

Title:

Market Makers Play a Significant Role in Reverse Mergers....

Word Count:

577

Summary:

One overlooked individual in the process of taking a company public through reverse merger is the market maker. The market marker is critical especially if the company is going to be listed on OTC Bulletin Board or the NQB. Pink sheets.

Keywords:

15c211, reverse merger, direct public offering, regulation d, pink sheets

Article Body:

One overlooked individual in the process of taking a company public through reverse merger is the market maker. The market marker is critical especially if the company is going to be listed on OTC Bulletin Board or the NQB. Pink sheets.

Once the private company has decided to go public and has engage a consultant to advise management on the best way to proceed. And a determination has been made to do a reverse merger.

The first step is to identify an available corporate shell to purchase and perform the due diligence on the shell. The company decides to purchase the shell and proceeds with the reverse merger. The required Securities and Exchange Commission filing must be done.

The Securities and Exchange Commission upon reviewing the document and finding the document to be in order will approve the company's filing.

Now the consultant will recommend a market maker to sponsor the company with NASDAQ's Small Cap Market, OTC Bulletin Board or NQB Pink sheets. This is accomplished by filing form 15c211.

The broker dealer may not publish a quotation for any securities unless certain information concerning the issuer is available and the broker or dealer has a reasonable basis for believing that the information is accurate.

Some of those of those Securities and Exchange commission requirement are satisfied if:

- (1) Securities Act registration statement (F-6, F-1) has been filed within 90 days.
- (2) The issuer is complying with the filing requirements and the broker dealer has in its records the issuer's most recent annual report.
- (3) The issuer is complying with rule 12g3-2(b)
- (4) The broker dealer has on record information relating to the issuer, its securities, its business, products and facilities, management and financial statements and certain other require information.

The broker dealer is not compensated by company for this service causing the broker to absorb the cost involved in time spent and the regular monthly charges by the OTC. Bulletin Board for being a market maker in the company's stock.

The broker must stay on top of the filing and answer all questions pertinent to filing as requested by the OTC Bulletin Board. After approval the market maker must again file a request to publish a price for the securities of the issuer.

For a short period of time the broker dealer will be the sole market maker, being willing to buy and sell the stock for his own inventory, and assuming all the risk by himself but he also will be involved all the transactions that take place and stands to make all the profits as well.

After a period of time (usually 30 days) other market makers will be able to piggy back on the broker dealer who did the original filing and be able to publish a quotation. This provide more liquidity since a single market maker will not be responsible for all transactions.

Market Makers in Bulletin Board stocks must honor their bid and ask (bid the price they are willing to pay for stock, ask the price they are willing to sell stock) price. Below is a limited chart of the price and size mandated by the OTC.bb.

Price	Minimum quote size
0-.50	5,000
0.51-1.00	2,500
1.01-10.00	500
10.01-100.00	200

The market maker role in assisting companies to go public is significant, he is

the one who will be taking the risk and will reap the rewards depending on how well the securities trade.

Please visit our website for additional information in going public.
<http://www.genesiscorporateadvisors.com>