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# What is an Offering Statement

An offering statement gives people interested in investing in your co-op the information they need to make an informed decision. Essentially, it outlines the risks involved in purchasing a co-op's securities. An offering statement must include:

- A description of the co-op's business
- How it will use the money it raises
- The names and positions of directors and officers
- How operations are financed
- Up-to-date financial statements

## When to file an offering statement

A co-op must file an offering statement when:

1. They are planning to sell securities to more than 35 people
2. When the sale of securities increases the number of co-op security holders to more than 35 people



## Exemptions

1. If the issue of securities does not increase the number of security holders to more than 35 people, an offering statement is not required
2. Co-ops with more than 35 security holders are not required to file offering statements if:
  - They plan to issue membership shares or member loans as a condition of membership, where issue value does not exceed \$1,000 per member per year, and the total held by any member is less than \$10,000
  - They plan to issue new shares or member loans to members by using patronage returns owed to members
  - They plan to use dividends, owed to shareholders, to issue new shares

