Go Public Report

"Going public" is the process of causing the securities of a corporation to trade on a United States stock exchange or stock market, such as the NASD OTC Bulletin Board. The securities a company elects to trade can include its common or preferred stock, options and warrants (and the stock underlying those options or warrants), bonds, and debentures. Securities registered for trading can include those issued to the principal owners of a company.

The Ultimate "Go Public" Strategy For Today's Small Businesses

You want to take your business public, but you are unsure of where to go and how to make it happen. Our "Going Public" program can be the answer.

Developed especially for the small to medium-sized business, our turnkey program is a structured "go public" option for private companies. The program eliminates the need to have an investment banking underwriter when you first go public.

We offer an array of services, resources and capabilities to smaller and middle-sized companies. We arm you and your company with the skills and experience necessary for success in the public market.

Our A to Z Turnkey Go Public Program

We provide a comprehensive program. Our service is designed to assist you through each stage of the process. From start to finish we will be with you from initial assessment and implementation until the process is complete. Our resources and industry expertise ensure the finest level of care.

We recognize the power of a public company in utilizing opportunities not available to private companies.

Taking your company public

Becoming a Public Company without Simultaneously Raising Capital.

Many companies raise investment capital at the time they first become public. There are certain companies, however, which wish to become public without raising capital at that time.
These include:

- Companies that cannot currently find an underwriter on acceptable terms due to market conditions, the lack of history of the company, or other reasons. Smaller foreign companies in particular may find it difficult to find an underwriter.

- Companies that do not want to dilute their stock by a public offering now, but prefer to increase the value of their stock in the public market before raising capital.

- Companies whose primary reason for becoming public is to use their stock for acquisitions or for other reasons than raising capital, such as establishing liquidity for current shareholders, including the principal owners.

- Companies that want various benefits of a public company, such as exposure to the financial community, flexibility in certain types of qualified employee stock option plans, and greater ease in borrowing funds.

Our service is ideal for private companies that do not currently have an underwriter, wish to use their securities to make acquisitions, or wish to establish a liquid market for their securities. Smaller foreign companies in particular may find this an attractive way to enter the United States securities market.

If you are considering going public, contact us to learn how to move forward.

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Advantages of Going Public Report
There are many benefits to being a public company.

Some of the most compelling include:

1. Access to capital

Being a public company can give investors more confidence in investing in your company. When your stock has a public price, it gives you a benchmark price to raise capital. Any potential investor can go on the Internet or call a broker and get a quote of your company’s stock price. Some public companies then give investors who buy stock directly from the company in a private placement a discount from the public trading price (if they are willing to hold the stock for one year). This gives this investor even more of an incentive to invest.

Money raised can be used for a variety of purposes including; growth and expansion, retiring existing debt, corporate marketing and development, acquisition capital and corporate diversity. Once public, a company's financing alternatives are greatly increased. A publicly traded company can go to the public markets for capital via a stock or bond issue, and may also convert debt to equity.

2. Liquidity

By going public, a company can create a market for its stock. This gives the company a greater opportunity to sell shares of stock to investors. In general, stock in a public company is much more liquid than stock in a private enterprise. Liquidity is created for the investors, institutions, founders, and owners. Investors in the company may be able to buy or sell the stock more readily. Often time’s institutional investors and venture capitalist will require a company to become public before committing funds.

Ownership of stock in a public company may help the company's principals to borrow more easily and eliminate personal guarantees. Liquidity can also provide an investor or company owner an exit strategy, and portfolio diversity. Liquidity is one of the many reasons why public companies are typically valued so much more than a private company.

3. Mergers and Acquisitions

Once a company is public and the market for its stock is established, the stock can be considered as valuable as cash when acquiring other businesses.

A public company usually increases a company's valuation leading to a variety of opportunities for mergers and acquisitions. A public company also has the
advantage of using the market’s valuation when exchanging stock in an acquisition.

Securities and Exchange Commission disclosure requirements offer the public more confidence because in annual reports the company outlines its financial condition and corporate strategy which encourages corporate growth, development and merger activity. In addition to acquiring companies many other assets can be purchased with stock.

4. Increased Valuation

The market value of a public company is normally substantially higher than a private company with the same structure in the same industry. Converting a private company to a public company results in a substantial increase in value to owners. Statistics published by the U.S. Chamber of Commerce show that sellers of private companies receive an average of 4 to 6 times their net earnings. By comparison, public companies sell at an average of 25 times their net earnings. High tech companies are valued even higher. Investors in a private company will discount the value of its equity securities by reason of their "non-liquidity" - the lack of a ready, public market for them. Thus, public companies often are valued so much greater than private, similar companies in the same industry. The availability of other alternatives to raising capital permits a public company greater leverage in its negotiations with both institutional and individual investors. Many institutional and individual investors prefer investing in public companies since they have a built-in "exit," that is, they can sell their stock in the public market. Many companies that were private and about to be purchased went public to be purchased at a much higher price.

5. Compensation

Many companies use stock and stock option plans as an incentive to attract and retain talented employees. It is increasingly common to recruit and compensate executives with a combination of salary and stock. This reward could be deemed even more desirable when the company is publicly traded. Stock can be instrumental in attracting and keeping key personnel. Also, certain tax advantages are a consideration when issuing stock to an employee. Being public can help to create a market for the company's stock. This market can result in liquidity and reward for the company's employees.

A stock plan for employees demonstrates corporate goodwill and allows employees to become partial owners in the company where they work. An allocation of ownership or division of equity can lead to increased productivity, morale and loyalty. This type of compensation is a way of connecting an employee’s financial future to the company’s success.
6. Prestige

A public offering of stock can help a company gain prestige by creating a perception of stability. The status of being a public company can have a dramatic effect on a company's profile, perceived competitiveness and stability. This perception can lead to expanded business relationships and added confidence in the consumer.

A company's founders, co-founders and managers gain prestige from being associated with a public company. Prestige can be very helpful in recruiting key employees, marketing products and services to your target market. When sharing ownership with the public, you enhance the company's reputation and increase its business opportunities. Your company can gain additional exposure and become better known.

Often a company's suppliers and consumers become shareholders as well as joint venture partners, which may encourage continued or increased business. Once public, lenders and suppliers may perceive the company as a safer credit risk; this will enhance the opportunities for favorable financing terms. Indeed, the suppliers' and customers' perception of company success is often a self-fulfilling prophecy. Many people have called it the ultimate status symbol.

7. Personal Wealth

One of the most important benefits of a public offering is the fact that the company's stock eventually becomes liquid, offering rewards and financial freedom for the founders and employees.

A public market for stock provides a potential exit strategy and liquidity to the investors. A psychological sense of financial success can be an added benefit of going public. A public company can enhance the personal net worth of a company's shareholders. Even if a public company's shareholders do not realize immediate profits, publicly-traded stock can be used as collateral to secure loans. Many feel it makes sense at an appropriate time for investors and entrepreneurs to cash out some of their equity in order to diversify their holdings or to enjoy life. Employees and officers have two ways to add to there wealth; by receiving a salary and selling stock or trading the stock for another type of asset.

8. Estate Planning

The public company can be utilized as part of a retirement strategy for business owners and allows them to pass assets to heirs. A business owner may wish to transfer the accumulated value in a business to relatives who have no interest in or aptitude for running it, dividing up property among family members, and settling up an estate.
9. Publicity

Public companies are more likely to receive the attention of major newspapers, magazines and periodicals than a private enterprise. The proper use of press releases, interviews or news stories can increase investor awareness, shareholder value and demand for the stock. A strong ad campaign coupled with media initiatives can potentially increase sales and revenue.

The publicity received from being public can encourage investments from the public, new business development and strategic alliances. Analyst reports and daily stock market tables contribute to further awareness by consumers and the financial community. By virtue of being a public company your company's story can more easily get out to the world. This allows for investors who would not invest in private companies but will invest in public companies to find out about your company.

The publicity that a public company may receive can attract the attention of potential partners or merger candidates. Because the financial condition of a public company is subject to the scrutiny of the Securities and Exchange Commission reporting requirements, existing or future business relationships are strengthened. Many private firms do not appear on the radar screen of potential acquirors. Being public makes it easier for other companies to notice and evaluate your company for potential synergies.

**Advantages of Being a Publicly Traded Company without an Initial Public Offering**

*Mergers and Acquisition:* Public stock can be used for companies to grow through acquisitions.

*Higher Valuations:* Public Companies typically valued more than private companies.

*Benchmark Trading Price:* The trading price of a public company's securities serves as a benchmark for the offer price of a subsequent public or private securities offering.

*Capital Formation:* Raising capital later is usually easier because of the added liquidity for the investors.

*Incentives:* Stock options or stock incentives can be useful in attracting management and retaining valuable employees.

*Reduced Risk:* A risk involved in an underwritten public offering is that it may be withdrawn due to market conditions even after most of the up front costs have been expended. This could be several hundred thousand dollars or more.
**Reduced Business Requirements:** While an underwritten initial public offering requires a relatively long and stable earnings history, the lack of an earnings history does not keep a privately held company from becoming a public company.

**Reduced Dilution:** There is less dilution of ownership control compared to a traditional Initial public offering.

**Reduced Underwriter Requirements:** No underwriter is needed: (a significant factor to consider given the difficulty companies face in attracting an investment banking firm to commit to an offering.)

**S-8:** Form S-8 stock can be issued to employees and consultants.

**Liquidity:** More liquidity for founders, minority shareholders, and investors.

**Prestige:** Added prestige and visibility with customers, suppliers, employees and the financial community.

**Increased Personal Wealth

Estate Planning Opportunities**

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