

Fact Sheet 1: Initial Public Offerings—Standard Listing for IPO's

NASDAQ	NYSE	AMEX
<p><u>Initial Minimum Bid Price for Stock.</u> The stock must have a minimum initial bid price of \$5.00, and must later remain at or above \$1.00. This requirement serves as a safeguard against certain market activities associated with low-priced securities, and protects the credibility of the NASDAQ market.</p>	<p><u>Distribution and Size Criteria.</u> A company must have a certain number of shareholders, Total shareholders of Class A shares: 2,200 together with the average monthly trading volume (6months) of 100,000 or 500 shareholders with an average volume of 1,000,000 shares. Must have a market value of public shares of \$100 million or an IPO market value of \$60 million. Public Shares (B) 1,100,000 outstanding</p>	<p><u>Initial Minimum Bid Price for Stock.</u> The stock must have an initial minimum bid price of \$3 and stockholder's equity of \$4 million.</p>
FINANCIAL GUIDELINES		
<p>Assets of \$6 million and net income in the latest fiscal year or two of the past three fiscal years of \$1 million. In addition, the company must have a public float of \$1.1 million, a market value of the public float¹ of \$8 million, A minimum of 400 shareholders At least three market makers <u>Capitalization Alternative:</u> Companies that do not meet the quantitative requirements may nevertheless be listed on NASDAQ if they have a market capitalization of \$75 million or total assets of \$75 million and total revenues of \$75 million, an initial minimum bid price of \$5.00, and meet certain other requirements.</p>	<p>The company must have pretax earnings over three years \$10 million; minimum of each in the past 2 most recent years \$2 million. Operating cash flow of \$25 million total over the past three years or revenues of \$250 million for the most recent year.</p>	<p>Pre-tax income of \$750,000 for most recent fiscal year or two out of the most three recent fiscal years, A market value of public float of \$3 million, There are no operating history requirements under the regular financial guidelines.</p>

¹ The number of shares publicly owned and available for trading