
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

