury problems, 7:33 Usury problems, 7:35 Late charges, 7:35 Licenses, control of, 7:41 Limitations and related charges, 7:35 risk, 7:28 usury problems, 7:33 Licenses, control of, 7:41 Limitations and related charges, 7:35 Late charges, 7:35 Late charges, 7:35 Licenses, control of, 7:41 Limitations and related charges, 7:35 Late charges, 7:35 Late charges, 7:35 Late charges, 7:35 Licenses, control of, 7:41 Limitations, and restrictions negative covenants, restricted payments, 7:5 term loan financing, 9:14 Litigation, absence of, 7:42 Loan agreement and loan note, 7:19 Maintenance of assets, 7:29 Maintenance of assets, 7:50 Negative covenants generally, 7:50 to 7:54 additional debt, creation of, 7:50 affiliates, transactions with, 7:54 maintenance of assets, 7:52 planning and operation of business, 7:53 restricted payments, 7:51 Negotiating skill concerning interest rates, 7:29 Patents, control of, 7:41	Consent of government, compliance with, 7:40	late charges, 7:35
ranties, 7:38 Costs and expenses commitment fees, 7:35 evaluating cost of term loan financing, 7:12 to 7:15 incidental costs, 7:15, 7:27 Covenants generally, 7:44 to 7:55 affirmative covenants, above default provisions, 7:55 negative covenants, below restrictions, generally, 7:14 Current market conditions, evaluating cost of term loan financing, 7:13 Default Default absence of, 7:42, 7:47 covenants, provisions of, 7:55 Definitions, 7:22 Delayed funding, 7:25 Disclosure. Financial disclosure, below Documentation of loan, 7:16 Evaluating cost of term loan financing, 7:12 to 7:15 Expenses. Costs and expenses points and related charges, 7:33 repayment penalties, 7:35 risk, 7:28 usury problems, 7:33 variable interest rates, 7:30 Introduction, 7:11 to 7:35 Late charges, 7:35 Licenses, control of, 7:41 Limitations and restrictions negative covenants, restricted payments, 7:5 term loan financing, generally, 7:14 Litigation, absence of, 7:42 Loan agreement and loan note, 7:19 Maintenance of assets, 7:48 Mechanics of funding, 7:23 to 7:25 Negative covenants generally, 7:50 to 7:54 additional debt, creation of, 7:50 affiliates, transactions with, 7:54 maintenance of assets, 7:52 planning and operation of business, 7:53 restricted payments, 7:35 Negotiating skill concerning interest rates, 7:29 Patents, control of, 7:41	Control of licenses, 7:41	negotiating skill, 7:29
Costs and expenses commitment fees, 7:35 evaluating cost of term loan financing, 7:12 to 7:15 incidental costs, 7:15, 7:27 Covenants generally, 7:44 to 7:55 affirmative covenants, above default provisions, 7:55 negative covenants, below restrictions, generally, 7:14 Current market conditions, evaluating cost of term loan financing, 7:13 Default absence of, 7:42, 7:47 covenants, provisions of, 7:55 Definitions, 7:22 Delayed funding, 7:25 Disclosure. Financial disclosure, below Documentation of loan, 7:16 Evaluating cost of term loan financing, 7:12 to 7:15 Expenses. Costs and expenses, above repayment penalties, 7:35 risk, 7:28 usury problems, 7:33 variable interest rates, 7:30 Introduction, 7:11 to 7:35 Late charges, 7:35 Licenses, control of, 7:41 Limitations and restrictions negative covenants, restricted payments, 7:5 term loan financing, generally, 7:14 Litigation, absence of, 7:42 Loan agreement and loan note, 7:19 Maintenance of assets, 7:48 Mechanics of funding, 7:23 to 7:25 Negative covenants generally, 7:50 to 7:54 additional debt, creation of, 7:50 affiliates, transactions with, 7:54 maintenance of assets, 7:52 planning and operation of business, 7:53 restricted payments, 7:31 Negotiating skill concerning interest rates, 7:29 Patents, control of, 7:41	Corporate organization, representations and war-	penalties, 7:35
risk, 7:28 evaluating cost of term loan financing, 7:12 to 7:15 incidental costs, 7:15, 7:27 Covenants generally, 7:44 to 7:55 affirmative covenants, above default provisions, 7:55 negative covenants, below restrictions, generally, 7:14 Current market conditions, evaluating cost of term loan financing, 7:13 Default absence of, 7:42, 7:47 covenants, provisions of, 7:55 Definitions, 7:22 Delayed funding, 7:25 Disclosure. Financial disclosure, below Documentation of loan, 7:16 Evaluating cost of term loan financing, 7:12 to 7:15 Expenses. Costs and expenses, above risk, 7:28 usury problems, 7:33 variable interest rates, 7:30 Introduction, 7:11 to 7:35 Late charges, 7:35 Licenses, control of, 7:41 Limitations and restricted payments, 7:5 term loan financing, generally, 7:14 Litigation, absence of, 7:42 Loan agreement and loan note, 7:19 Maintenance of assets, 7:48 Mechanics of funding, 7:23 to 7:25 Negative covenants generally, 7:50 to 7:54 additional debt, creation of, 7:50 affiliates, transactions with, 7:54 maintenance of assets, 7:52 planning and operation of business, 7:53 restricted payments, 7:51 Negotiating skill concerning interest rates, 7:29 Patents, control of, 7:41	ranties, 7:38	points and related charges, 7:33
evaluating cost of term loan financing, 7:12 to 7:15 incidental costs, 7:15, 7:27 Covenants generally, 7:44 to 7:55 affirmative covenants, above default provisions, 7:55 negative covenants, below restrictions, generally, 7:14 Current market conditions, evaluating cost of term loan financing, 7:13 Default absence of, 7:42, 7:47 covenants, provisions of, 7:55 Definitions, 7:22 Delayed funding, 7:25 Disclosure. Financial disclosure, below Documentation of loan, 7:16 Evaluating cost of term loan financing, 7:12 to 7:15 Expenses. Costs and expenses, above usury problems, 7:33 variable interest rates, 7:30 Introduction, 7:11 to 7:35 Late charges, 7:35 Late charges, 7:35 Late charges, 7:35 Late charges, 7:41 Limitations and restrictions negative covenants, restricted payments, 7:14 Litigation, absence of, 7:42 Loan agreement and loan note, 7:19 Maintenance of assets, 7:48 Mechanics of funding, 7:23 to 7:25 Negative covenants generally, 7:50 to 7:54 additional debt, creation of, 7:50 affiliates, transactions with, 7:54 maintenance of assets, 7:52 planning and operation of business, 7:53 restricted payments, 7:51 Negotiating skill concerning interest rates, 7:29 Patents, control of, 7:41	Costs and expenses	repayment penalties, 7:35
rincidental costs, 7:15, 7:27 Covenants generally, 7:44 to 7:55 affirmative covenants, above default provisions, 7:55 negative covenants, below restrictions, generally, 7:14 Current market conditions, evaluating cost of term loan financing, 7:13 Default absence of, 7:42, 7:47 covenants, provisions of, 7:55 Definitions, 7:22 Delayed funding, 7:25 Disclosure. Financial disclosure, below Documentation of loan, 7:16 Evaluating cost of term loan financing, 7:12 to 7:15 Expenses. Costs and expenses, above variable interest rates, 7:30 Introduction, 7:11 to 7:35 Late charges, 7:41 Limitations and restrictions negative covenants, restricted payments, 7:54 Litigation, absence of, 7:42 Loan agreement and loan note, 7:19 Maintenance of assets, 7:48 Mechanics of funding, 7:23 to 7:25 Negative covenants generally, 7:50 to 7:54 additional debt, creation of, 7:50 affiliates, transactions with, 7:54 maintenance of assets, 7:52 planning and operation of business, 7:53 restricted payments, 7:51 Negotiating skill concerning interest rates, 7:29 Patents, control of, 7:41		risk, 7:28
incidental costs, 7:15, 7:27 Covenants generally, 7:44 to 7:55 affirmative covenants, above default provisions, 7:55 negative covenants, below restrictions, generally, 7:14 Current market conditions, evaluating cost of term loan financing, 7:13 Default absence of, 7:42, 7:47 covenants, provisions of, 7:55 Definitions, 7:22 Delayed funding, 7:25 Disclosure. Financial disclosure, below Documentation of loan, 7:16 Evaluating cost of term loan financing, 7:12 to 7:15 Expenses. Costs and expenses, above Introduction, 7:11 to 7:35 Licenses, control of, 7:41 Limitations and restrictions negative covenants, restricted payments, 7:5 term loan financing, generally, 7:14 Litigation, absence of, 7:42 Loan agreement and loan note, 7:19 Maintenance of assets, 7:48 Mechanics of funding, 7:23 to 7:25 Negative covenants generally, 7:50 to 7:54 additional debt, creation of, 7:50 affiliates, transactions with, 7:54 maintenance of assets, 7:52 planning and operation of business, 7:53 restricted payments, 7:51 Negotiating skill concerning interest rates, 7:29 Patents, control of, 7:41		
Covenants generally, 7:44 to 7:55 affirmative covenants, above default provisions, 7:55 negative covenants, below restrictions, generally, 7:14 Current market conditions, evaluating cost of term loan financing, 7:13 Default absence of, 7:42, 7:47 covenants, provisions of, 7:55 Definitions, 7:22 Delayed funding, 7:25 Disclosure. Financial disclosure, below Documentation of loan, 7:16 Evaluating cost of term loan financing, 7:12 to 7:15 Expenses. Costs and expenses, above Late charges, 7:35 Licenses, control of, 7:41 Limitations and restrictions negative covenants, restricted payments, 7:5 Licenses, control of, 7:41 Limitations and restrictions negative covenants, restricted payments, 7:5 Licenses, control of, 7:41 Limitations and restrictions negative covenants, restricted payments, 7:5 Maintenance of assets, 7:48 Mechanics of funding, 7:23 to 7:25 Negative covenants generally, 7:50 to 7:54 additional debt, creation of, 7:50 affiliates, transactions with, 7:54 maintenance of assets, 7:52 planning and operation of business, 7:53 restricted payments, 7:51 Negotiating skill concerning interest rates, 7:29 Patents, control of, 7:41		
generally, 7:44 to 7:55 affirmative covenants, above default provisions, 7:55 negative covenants, below restrictions, generally, 7:14 Current market conditions, evaluating cost of term loan financing, 7:13 Default absence of, 7:42, 7:47 covenants, provisions of, 7:55 Definitions, 7:22 Delayed funding, 7:25 Disclosure. Financial disclosure, below Documentation of loan, 7:16 Evaluating cost of term loan financing, 7:12 to 7:15 Expenses. Costs and expenses, above Licenses, control of, 7:41 Litigation, absence of, 7:42 Litigation, absence of, 7:42 Loan agreement and loan note, 7:19 Maintenance of assets, 7:48 Mechanics of funding, 7:23 to 7:25 Negative covenants generally, 7:50 to 7:54 additional debt, creation of, 7:50 affiliates, transactions with, 7:54 maintenance of assets, 7:52 planning and operation of business, 7:53 restricted payments, 7:51 Negotiating skill concerning interest rates, 7:29 Patents, control of, 7:41		Introduction, 7:11 to 7:35
affirmative covenants, above default provisions, 7:55 negative covenants, below restrictions, generally, 7:14 Current market conditions, evaluating cost of term loan financing, 7:13 Default absence of, 7:42, 7:47 covenants, provisions of, 7:55 Definitions, 7:22 Delayed funding, 7:25 Disclosure. Financial disclosure, below Documentation of loan, 7:16 Evaluating cost of term loan financing, 7:12 to 7:15 Expenses. Costs and expenses, above Limitations and restrictions negative covenants, restricted payments, 7:5 term loan financing, generally, 7:14 Litigation, absence of, 7:42 Loan agreement and loan note, 7:19 Maintenance of assets, 7:28 Mechanics of funding, 7:23 to 7:25 Negative covenants generally, 7:50 to 7:54 additional debt, creation of, 7:50 affiliates, transactions with, 7:54 maintenance of assets, 7:52 planning and operation of business, 7:53 restricted payments, 7:51 Negotiating skill concerning interest rates, 7:29 Patents, control of, 7:41		
default provisions, 7:55 negative covenants, below restrictions, generally, 7:14 Current market conditions, evaluating cost of term loan financing, 7:13 Default absence of, 7:42, 7:47 covenants, provisions of, 7:55 Definitions, 7:22 Delayed funding, 7:25 Disclosure. Financial disclosure, below Documentation of loan, 7:16 Evaluating cost of term loan financing, 7:12 to 7:15 Expenses. Costs and expenses, above negative covenants, restricted payments, 7:5 term loan financing, generally, 7:14 Litigation, absence of, 7:42 Loan agreement and loan note, 7:19 Maintenance of assets, 7:48 Mechanics of funding, 7:23 to 7:25 Negative covenants generally, 7:50 to 7:54 additional debt, creation of, 7:50 affiliates, transactions with, 7:54 maintenance of assets, 7:52 planning and operation of business, 7:53 restricted payments, 7:51 Negotiating skill concerning interest rates, 7:29 Patents, control of, 7:41		Licenses, control of, 7:41
negative covenants, below restrictions, generally, 7:14 Current market conditions, evaluating cost of term loan financing, 7:13 Default absence of, 7:42, 7:47 covenants, provisions of, 7:55 Definitions, 7:22 Delayed funding, 7:25 Disclosure. Financial disclosure, below Documentation of loan, 7:16 Evaluating cost of term loan financing, 7:12 to 7:15 Expenses. Costs and expenses, above term loan financing, generally, 7:14 Litigation, absence of, 7:42 Loan agreement and loan note, 7:19 Maintenance of assets, 7:48 Mechanics of funding, 7:23 to 7:25 Negative covenants generally, 7:14 Litigation, absence of, 7:42 Loan agreement and loan note, 7:19 Maintenance of assets, 7:48 Mechanics of funding, 7:25 to 7:54 additional debt, creation of, 7:50 affiliates, transactions with, 7:54 maintenance of assets, 7:52 planning and operation of business, 7:53 restricted payments, 7:51 Negotiating skill concerning interest rates, 7:29 Patents, control of, 7:41		
restrictions, generally, 7:14 Current market conditions, evaluating cost of term loan financing, 7:13 Default absence of, 7:42, 7:47 covenants, provisions of, 7:55 Definitions, 7:22 Delayed funding, 7:25 Disclosure. Financial disclosure, below Documentation of loan, 7:16 Evaluating cost of term loan financing, 7:12 to 7:15 Expenses. Costs and expenses, above Litigation, absence of, 7:42 Loan agreement and loan note, 7:19 Maintenance of assets, 7:48 Mechanics of funding, 7:23 to 7:25 Negative covenants generally, 7:50 to 7:54 additional debt, creation of, 7:50 affiliates, transactions with, 7:54 maintenance of assets, 7:52 planning and operation of business, 7:53 restricted payments, 7:51 Negotiating skill concerning interest rates, 7:29 Patents, control of, 7:41	1 '	
Current market conditions, evaluating cost of term loan financing, 7:13 Default absence of, 7:42, 7:47 covenants, provisions of, 7:55 Definitions, 7:22 Delayed funding, 7:25 Disclosure. Financial disclosure, below Documentation of loan, 7:16 Evaluating cost of term loan financing, 7:12 to 7:15 Expenses. Costs and expenses, above Loan agreement and loan note, 7:19 Maintenance of assets, 7:48 Mechanics of funding, 7:23 to 7:25 Negative covenants generally, 7:50 to 7:54 additional debt, creation of, 7:50 affiliates, transactions with, 7:54 maintenance of assets, 7:52 planning and operation of business, 7:53 restricted payments, 7:51 Negotiating skill concerning interest rates, 7:29 Patents, control of, 7:41		
term loan financing, 7:13 Default absence of, 7:42, 7:47 covenants, provisions of, 7:55 Definitions, 7:22 Delayed funding, 7:25 Disclosure. Financial disclosure, below Documentation of loan, 7:16 Evaluating cost of term loan financing, 7:12 to 7:15 Expenses. Costs and expenses, above Maintenance of assets, 7:48 Mechanics of funding, 7:23 to 7:25 Negative covenants generally, 7:50 to 7:54 additional debt, creation of, 7:50 affiliates, transactions with, 7:54 maintenance of assets, 7:52 planning and operation of business, 7:53 restricted payments, 7:51 Negotiating skill concerning interest rates, 7:29 Patents, control of, 7:41	·	
Default absence of, 7:42, 7:47 covenants, provisions of, 7:55 Definitions, 7:22 Delayed funding, 7:25 Disclosure. Financial disclosure, below Documentation of loan, 7:16 Evaluating cost of term loan financing, 7:12 to 7:15 Expenses. Costs and expenses, above Mechanics of funding, 7:23 to 7:25 Negative covenants generally, 7:50 to 7:54 additional debt, creation of, 7:50 affiliates, transactions with, 7:54 maintenance of assets, 7:52 planning and operation of business, 7:53 restricted payments, 7:51 Negotiating skill concerning interest rates, 7:29 Patents, control of, 7:41		
absence of, 7:42, 7:47 covenants, provisions of, 7:55 Definitions, 7:22 Delayed funding, 7:25 Disclosure. Financial disclosure, below Documentation of loan, 7:16 Evaluating cost of term loan financing, 7:12 to 7:15 Expenses. Costs and expenses, above Negative covenants generally, 7:50 to 7:54 additional debt, creation of, 7:50 affiliates, transactions with, 7:54 maintenance of assets, 7:52 planning and operation of business, 7:53 restricted payments, 7:51 Negotiating skill concerning interest rates, 7:29 Patents, control of, 7:41	term loan financing, 7:13	
covenants, provisions of, 7:55 Definitions, 7:22 Delayed funding, 7:25 Disclosure. Financial disclosure, below Documentation of loan, 7:16 Evaluating cost of term loan financing, 7:12 to 7:15 Expenses. Costs and expenses, above generally, 7:50 to 7:54 additional debt, creation of, 7:50 affiliates, transactions with, 7:54 maintenance of assets, 7:52 planning and operation of business, 7:53 restricted payments, 7:51 Negotiating skill concerning interest rates, 7:29 Patents, control of, 7:41		
Definitions, 7:22 Delayed funding, 7:25 Disclosure. Financial disclosure, below Documentation of loan, 7:16 Evaluating cost of term loan financing, 7:12 to 7:15 Expenses. Costs and expenses, above additional debt, creation of, 7:50 affiliates, transactions with, 7:54 maintenance of assets, 7:52 planning and operation of business, 7:53 restricted payments, 7:51 Negotiating skill concerning interest rates, 7:29 Patents, control of, 7:41	absence of, 7:42 , 7:47	•
Delayed funding, 7:25 Disclosure. Financial disclosure, below Documentation of loan, 7:16 Evaluating cost of term loan financing, 7:12 to 7:15 Expenses. Costs and expenses, above affiliates, transactions with, 7:54 maintenance of assets, 7:52 planning and operation of business, 7:53 restricted payments, 7:51 Negotiating skill concerning interest rates, 7:29 Patents, control of, 7:41	covenants, provisions of, 7:55	
Disclosure. Financial disclosure, below Documentation of loan, 7:16 Evaluating cost of term loan financing, 7:12 to 7:15 Expenses. Costs and expenses, above maintenance of assets, 7:52 planning and operation of business, 7:53 restricted payments, 7:51 Negotiating skill concerning interest rates, 7:29 Patents, control of, 7:41	Definitions, 7:22	
Documentation of loan, 7:16 planning and operation of business, 7:53 Evaluating cost of term loan financing, 7:12 to 7:15 Expenses. Costs and expenses, above planning and operation of business, 7:53 restricted payments, 7:51 Negotiating skill concerning interest rates, 7:29 Patents, control of, 7:41	Delayed funding, 7:25	
Evaluating cost of term loan financing, 7:12 to 7:15 Expenses. Costs and expenses, above restricted payments, 7:51 Negotiating skill concerning interest rates, 7:29 Patents, control of, 7:41	Disclosure. Financial disclosure, below	maintenance of assets, 7:52
7:15 Negotiating skill concerning interest rates, 7:29 Expenses. Costs and expenses, above Patents, control of, 7:41	Documentation of loan, 7:16	planning and operation of business, 7:53
7:15 Negotiating skill concerning interest rates, 7:29 Expenses. Costs and expenses, above Patents, control of, 7:41	Evaluating cost of term loan financing, 7:12 to	restricted payments, 7:51
Expenses. Costs and expenses, above Patents, control of, 7:41		Negotiating skill concerning interest rates, 7:29
	Expenses. Costs and expenses, above	
Fees, interest rates, 7:35 Penalties, interest rates, 7:35	Fees, interest rates, 7:35	Penalties, interest rates, 7:35
Financial disclosure Personal guarantees, 7:17		
affirmative covenants, 7:45 to 7:49 Planning and operation of business, 7:53		

TERM LOAN AGREEMENTS—Cont'd Points and related charges, 7:33 Properties, control of, 7:41 Repayment penalties, 7:35 Representations and warranties generally, 7:36 to 7:43 absence of default or litigation, 7:42 accuracy of information, 7:43 compliance with state and federal laws, 7:40 consent of government, compliance with, 7:40 control of licenses, 7:41 corporate organization, 7:38 default, absence of, 7:42 disclosure, 7:39 financial disclosure, 7:39 licenses, control of, 7:41 litigation, absence of, 7:42 patents, control of, 7:41 properties, control of, 7:41 taxes, compliance with, 7:40 trademarks, control of, 7:41 validity and enforceability of loan agreement, 7:38 Restrictions. Limitations and restrictions, above Revolving credit, generally, 7:11, 7:21 Risk, interest rates, 7:28 Simultaneous funding, 7:24 Structuring the loan agreement, 7:18 to 7:22 Taxes, compliance with, 7:40 Trademarks, control of, 7:41 Usury problems, 7:33 Validity and enforceability of loan agreement, 7:38

TERM SHEET

above

NVCA model venture financings documents (2007), 15A:2

Warranties. Representations and warranties,

TESTA, RICHARD J.

Small Business Administration, financing from, 4:6, 4:15

"TESTING THE WATERS"

Variable interest rates, 7:30

Regulation A exemption for offering of 75 million dollars or less, 11:65

Underwriting agreement for emerging growth company, 19:3.50

TEST-THE-WATERS COMMUNICATION

Rule 163B. 11:137.60

TEXAS

Due diligence and civil liability, developments, 14:138

TEXAS—Cont'd

S corporation LLC operating agreement, form of (2011), **20:6**

Small business, assistance programs for, App 18.45

THIRD PARTIES

Limited liability companies, 3:47 S corporations, worthless debt of third party, 2:48

THIRTY-DAY BRIGHT LINE EXCLUSION

SEC's 2005 revisions to securities offerings, 11:139

THL CREDIT (TCRD)

Business development company (BDC), 5:3

TICC CAPITAL (TICC)

Business development company (BDC), 5:3

TIME OR DATE

Effective Dates (this index)

Federal securities laws, time of offering, 11:19, 11:20

Going Public (this index)

Initial public offering of common stock, form of timetable, 19:4

Limited Liability Companies (this index), 3:1 to 3:67

TIMM TEST IN WISCONSIN

Due diligence and civil liability, 14:132

TJADEN, JOOST

Small Business Administration, financing from, 4:6, 4:15

TRACING SECURITIES

Federal securities laws, 11:105

TRACK 1 AND TRACK 2 APPLICANTS

Small Business Administration, Early Stage licensing process, 4:17

TRADEMARKS

Due diligence and civil liability, 14:21 Preferred stock, **6:30**

Term loan agreements, 7:41

TRANSACTION CAUSATION

Due diligence and civil liability, 14:45

TRANSACTION DOCUMENTS

Preferred stock, typical venture capital transaction documents, 6:143

TRANSACTION EXEMPTIONS

State blue sky regulation, 15:8 to 15:12

TRANSACTIONS WITH RELATED PERSONS Disclosure, 13:7, 13:44, 13:45

TRANSFERABILITY OF INTERESTS

Limited liability companies, 3:31

TRANSFERS

Sales or Transfers (this index)

S corporations, one class of stock requirement for eligibility, **2:22**

TRANSITION RULES

Limited liability companies, 3:19

S corporations, distribution of appreciated property, **2:66**

TREATMENT

S corporations, tax treatment of certain items, 2:40 to 2:49

TRIANGLE CAPITAL (TCAP)

Business development company (BDC), 5:3

TRUSTS AND TRUSTEES

Federal securities laws, 11:107, 11:108

S corporations, eligible shareholders, 2:17, 2:20

ULTRAMARES APPROACH

Due diligence and civil liability, 14:126, 14:137

UNAUDITED FINANCIAL INFORMATION

Due diligence and civil liability, 14:51

UNDERWRITERS

Disclosure, 13:52, 13:53

Due Diligence and Civil Liability (this index)

Emerging growth company, underwriting agreement, **19:3.50**

Federal securities laws, 11:97

Going Public (this index)

Preferred stock, **6:83**, **6:88**

Public offerings, Form S-1 offering, 19:3

State blue sky regulation, underwriters' commissions, **15:19**

UNIFORM LIMITED LIABILITY COMPANY ACT

Limited Liability Companies (this index)

UNIFORM LIMITED OFFERING EXEMPTION (ULOE)

State blue sky regulation, 15:11

UNIFORM SECURITIES ACTS

State Blue Sky Regulation (this index)

UNINCORPORATED BUSINESSES

Federal securities laws, 11:23

UNITED KINGDOM SOURCES OF FUNDS

Small Business Administration, financing from, 4:6

UNSEASONED ISSUERS

SEC's 2005 securities offering rules, 11:151

UPDATES AND UPDATING

Due diligence and civil liability, 14:44, 14:107

"UP-THE-LADDER"

Professional standards, Sarbanes-Oxley Act and SEC professional conduct rules, **14:55**, **14:58**

U.S. REAL PROPERTY HOLDING CORPORATION

Preferred stock, 6:39

USE OF PROCEEDS

Disclosure, 13:26, 13:27

USURY PROBLEMS

Choosing the business financing format, **1:4** Term loan agreements, **7:33**

LITAH

Small business, assistance programs for, **App 18.46**

VALUING THE DEAL

Small Business Administration, financing from, 4:13

VARIABLE INTEREST RATES

Term loan agreements, 7:30

VENTURE INTEGRATION

Federal securities laws, 11:36

VERMONT

Small business, assistance programs for, **App** 18.47

VIRGINIA

LLC operating agreement, form of (2010), **20:7** Small business, assistance programs for, **App 18.49**

VIRGIN ISLANDS

Small business, assistance programs for, **App** 18.48

VOLUME LIMITS

Federal securities laws, 11:121

VON GEHR, GEORGE

Small Business Administration, financing from, 4:10, 4:15

VOTING

Elections and Voting (this index)

VOTING AGREEMENT

NCVA model venture financings documents (2007), **15A:6**

WAIVER AND ESTOPPEL

Due diligence and civil liability, **14:10**Series A convertible preferred stock purchase agreement (annotated), **6:98**

WALL STREET REFORM ACT (2010)

Corporate governance provisions of Dodd-Frank Act. **Going Public** (this index)

WARRANTIES

Form of standard representations and warranties, 18.9

Preferred Stock (this index)

Standard representations and warranties, form of, 18:9

Term Loan Agreements (this index)

WARRANTS

Antidilution Provisions (this index)

Choosing the business financing format, **1:20** Form of warrant agreement, **18:8**

Preferred stock, 6:8, 6:144

S corporations, one class of stock requirement for eligibility, 2:25

State blue sky regulation, 15:21

WASHINGTON

Small business, assistance programs for, **App** 18.50

WELL-KNOWN SEASONED ISSUERS

SEC's 2005 securities offering revisions, **11:136**, **11:150**

WEST VIRGINIA

Small business, assistance programs for, **App** 18.51

WHISTLE-BLOWER

Sarbanes-Oxley, whistle-blower protection for employees in employment termination cases, **14:53.50**

WHITEHORSE FINANCE (WHF)

Business development company (BDC), 5:3

WISCONSIN

Small business, assistance programs for, **App** 18.52

WITHDRAWAL RIGHTS

Small Business Administration, Model Early Stage SBIC Limited Partnership Agreement, 4:18

WORKING CAPITAL ENHANCEMENT

Small Business Administration, financing from, **4:1.50**

WORLDCOM CASE

Due diligence and civil liability, 14:9.50

WORLDS OF WONDER CASE

Due diligence and civil liability, 14:6, 14:11

WORTHLESS STOCK AND DEBT

S corporations, tax treatment of certain items, 2:47, 2:48

WRITING IN "PLAIN ENGLISH"

Disclosure, 13:12

WRITTEN OFFERING RELATED COMMUNICATIONS

Relaxation of restrictions on, 11:140

WYOMING

Small business, assistance programs for, **App** 18.53