



DIRECT PUBLIC OFFERINGS

The New Method For Taking Your Company Public

DREW FIELD

SUMMARIES.COM is a concentrated business information service. Every week, subscribers are e-mailed a concise summary of a different business book. Each summary is about 8 pages long and contains the stripped-down essential ideas from the entire book in a time-saving format. By investing less than one hour per week in these summaries, subscribers gain a working knowledge of the top business titles. Subscriptions are available on a monthly or yearly basis. Further information is available at <http://www.summaries.com>.

MAIN IDEA

Direct Public Offerings (DPO) have now become a viable way for companies to sell stock directly to the public -- without the expense and overheads required by the traditional underwritten IPO process. Further, the DPO offers significant advantages and opportunities to investors -- by significantly broadening the number of companies in which they can invest.

The largest pool of capital in the world is in American households. Selling corporate shares into that market has traditionally been left to the securities industry. Today, however, the securities industry earns far greater revenues by acting as merchant bankers than they do in retailing stock to the public. In addition, most investors believe the best IPO investment opportunities are rarely available to the man on the street, and are instead allocated to preferred customers of the investment bankers. A DPO reverses that trend, and places every person on a level playing field.

The message is simple. The money is there for any business, on the best possible terms -- at zero interest, free of restrictions on how the business should be run and without any need to ever be repaid. The old, traditional ways of getting that funding are no longer working efficiently. For entrepreneurs today, there is a new way to get new stockholders -- through a Direct Public Offering. Don't start or expand a business without it being an integral part of your plans.

1. WHY SO FEW CORPORATIONS DO UNDERWRITTEN PUBLIC OFFERINGS Page 2
Historically, the securities industry existed mainly to facilitate the flow of capital from individuals to businesses through share ownership. Today, however, investment bankers and others find greater profits in mergers and acquisitions -- rearranging and dismantling -- than in selling stock to individual investors.

2. THE TIME IS RIGHT TO MARKET CORPORATE SHARES Page 3
Now is actually a very good time to sell stock in a company to the public because most people are aware an early-stage investment in a successful entrepreneurial company is an opportunity to earn long-term returns far better than the stock market as a whole will deliver.

3. IS PUBLIC OWNERSHIP RIGHT FOR YOU? Page 4
Selling shares to the public has both positive and negative implications. The key is to look at both sides of the exercise realistically before making a decision whether being public will be in your company's best long-term interests.

4. HOW AN UNDERWRITTEN IPO IS DONE Page 5
To understand the mechanics of how a direct public offering is achieved, first understand how the conventional investment banker managed IPO is done. The basic concept is quite simple -- part of the corporation's stock is sold at a set price to a managing underwriter who divides the stock amongst a group of underwriters who then sell shares to members of the public or institutions.

5. HOW TO DO A DIRECT PUBLIC OFFERING Page 6
A Direct Public Offering (DPO) is a way for a company to legally sell securities directly to the public -- without the services (or costs) of an underwriter, syndicate or brokers.

6. THE REGULATORY FRAMEWORK Page 7
The sale of securities to the public is one of the most heavily regulated areas of business -- simply because so much money has been lost by investors through dishonest or negligent past behavior. Like it or not, the regulatory process is simply part of the process of raising capital from the public.

7. SELLING SHARES ON THE INTERNET Page 8
The Internet can now be used as an integral part of the DPO process by facilitating:
1. The announcement of an offering
2. The delivery of the prospectus
3. The delivery and receipt of the share purchase agreement
4. The delivery of all follow-up communications.

Summaries.Com

The Ultimate Business Library



We condense **300+ page** business books into **8-page** summaries.

By reading summaries, you'll get the **key ideas** in **30 mins**, so you can spend more time turning your ideas into **dollars**.

Knowledge is Power — Invest in Your Future

For just **\$2 per week**, you will...

- Learn from the mistakes and success of the smartest people in business;
- Get fresh ideas, strategies & motivation that could be worth millions to you;
- Follow emerging trends, so you can catch the wave before your competitors do;
- Catch up on the classics you always wanted to read.

1,000 Top Business Book Summaries

Our catalog includes summaries on a range of topics for aspiring entrepreneurs, managers, and consultants.

BUSINESS PLANS

MANAGEMENT

PRESENTATIONS

SALES

LEADERSHIP

MOTIVATION

STRATEGY

AND MORE

