

LawCloud

2023 Guide to Form C-AR (Annual Reports)

The form C-AR is the annual report required by the Securities and Exchange Commission for all companies that have sold securities in regulation crowdfunding campaigns.

LawCloud has created this guide to Form C-AR to help you stay compliant with the SEC and meet this regulatory requirement. Below you will find answers to FAQs and links to some sample documents.

What is the Form C-AR?

The Form C-AR is the annual report you are required to file with the SEC after selling securities in a regulation crowdfunding campaign. Disclosures similar to the **disclosures provided in the Form C** are required *except* you do not need to discuss the securities being sold. The Form C-AR requires updated financial statements for your company (GAAP), certified to be true and complete in all material respects by the principal executive officer of the issuer, but **they do not need to be reviewed or audited**.

What is the deadline to file a C-AR?

The Form C-AR must be filed no later than 120 days after the end of the fiscal year. For those with a fiscal year ending 12/31, the C-AR is due by April 30th.

Why do I need to file a Form C-AR?

Because it's a regulatory requirement! In addition, a **failure** to file a timely Form C-AR *could prevent you* from

- (i) crowdfunding again,
- (ii) using other registration exemptions (like Reg D),
- (iii) keeping your promises to your investors.

How do I file a Form C-AR?

With LawCloud, it's easy and we use technology to keep down costs. Our system will allow you to easily update important items. *Key things to update or affirm:*

- Everything on the cover page;
- Directors and officers;
- All 20%+ owners;
- Description of business;
- Number of employees;
- Keep the risk factors, and update if necessary;
- Update the description of ownership and capital structure;
- Update description of the material terms of any indebtedness; including the amount, interest rate, maturity date and any other material terms;
- Update description of exempt offerings conducted within the past three years (don't forget to add the regulated crowdfunding round you closed!);
- Include description of any subsequent insider transactions; and
- Whether you or any of your predecessors previously failed to comply with the ongoing reporting requirements; and
- GAAP financials for the fiscal year not previously disclosed.

Note: these do not need to be reviewed or audited, but if you already have them, you are required to provide them; otherwise the financial statements must be certified by the CEO.

Note: While we have highlighted some key components here for your convenience, as always, be sure to carefully review **all** sections of your Form C-AR that we create for you, making sure that everything is accurate and up-to-date.

Below are links to some sample issuers' Form C-ARs and Form Cs:

1. Wellbeing Brewing Co. Form C-AR [here](#).

Access their Form C [here](#).

2. ArtistWorks Form C-AR [here](#).

Access their Form C [here](#).

Can I stop doing this, and terminate my reporting requirements?

Not until one of the following occurs:

1. You become a public reporting company;
2. You've made a Form C-AR filing already and have less than 300 holders of record;
3. You've filed 3 Form C-ARs and have total assets that do not exceed \$10M;
4. You repurchased **all** outstanding securities issued through your crowdfunding offering; or
5. You liquidate or dissolve your business in accordance with state law.

However, in order to be exempt from future reporting requirements, you will need to file a Form C-TR. LawCloud can help you with this critical filing as well for \$199. The Form C-TR must be filed within 5 days of filing a C-AR.

What can I expect if I file a Form C-AR with LawCloud?

LawCloud's Annual Report process makes filing your Form C-AR as simple as possible. Here's what you can expect:

1. Purchase **Form C-AR**.
2. Complete a Questionnaire to reflect any changes to your business in the last year, including basic financial statements.
3. If you choose, have your C-AR reviewed by your attorney or we can assign an attorney review for a flat fee of \$525.
4. File your completed C-AR directly through LawCloud.
5. Return to doing what you love, running your company!

Our team is here to guide you every step of the way.

For questions about the C-AR, please contact us!

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