

NEW JERSEY BUREAU OF SECURITIES
INSTRUCTIONS FOR RESCISSION OFFERS
SUBJECT TO THE UNIFORM SECURITIES LAW (1997)

The following procedure should be utilized for offers to repurchase securities in accordance with N.J.S.A. 49:3-71(g).

A. All required offering material should be prepared for each person to whom the offer will be made. Pursuant to N.J.S.A. 49:3-60, any offer of a security in New Jersey, including a rescission offer, must be registered or exempt under the New Jersey Uniform Securities Law (1997), or must be a Federal covered security for which any required filing is made.

B. An offer to repurchase the unregistered securities should be prepared and mailed to each person for whom the offer will be made. This offer may be made via the form letter on the following page.

C. The issuer should retain in its records all documentation necessary to prove compliance with N.J.S.A. 49:3-71(g).

Form of Rescission Offer

[Letterhead of Issuer]

[Name of Security Holder]
[Address of Security Holder]
[City, State, Zip Code]

Dear:

On [date of purchase], [# of shares] shares of [type of security i.e. common, preferred, debentures] of [name of issuer] at a price of [\$] were sold to you.

The sale of these securities did not comply with the New Jersey Uniform Securities Law (1997). Therefore, [name of issuer] hereby offers to rescind this sale and to refund to you the entire purchase price paid together with interest at the rate of [This rate is to be determined by using the rate established for interest on judgments for the same period by the Rules Governing the Courts of the State of New Jersey at the time the offer was made.] []% per year from the date of payment, less the amount of any income received on the security.

Should you decide to accept this offer of rescission, return the above described securities to this office, together with a written notice of your acceptance, and the purchase price plus interest will be refunded to you.

This offer is good for 30 days after you receive this letter. If you fail to accept it within that period, your right to recover under the New Jersey Uniform Securities Law (1997) will be lost.

Very truly yours,

[Officer of Issuer]
[Title of Officer]
[Name of Issuer]