

**Alternative Reporting Standard:**

**Pink® Basic Disclosure Guidelines**

Federal securities laws, such as Rules 10b-5 and 15c2-11 of the Securities Exchange Act of 1934 (“Exchange Act”) as well as Rule 144 of the Securities Act of 1933 (“Securities Act”), and state Blue Sky laws, require issuers to provide *current information* to the public markets. With a view to facilitating compliance with these laws, OTC Markets Group has created these Pink Basic Disclosure Guidelines (“Guidelines”).[[1]](#footnote-2) These Guidelines set forth the disclosure obligations that make up the “Alternative Reporting Standard” for Pink companies. These Guidelines have been designed to encompass the “Catch All” information required in Rule 15c2-11,[[2]](#footnote-3) however they have not been reviewed by the U.S. Securities and Exchange Commission or any state securities regulator. We use information provided by companies under these Guidelines to designate the appropriate tier in the Pink Market: Current Information or Limited Information.[[3]](#footnote-4)

These Guidelines may be amended from time to time, in the sole and absolute discretion of OTC Markets Group, with or without notice. The information provided by companies under these Guidelines is subject to our [Privacy Policy](https://www.otcmarkets.com/privacy-statement).

**Pink Current Information Tier**

Companies that make the information described below publicly available on a timely basis may qualify for the Current Information Tier.

Qualification Process:

1. **Subscribe to the OTC Disclosure & News Service**: by submitting an application through [Gateway](https://gateway.otcmarkets.com/). Allow OTC Markets 2-4 weeks of application processing time.
2. **Upload Initial Disclosure**: Upload the following documents through OTCIQ:
	* **All Quarterly Reports** for Current Fiscal Year – must include Disclosure Statement and Financial Reports listed below
	* **Annual Report** for Most Recently Completed Fiscal Year– must include Disclosure Statement and Financial Reports listed below
	* **Annual Report** for Prior Completed Fiscal Year – must include Financial Reports listed below
* ***Disclosure Statements:***Disclosure information pursuant to these Guidelines for the applicable period. (see the fillable form starting on Page 4).
* ***Financial Statements:*** Financial reports must be prepared according to U.S. GAAP or International Financial Reporting Standards (IFRS) but are not required to be audited.Required financial statements include:
	+ Audit Letter, if audited
	+ Balance Sheet
	+ Statement of Income
	+ Statement of Cash Flows
	+ Statement of Retained Earnings (Statement of Changes in Stockholders’ Equity)
	+ Notes to Financial Statements

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1. **Attorney Letter** (only required if not providing audited financials): If financial statements are not audited by a PCAOB registered firm, companies must retain U.S. counsel to review their disclosure and provide a letter to OTC Markets Group with respect to adequate current information by providing the following:
* *Attorney Letter Agreement****:*** The attorney mustsubmit a signed Attorney Letter Agreement according to the [Attorney Letter Agreement Instructions](https://www.otcmarkets.com/corporate-services/attorney-letter-agreement-instructions). The attorney is required to submit an Attorney Letter Agreement for each company that engages the attorney for the purpose of providing this Letter.
* *Attorney Letter****:*** After a qualified attorney reviews the Disclosure Statement, upload the “Attorney Letter With Respect to Current Information” in accordance with the [Attorney Letter Guidelines](https://www.otcmarkets.com/files/Attorney_Letter_Agreement_Watermarked.pdf#page=3) through OTCIQ. Attorney Letters must reference all required reports as set forth in Section 2 above.
1. **Verified Profile:** The Company must verify the Company Profile through OTCIQ, including, but not limited to, a complete list of officers, directors, and service providers; outstanding shares; a business description; contact information; and the name of all company insiders. Company insiders are defined as the beneficial owner of more than 10% of the outstanding units or shares of any class of any equity security of the issuer.
2. **OTC Markets Group Processing of Disclosure**: Allow OTC Markets Group to process the posted documents (typically three to five business days) and provide any comments. Companies will only be evaluated for Current Information once all required documentation has been submitted. A new Attorney Letter is required upon amendment of any referenced report.
3. **Ongoing Disclosure Requirements**: To qualify for Current Information on an ongoing basis, companies must:
	* Upload reports through OTCIQ on the following schedule:
		+ Quarterly Report within **45 days** of the quarter end
		+ Annual Report within **90 days** of the fiscal year end
		+ Attorney Letter within **120 days** of the fiscal year end
	* Maintain a Verified Profile. At least once every six months, review and verify the Company’s profile information through OTCIQ.

**Pink Limited Information Tier**

Companies that make the information described below publicly available through OTCIQ may qualify for the Limited Information Tier.

1. **Annual Financial Statements:**Companies must upload the below financial statements for a completed Fiscal Year within the past 16 months. Financial reports must be prepared according to U.S. GAAP or International Financial Reporting Standards (IFRS) but are not required to be audited.
	* Audit Letter, if audited
	* Balance Sheet
	* Statement of Income
	* Statement of Cash Flows
	* Statement of Retained Earnings (Statement of Changes in Stockholders’ Equity)
	* Notes to Financial Statements
2. **Verified Profile:** The Company must verify the Company Profile through OTCIQ, including, but not limited to, a complete list of officers, directors, and service providers; outstanding shares; a business description; contact information; and the name of all company insiders. Company insiders are defined as the beneficial owner of more than 10% of the outstanding units or shares of any class of any equity security of the issuer.
3. **Ongoing Disclosure Requirements:** To Qualify for Limited Information on an ongoing basis, companies must:
	* Upload reports through OTCIQ on the following schedule:
		+ Annual Report (including the required financial statements outlined in Item 8) within 120 days of the fiscal year end
	* Review and Verify the Company’s profile information through OTCIQ at least once every 12 months.

**Current Reporting of Material Corporate Events**

In addition to the disclosure requirements above, companies are expected to release quickly to the public any news or information regarding corporate events that may be material to the issuer and its securities (including adverse information). Persons with knowledge of such events are considered to be in possession of material nonpublic information and may not buy or sell the issuer’s securities until or unless such information is made public. If not included in the issuer’s previous public disclosure documents or if any of the following events occur after the publication of such disclosure documents, the issuer shall publicly disclose such events by disseminating a news release **within four (4) business days** following their occurrence and posting such news release through an Integrated Newswire or OTCIQ.[[4]](#footnote-5)

Material corporate events include:

* Entry into or termination of a material definitive agreement
* Completion of an acquisition or disposition of assets, including but not limited to merger transactions
* Creation of a direct financial obligation or an obligation under an off-balance sheet arrangement of an issuer
* Triggering events that accelerate or increase a direct financial obligation or an obligation under an off-balance sheet arrangement
* Costs associated with exit or disposal activities
* Material impairments
* Sales of equity securities
* Material modification to rights of security holders
* Changes in issuer's certifying accountant
* Non-reliance on previously issued financial statements or a related audit report or completed interim review
* Changes in control of issuer
* Departure of directors or principal officers; election of directors; appointment of principal officers
* Amendments to articles of incorporation or bylaws; change in fiscal year
* Amendments to the issuer's code of ethics, or waiver of a provision of the code of ethics
* Any changes to litigation the issuer may be involved in, or any new litigation surrounding the issuer
* Officer, director, or insider transactions in the issuer’s securities
* Disclosure of investor relations, marketing, brand awareness, and stock promotion activities which might reasonably be expected to materially affect the market for its securities or otherwise deemed material by the issuer
* Changes to the company’s shell status
* Other events the issuer determines to be material

**Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines**

**[Insert Company Name]**

[Insert Company Address]

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

[Insert Company Telephone]

[Insert Company Website]

[Insert Company Email]

[SIC Code]

 **[Annual/Quarterly] Report**

**For the period ending** [Insert Period End Date] **(the “Reporting Period”)**

**Outstanding Shares**

The number of shares outstanding of our Common Stock was:

[Insert Number of Shares] as of [Current Reporting Period Date or More Recent Date]

[Insert Number of Shares] as of [Most Recent Completed Fiscal Year End]

**Shell Status**

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 of the Exchange Act of 1934):

Yes: [ ]  No: [ ]

Indicate by check mark whether the company’s shell status has changed since the previous reporting period:

Yes: [ ]  No: [ ]

**Change in Control**

Indicate by check mark whether a Change in Control[[5]](#footnote-6) of the company has occurred over this reporting period:

Yes: [ ]  No: [ ]

**1)** **Name and address(es) of the issuer and its predecessors (if any)**

In answering this item, provide the current name of the issuer any names used by predecessor entities, along with the dates of the name changes.

The state of incorporation or registration of the issuer and of each of its predecessors (if any) during the past five years; Please also include the issuer’s current standing in its state of incorporation (e.g. active, default, inactive):

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors since inception:

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

The address(es) of the issuer’s principal executive office:

The address(es) of the issuer’s principal place of business:

☐ *Check if principal executive office and principal place of business are the same address:*

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

No: [ ]  Yes: [ ]  If Yes, provide additional details below:

**2)** **Security Information**

***Transfer Agent***

Name:

Phone:

Email:

Address:

***Publicly Quoted or Traded Securities:***

*The goal of this section is to provide a clear understanding of the share information for its publicly quoted or traded equity securities. Use the fields below to provide the information, as applicable, for all outstanding classes of securities that are publicly traded/quoted.*

Trading symbol:

Exact title and class of securities outstanding:

CUSIP:

Par or stated value:

Par or stated value:

Total shares authorized:       as of date:

Total shares outstanding:       as of date:

Total number of shareholders of record:       as of date:

*All additional class(es) of publicly quoted or traded securities (if any):*

Trading symbol:

Exact title and class of securities outstanding:

CUSIP:

Par or stated value:

Total shares authorized:       as of date:

Total shares outstanding:       as of date:

Total number of shareholders of record:       as of date:

Trading symbol:

Exact title and class of securities outstanding:

CUSIP:

Par or stated value:

Total shares authorized:       as of date:

Total shares outstanding:       as of date:

Total number of shareholders of record:       as of date:

***Other classes of authorized or outstanding equity securities:***

*The goal of this section is to provide a clear understanding of the share information for its other classes of authorized or outstanding equity securities (e.g. preferred shares). Use the fields below to provide the information, as applicable, for all other authorized or outstanding equity securities.*

Exact title and class of the security:

CUSIP (if applicable):

Par or stated value:

Total shares authorized:       as of date:

Total shares outstanding (if applicable):       as of date:

Total number of shareholders of record

(if applicable):                                                    as of date:

Exact title and class of the security:

CUSIP (if applicable):

Par or stated value:

Total shares authorized:       as of date:

Total shares outstanding (if applicable):       as of date:

Total number of shareholders of record

(if applicable):                                                    as of date:

***Security Description:***

*The goal of this section is to provide a clear understanding of the material rights and privileges of the securities issued by the company. Please provide the below information for each class of the company’s equity securities, as applicable:*

1. **For common equity, describe any dividend, voting and preemption rights.**

1. **For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions.**

1. **Describe any other material rights of common or preferred stockholders.**

1. **Describe any material modifications to rights of holders of the company’s securities that have occurred over the reporting period covered by this report.**

**3)**  **Issuance History**

The goal of this section is to provide disclosure with respect to each event that resulted in any changes to the total shares outstanding of any class of the issuer’s securities **in the past two completed fiscal years and any subsequent interim period**.

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

1. **Changes to the Number of Outstanding Shares**

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years[ ]

No: ☐ Yes: ☐ (If yes, you must complete the table below)

|  |  |
| --- | --- |
| Shares Outstanding as of Second Most Recent Fiscal Year End: Opening BalanceDate       Common:       Preferred:        | \*Right-click the rows below and select “Insert” to add rows as needed. |
| **Date of** **Transaction** | **Transaction type (e.g., new issuance, cancellation, shares returned to treasury)** | **Number of Shares Issued (or cancelled)** | **Class of Securities** | **Value of shares issued ($/per share) at Issuance** | **Were the shares issued at a discount to market price at the time of issuance? (Yes/No)** | **Individual/ Entity Shares were issued to.****\*You must disclose the control person(s) for any entities listed.** | **Reason for share issuance (e.g. for cash or debt conversion) -OR- Nature of Services Provided**  | **Restricted or Unrestricted as of this filing.** | **Exemption or Registration Type.** |
|       |       |       |       |       |       |       |       |       |       |
|       |       |       |       |       |       |       |       |       |       |
|       |       |       |       |       |       |       |       |       |       |
| Shares Outstanding on Date of This Report: Ending Balance Ending Balance: Date       Common:       Preferred:       |  |

***Example:*** A company with a fiscal year end of December 31st, in addressing this item for its quarter ended September 30, 2022, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2020 through September 30, 2022 pursuant to the tabular format above.

Use the space below to provide any additional details, including footnotes to the table above:

1. **Promissory and Convertible Notes**

Indicate by check mark whether there are any outstanding promissory, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer’s equity securities:

No: ☐ Yes: ☐ (If yes, you must complete the table below)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Date of Note Issuance** | **Outstanding Balance ($)** | **Principal Amount at Issuance ($)** | **Interest Accrued ($)** | **Maturity Date** | **Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)** | **Name of Noteholder.****\*You must disclose the control person(s) for any entities listed.** | **Reason for Issuance (e.g. Loan, Services, etc.)** |
|       |       |       |       |       |       |       |       |
|       |       |       |       |       |       |       |       |
|       |       |       |       |       |       |       |       |
|       |       |       |       |       |       |       |       |

Use the space below to provide any additional details, including footnotes to the table above:

**4)**  **Issuer’s Business, Products and Services**

The purpose of this section is to provide a clear description of the issuer’s current operations.

(Please ensure that these descriptions are updated on the Company’s Profile on [www.otcmarkest.com](http://www.otcmarkest.com)).

1. Summarize the issuer’s business operations (If the issuer does not have current operations, state “no operations”)

1. List any subsidiaries, parent company, or affiliated companies.

1. Describe the issuers’ principal products or services.

**5)**  **Issuer’s Facilities**

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer and the extent in which the facilities are utilized.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

**6)**  **Officers, Directors, and Control Persons**

Using the table below, please provide information, as of the period end date of this report, regarding any officers, or directors of the company, individuals or entities controlling more that 5% of any class of the issuers securities, or any person that performs a similar function, regardless of the number of shares they own. **If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity in the note section.**

Include Company Insiders who own any outstanding units or shares of any class of any equity security of the issuer.

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial shareholders.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Names of All Officers, Directors and Control Persons** | **Affiliation with Company (e.g. Officer Title /Director/Owner of more than 5%)** | **Residential Address (City / State Only)** | **Number of shares owned** |  **Share type/class** | **Ownership Percentage of Class Outstanding** | **Names of control person(s) if a corporate entity** |
|       |       |       |       |       |       |       |
|       |       |       |       |       |       |       |
|       |       |       |       |       |       |       |
|       |       |       |       |       |       |       |
|       |       |       |       |       |       |       |

**7)** **Legal/Disciplinary History**

1. Identify whether any of the persons or entities listed above have, in the past 10 years, been the subject of:
2. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

1. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person’s involvement in any type of business, securities, commodities, or banking activities;

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person’s involvement in any type of business or securities activities.

1. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

**8)**  **Third Party Service Providers**

Provide the name, address, telephone number and email address of each of the following outside providers. You may add additional space as needed.

Securities Counsel (must include Counsel preparing Attorney Letters).

Name:

Address 1:

Address 2:

Phone:

Email:

Accountant or Auditor

Name:

Firm:

Address 1:

Address 2:

Phone:

Email:

Investor Relations

Name:

Firm:

Address 1:

Address 2:

Phone:

Email:

*All other means of Investor Communication:*

Twitter:

Discord:

LinkedIn

Facebook:

[Other ]

Other Service Providers

Provide the name of any other service provider(s) that **that assisted, advised, prepared, or provided information with respect to this disclosure statement**. This includes counsel, broker-dealer(s), advisor(s), consultant(s) or any entity/individual that provided assistance or services to the issuer during the reporting period.

Name:

Firm:

Nature of Services:

Address 1:

Address 2:

Phone:

Email:

**9)**  **Financial Statements**

1. The following financial statements were prepared in accordance with:

☐ IFRS

☐ U.S. GAAP

1. The following financial statements were prepared by (name of individual)[[6]](#footnote-7):

Name:

Title:

Relationship to Issuer:

Describe the qualifications of the person or persons who prepared the financial statements:

Provide the following financial statements for the most recent fiscal year or quarter. For the initial disclosure statement (qualifying for Pink Current Information for the first time) please provide reports for the two previous fiscal years and any subsequent interim periods.

* 1. Audit letter, if audited;
	2. Balance Sheet;
	3. Statement of Income;
	4. Statement of Cash Flows;
	5. Statement of Retained Earnings (Statement of Changes in Stockholders’ Equity)
	6. Financial Notes

**10) Issuer Certification**

*Principal Executive Officer:*

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

I, [identify the certifying individual] certify that:

1. I have reviewed this Disclosure Statement for [identify issuer];
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

      [Date]

      [CEO’s Signature]

(Digital Signatures should appear as “/s/ [OFFICER NAME]”)

*Principal Financial Officer:*

I, [identify the certifying individual] certify that:

1. I have reviewed this Disclosure Statement for [identify issuer];
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

      [Date]

      [CFO’s Signature]

(Digital Signatures should appear as “/s/ [OFFICER NAME]”)

1. This is not legal advice, and OTC Markets Group makes no assurance that compliance with our disclosure requirements will satisfy any legal requirements. [↑](#footnote-ref-2)
2. Publication of information pursuant to these Guidelines does not guarantee or ensure that the Company will be designated as having “current information” or eligible for public quotations pursuant to Rule 15c2-11 or any other applicable regulation. [↑](#footnote-ref-3)
3. OTC Markets Group may require companies with securities designated as Caveat Emptor to make additional disclosures in order to qualify for the Pink Current Information tier. [↑](#footnote-ref-4)
4. “Integrated Newswire” shall mean a newswire service that is integrated with the OTC Disclosure & News Service and is included on OTC Markets Group’s list of Integrated Newswires, as published on https://www.otcmarkets.com/corporate-services/products/disclosure-and-news-service [↑](#footnote-ref-5)
5. “Change in Control” shall mean any events resulting in:

(i) Any “person” (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the “beneficial owner” (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company’s then outstanding voting securities;

(ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company’s assets;

(iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or

(iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation. [↑](#footnote-ref-6)
6. The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS and by persons with sufficient financial skills.

 [↑](#footnote-ref-7)