

STATE OF CALIFORNIA – DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION
**APPLICATION FOR APPROVAL AS TO FORM OF AN OFFER TO REPURCHASE A
 SECURITY UNDER SUBDIVISION (b) OF SECTION 25507 OF THE CORPORATE
 SECURITIES LAW OF 1968**



DFPI-260.507 (Rev. 11-20)

(Department of Financial Protection and
 Innovation Use Only)
 Fee Paid \$ _____
 Receipt No. _____

DEPARTMENT OF FINANCIAL
 PROTECTION AND INNOVATION File
 No. _____
 (Insert file number of previous filings of
 applicant before the Department, if any)
 FEE: _____
 (To be completed by applicant)
 Date of application: _____

1. Name of issuer.

2. Address of principle executive office of issuer.

Number and Street City State Zip Code

3. The name and address of each person making the offer set forth in Exhibit D of Item 9.

Number and Street City State Zip Code

4. Name and address of persons to whom correspondence regarding this application should be addressed.

Number and Street City State Zip Code

5. State whether issuer is a corporation, partnership, trust or other entity and the state of incorporation or jurisdiction under which organized. _____

6.

(a) Type of Security	(b) Number of shares of units covered by the offer

(c)
Aggregate value
of consideration
received

(d)
If a cash offer,
aggregate amount
to be offered.

\$ _____

\$ _____

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INSTRUCTIONS

Completion of Application. The application should be continued in typewritten or printed form in the English language, on one side only of either legal or letter size paper which should be attached to the facing page when submitted. Provide the information required by Items 7 through 9 below. Identify each statement by reference to the item number. Any item which is inapplicable should be listed by the number of the item, followed simply by the word "inapplicable". At each item where relevant refer to and incorporate by reference any attached exhibits or documents and any documents currently on file with the Department. Such reference should indicate the page or portion of the document where the information is located. Sign and verify the last page in the manner shown in the instructions below.

7. Describe the transaction or distribution of securities in connection with which the repurchase offer is to be made, including, but not limited to, the following:
 - a) If offers are to be made to less than all of the persons who received securities in connection with such transaction or distribution, the names and addresses of the persons to whom offers will not be made. In the absence of unusual circumstances, the Commissioner will not ordinarily approve a repurchase offer if concurrent offers are not being made to all persons to whom liability may exist. If a request is made for a variance, a detailed explanation of the facts and circumstances must be submitted, including an explanation of the basis for excluding each person proposed to be omitted.
 - b) If the consideration paid for the securities was other than cash, a description of such consideration and a statement of the method and basis by which the valuation of the consideration was determined in connection with the repurchase offer, and information demonstrating that such valuation is bona fide and fair to the offeree.
8. Describe the business done and intended to be done by the issuer and its subsidiaries and the general development of such business during the past three years. Indicate any other names under which the issuer or any of its subsidiaries have conducted business during such period.
9. Exhibits. Attach and incorporate by reference the following exhibits:
 - A. Financial statements setting forth the information required by Section 260.613 of these rules.
 - B. Unless such information is included in Exhibit D hereto, the name and address of each person to whom the offer is to be made, the consideration paid by such person for the securities and if a cash offer is being made, the amount to be offered such person.
 - C. A copy (which may be in the form of a restated or composite copy) of applicant's certificate of incorporation, articles of incorporation, certificate of determination of

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preferences, agreement of consolidation or merger, and by-laws of a corporation; declaration of trust; agreement of partnership, certificate of limited partnership; or any other document or instrument adopted to establish or regulate any association, joint stock company, trust, or other entity; as such documents are currently in effect.

D. A form of written offer for which the Commissioner's approval is requested. Such offer should contain the following:

(1) In capital letters of not less than ten-point type the following legend, printed in contrasting color or type:

"THIS OFFER OF REPURCHASE HAS BEEN APPROVED BY THE COMMISSIONER OF FINANCIAL PROTECTION AND INNOVATION IN ACCORDANCE WITH SECTION 25507(b) OF THE CORPORATE SECURITIES LAW OF 1968 ONLY AS TO ITS FORM. SUCH APPROVAL DOES NOT IMPLY A FINDING BY THE COMMISSIONER THAT ANY STATEMENTS MADE HEREIN OR IN ANY ACCOMPANYING DOCUMENTS ARE TRUE OR COMPLETE; NOR DOES IT IMPLY A FINDING THAT THE AMOUNT OFFERED BY THE SELLER IS EQUAL TO THE AMOUNT RECOVERABLE BY THE BUYER OF THE SECURITY IN ACCORDANCE WITH SECTION 25503 IN A SUIT AGAINST THE SELLER, AND THE COMMISSIONER DOES NOT ENDORSE THE OFFER AND MAKES NO RECOMMENDATION AS TO ITS ACCEPTANCE OR REJECTION."

(2) The name and address of each person making the offer.

(3) Any variation proposed to be made in the form of the repurchase offer to the several parties-to whom the offer is made.

(4) A statement regarding the respect in which the liability under Section 25503 of the Code arose, including the following:

(a) Identification of the transaction involved, including the date, a complete description of the security sold and the nature and amount of consideration given therefor.

(b) Identification of the parties to the transaction involved, including:

(i) The seller of the security;

(ii) Every person who directly or indirectly controls the seller;

(iii) Every partner in the seller firm;

(iv) Every principal executive officer or director of a seller corporation;

(v) Every person occupying a similar status or performing similar functions;

(vi) Every employee of any of the foregoing who has materially aided in the transaction;

(vi) Every broker-dealer or agent who has materially aided in the transaction.

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- (c) Identification of the specific section of the Corporate Securities Law of 1968 which may have been violated. In this connection, the offer need not contain an admission or acknowledgment that a violation has occurred or that liability has been incurred. All that is required is a statement that liability under the particular section may have arisen.
 - (d) An explanation of the scope of the liability which may have been incurred, and a statement that this liability is being terminated by the offer.
- (5) If the offer is to repurchase the security for cash, the offer should set forth the following:
- (a) The amount to be paid as a monetary sum and that interest will be paid thereon at 7% per annum, from the date of the transaction (specifying such date). If the amount to be paid is not equal to the value of the consideration paid for the security by the offeree (because of income paid thereon or because the security was sold by the offeree), the method by which the amount to be paid was determined should be set forth, showing all adjustments, if any, by reason of dividends, distributions, assessments or otherwise. Assessments on the security paid by the offeree shall be included as a part of the purchase price paid and as a part of the value of the consideration received by the seller.
 - (b) If the consideration paid for the securities was other than monetary (such as services or property), the repurchase offer must set a cash value for the services or property and state the method by which such valuation was determined.
 - (c) A statement that payment will be made immediately upon delivery of the security, or, if no certificates were issued or if the offeree no longer owns the security, that payment will be made immediately upon delivery of acceptance of the offer. The offer should set forth reasonable provisions regarding the manner of acceptance, including the name and address of the party to whom acceptance and tender is to be made.
- (6) If rescission is offered, the offer shall set forth in detail the terms and conditions thereof, including:
- (a) All of the undertakings required to be performed by the offeror and offeree, to place the parties back in the same position as before the transaction.
 - (b) If rescission is contingent upon undertakings by parties other than offeror or offeree, a detailed statement as to such undertakings.

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- (c) The time within which such undertakings are to be performed, which shall be a reasonable time, and the date or event from which such time begins to run.
 - (d) Reasonable provisions regarding the manner of acceptance and tender, including the name and address of the party to whom acceptance and tender is to be made.
- (7) A statement of the time within which the offer must be accepted, which may not be less than 30 days after the receipt of the offer.
 - (8) A complete statement of Subdivision (b) of Section 25507 and of Sections 25503 and 25504 of the Code.
 - (9) A statement indicating that the offeree's right of action, if any, under Sections 25500, 25501 and 25502 of the Code and under common law, is not necessarily foreclosed by acceptance or rejection of the offer.
 - (10) A statement with respect to the Commissioner's authority to impose a legend condition restricting transferability of the security under Section 25534 of the Code and with respect to any action taken by the Commissioner pursuant to such section with respect to the security.
 - (11) Such information regarding the issuer and the security as is material to the consideration of the offer by the offerees, including information regarding the issuer's organization and management, its operations and plan of business, and its financial condition. In general, the information required to be furnished to the offerees is that which would be furnished for a qualification of a similar offering, considering the nature of the transaction, the number of investors and their relationship with the issuer. Such information may be required to be set forth in the form of an offering circular. Financial statements shall be in the form prescribed by Section 260.613 of these rules.
 - (12) If the financial condition of the issuer is such that the acceptance of the offer by some or all of the offerees will imperil its ability to continue in business, the offer must clearly state the risks undertaken by investors who elect to reject, or who do not accept, the offer. If the financial condition of the offeror is such that it may be unable to perform upon the offer in the event of acceptance by all, or a portion of, the offerees, the offer must clearly state the legal consequences and the investment risks of such failure of performance as to the issuer and as to the investors. If the offeror has insufficient liquid assets to assure payment to all parties who may accept the offer, commitments of payment by other persons may be included, together with a showing of their ability to perform such commitments.

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(NOTE: The application must be signed and verified in the following manner.)

The applicant has duly caused this application to be signed on its behalf by the undersigned, thereunto duly authorized.

(Applicant)
By: _____

(Title)

I certify (or declare) under penalty of perjury the laws of the State of California that I have read this application and the exhibits thereto and know the contents thereof, and that the statements therein are true and correct

Executed at _____, on _____, 20_____
(Place) (Date)

(Signature)

Signing of Application. Application should be signed by an officer or general partner of the applicant; however, it may be signed by another person holding a power of attorney for such purposes from the applicant, and if signed on behalf of the applicant pursuant to such power of attorney, should include as an additional exhibit a copy of said power of attorney or a copy of the corporate resolution authorizing the attorney to act.

Incorporation by Reference. In lieu of answering any specific item in this form, an applicant may incorporate the information called for by reference to any attached document, or to any document currently on file with the Department. Such reference should indicate the pages or portion of the document where the information is located.

Filing Fee. The filing fee shall be the amount that would have been payable under subdivisions (e), (f), (h) or (i) of Section 25608 if an application had been filed to qualify the transaction in which the securities were sold in violation of the qualification provisions. The filing fee fixed by Section 25608 must accompany each application and the amount of filing fee paid is to be set forth on the front page in the upper right hand corner.

By way of illustration, the filing fee for qualification of securities by coordination, notification, or permit, under Sections 25113 or 25121 is computed by taking 2/10ths of 1% of the maximum aggregate offering price of securities being qualified in California and adding \$200. Thus, a qualification for \$275,250 would be computed by moving the decimal point three places to the left, \$275.25, doubling the amount, \$550.50, and adding \$200 for a total of \$750.50.