

Breakout IV: How to Maximize Your Stock as a Currency

#A0BA23

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Suncrest Bank CA

How To Maximize Your Stock as a Currency

OTC Markets Group

**Our Mission: To create better informed
and more efficient financial markets**

[OTC Markets Group Inc.](#) (OTCQX: OTCM) operates regulated markets for trading over 12,000 U.S. and international securities. Our data-driven disclosure standards form the foundation of our three public markets: OTCQX® Best Market, OTCQB® Venture Market and Pink® Open Market.

Our OTC Link® Alternative Trading Systems (ATSs) provide critical market infrastructure that broker-dealers rely on to facilitate trading. Our innovative model offers companies more efficient access to the U.S. financial markets.

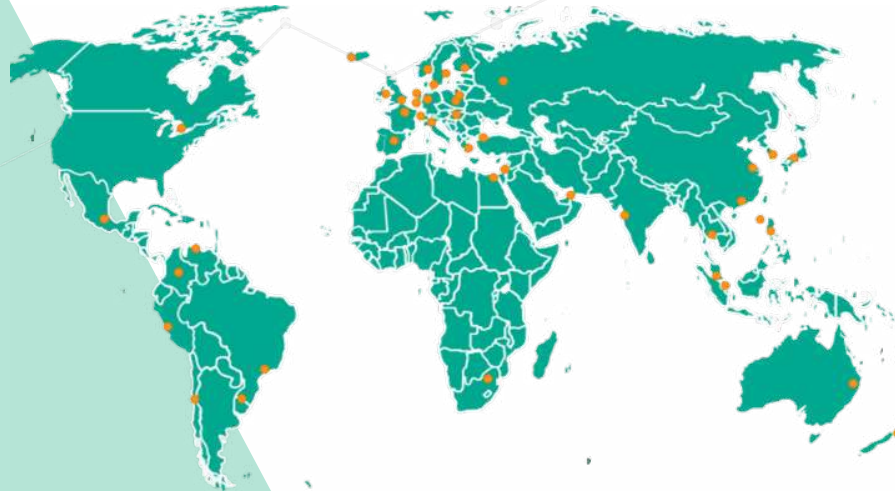
OTC Link ATS, OTC Link ECN and OTC Link NQB are each an SEC regulated ATS, operated by OTC Link LLC, a FINRA and SEC registered broker-dealer, member SIPC.

\$22.6 trillion+
total market capitalization

\$507 billion
annual dollar volume

12,500+ securities
connecting over 50 recognized global exchanges

Data as of December 31, 2022



Understanding OTC Markets Group



Trading Services

Through our SEC regulated Alternative Trading Systems, we provide critical market infrastructure to leading U.S. broker-dealers. This includes a suite of quotation, messaging and other services that allow subscribers to access liquidity, attract order flow and comply with their best execution obligations.



Corporate

Services Companies gain the benefits of public market trading by qualifying for our OTCQX Best Market or OTCQB Venture Market. OTCQX is for established, investor-focused U.S. and global companies. OTCQB is for early-stage and developing U.S. and international companies. We also offer a suite of investor engagement tools.



Market Data

Investors have access to data on 12,000+ securities through multiple channels. We also offer a comprehensive suite of subscription-based products and tools to enhance and automate compliance processes in the OTC and small cap space.

We Organize **12,000+** Securities Into Three Markets To Better Inform Investors

OTC**QX**®



The Best Market

The OTCQX® Best Market offers transparent and efficient trading of established, investor-focused U.S. and global companies. To qualify for the OTCQX market, companies must meet high financial standards, follow best practice corporate governance, demonstrate compliance with U.S. securities laws, be current in their disclosure, and be sponsored by a professional third-party advisor. Penny stocks, shells and companies in bankruptcy cannot qualify for OTCQX.

OTC**QB**®



The Venture Market

The OTCQB® Venture Market is for entrepreneurial and development stage U.S. and international companies. To be eligible, companies must be current in their reporting and undergo an annual verification and management certification process. Companies must meet \$0.01 bid test and may not be in bankruptcy.

Pink



The Pink Market

The Pink Open Market provides brokers with a regulated platform for transparent trading and best execution. Brokers quote a wide spectrum of companies on this market, including foreign companies that limit their disclosure in the U.S., penny stocks and shells. To be eligible for quotation on the Pink Market, companies must comply with the requirements of Securities Exchange Act Rule 15c2-11, including providing current information to the investing public.

Positive Market Reaction to OTCQX

2022 by the Numbers

- 1 5 Banks went public on OTCQX
- 2 First IPO completed in 2022
- 3 2 voluntary Nasdaq delists
- 4 14 Banks added

Accomplishments

- 1 180 Banks joined OTCQX since 2014, 35+ Banks have gone public
- 2 Asset sizes range from \$150mm to \$12B+
- 3 15 Banks voluntarily joined from Nasdaq since 2014
- 4 Research coverage of OTCQX Banks expanded

The Suncrest Bank Story

A Conversation With Ciaran McMullan

- How did you maximize your stock as a currency?
- What were the benefits?
- Is there anything you would have done differently?



Suncrest
Bank

Suncrest Bank Highlights

- 2008: Suncrest Bank was opened with \$18.75M in Capital and ~1.9M shares issued
- 2013: Ciaran McMullan appointed as CEO
- 2013 to 2018: Fastest growing publicly traded bank in the U.S.
- Increased total assets by 1,300% from \$0.1B to 1.4B
- Increased market cap from \$15M to ~\$200M
- Executed three capital raises and three bank acquisitions
- Opened one de-novo branch and two LPO's
- Top quartile peer performance for profitability & efficiency
- Transformed culture from low to high performing
- Earned Multiple awards: Best Small Cap IR (Investor Relations Magazine); Top 50 Performing Stocks (OTCQX); Top 100 Community Banks (S&P Global); Top 200 Healthiest Banks (Deposits.com); Best Banks to Work For (American Banker)
- 2022: Suncrest Bank was acquired by CVB Financial Corp. (Nasdaq:CVBF) for \$234.24M

Acquisition Journey



Going Public on OTCQX

Why Go Public on OTCQX

Bank Reporting:

- Companies can leverage OTC Markets' Bank Reporting Standards to complete their Reg D or registered offering to trade on OTCQX. NASDAQ and NYSE require full SEC registration pursuant of the '34 Act, which can be costly and burdensome

Liquidity:

- OTC Markets offers a diverse network of 90+ broker-dealers that transacted \$507 in annual dollar volume for 2022. Some of largest subscribers include Raymond James, DA Davidson, Janney Montgomery Scott, Piper Sandler, and KBW

Blue Sky Recognition:

- OTCQX is recognized by the SEC as an Established Public Market, providing a manual exemption in the majority of U.S. states for secondary trading

OTCQX Going Public Process

Amendments to SEC Rule 15c2-11, Effective as of Sept. 28, 2021:

- OTC Markets may onboard companies directly on the OTCQX Market. Through SEC recognition of our information review and disclosure standards, SEC Rule 15c2-11 streamlines the pathway for companies to raise capital and provide liquidity for their shareholders.

Following the Rule Change:

- OTCQX applicants that do not have a public market may become publicly traded and assigned a trading symbol by undergoing an "Initial Review" by OTC Markets Group.
- Broker-dealers may use our OTCQX Qualifications in lieu of submitting a Form 211 with FINRA

OTCQX Going Public Process

Draft Initial Disclosure Statement
(OTC Markets Bank Reporting)

DIRECT
LISTING
PREP

- Complete PCAOB Audit
- Secure Verified Transfer Agent
- Begin DTC Eligibility Process
- Engage Corporate Sponsor

Determine Eligibility

OTCQX

OTCQX
INITIAL REVIEW &
APPLICATION PROCESS

Submit OTCQX Application

- Shareholder List
- Background Check Authorization

OTC Compliance Review*

DIRECT LISTING
PRICING &
TRADING

- Press Release: 2 weeks prior to launch
- Reserve Ticker Symbol
- Market Maker enters quote in OTC Link

FIRST DAY OF TRADING

**Please note that OTC Markets will not perform an initial review for all companies.*

OTCQX[®] For Banks

Reporting Standard

SEC Reporting
Bank Reporting¹

Eligible
Eligible

Financial Eligibility

Bid Price
Market Capitalization
Total Assets
Shareholder's Equity
Transfer Agent
Bankruptcy
Penny Stocks
Shells

\$1.00
\$10 Million Initial/ \$5 Million Ongoing
\$100 Million
\$4 Million
Required
Not Eligible
Not Eligible
Not Eligible

Disclosure Requirements

Audited Annual Report
Quarterly Reports
Earnings Release
Material News Disclosure
Verified Company Profile

Required
Required
Required
Required
Required

Corporate Governance

Board of Directors
Audit Committee
Annual Shareholder Meeting

2 Independent Directors
Majority Independent
Required

Pricing

Application Fee
Annual Fee

\$5,000
\$24,600

OTCQX Benefits

Common Misconceptions

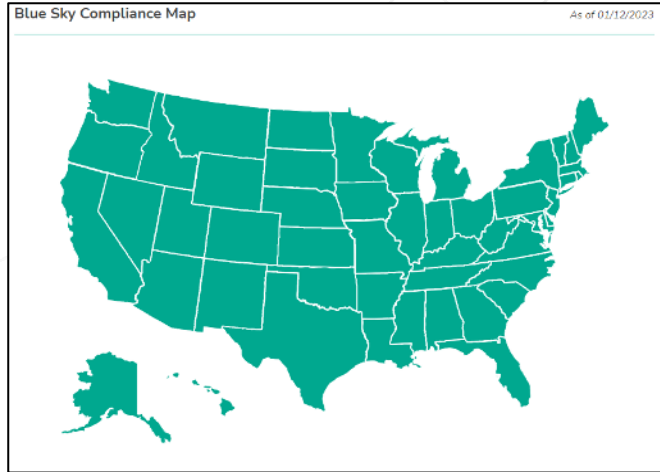
- ✗ If a bank is not listed on an exchange, it is private
- ✗ Need to list on a US exchange to be successful
- ✗ Pink or Expert market in US is OK
- ✗ SEC filing is required to access US markets
- ✗ Any US institution or investor can buy my shares because I'm public

Understanding Blue Sky Compliance

What are Blue Sky Laws?

- State laws that regulate the solicitation, sale of securities and distribution of research to retail and non-accredited investors. Blue Sky laws were designed to help protect investors from fraud and help make informed decisions by mandating accurate and current information is available.
- Issuers actively seeking to increase ownership need to think about how to grow their Blue Sky Compliance
- Blue Sky status can change on a daily basis. Being on the OTCQX Market provides a blanket exemption which can be relied on year-round to facilitate trading
- OTC Markets Blue Sky Data is utilized by leading broker-dealers and compliance teams

OTCQX Provides Robust Blue Sky Compliance



Santa Cruz County
Bank "SCZC"
Blue Sky Coverage



Merchants Financial
Group, Inc. "MFGI" Blue
Sky Coverage

Corporate Information Dissemination

AMBZ

American Business Bank (Los Angeles, CA)

Common Stock

40.50 ↑ 0.20
0.50%

39.35 / 40.50 (100 x 500)

Real-Time Best Bid & Ask: 04:07pm 01/12/2023
Delayed (15 Min) Trade Data: 02:32pm 01/12/2023

Overview	Quote	Company Profile	Security Details	News	Financials	Disclosure	Research
OPEN	DAILY RANGE		VOLUME	DIVIDEND			
40.50	40.50 - 40.50		100	N/A			
PREV CLOSE	52WK RANGE		AVERAGE VOL (30D)	NET DIVIDEND YIELD			
40.30	37.20 - 42.50		6,545	N/A			
BEST BID	BEST ASK		MARKET CAP 🔍	SHARES OUT 🏠			
39.35 x 100	40.50 x 500		361,213,252	8,963,108			

OTCQX

OTCQX Member Since 12/2019

OTCQX U.S. Premier

- ✓ Verified Profile 07/2022
- 💰 Penny Stock Exempt
- 🛡️ Transfer Agent Verified
- 👥 Independent Directors

OTCQX Composite

Index

OTCQX U.S.

Index

<https://www.otcm Markets.com/stock/AMBZ/quote>

Liquidity & Visibility

- Virtual Investor Conferences
- CEO Interviews
- Market Opens
- Community Spotlights
- Press Releases
- OTCQX Bank Index
- Access to the OTC Market Center in New York City



LIQUIDITY



Liquidity on OTCQX and NASDAQ is similar for community banks with less than \$1 billion in assets.

	SIMILAR AVG SPREADS*	LARGER AVG TRADE SIZE*
OTCQX	1.95%	209
NASDAQ	2.00%	137

OTCQX Banks

Trusted & Investor-Focused Banks

669
Securities

Data as of December 31, 2022



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