

OTCQB: THE U.S. REPORTING COMPANY MARKETPLACE



OTCQB® is the middle tier of the OTC marketplace. OTCQB is home to almost 4,000 small and emerging companies that are current in their reporting obligations to the SEC or a U.S. banking regulator. Investors rely on the OTCQB designation to easily identify reporting companies that are not listed on a national securities exchange in the U.S.

WHAT INVESTORS SHOULD KNOW

- **OTCQB was created in 2010 in response to the increasing number of U.S. reporting companies quoted solely on our OTC Link Platform.** OTCQB was created to help investors identify OTC-traded companies that report to the SEC or a U.S. banking regulator. Traditionally, many investors relied on the OTC Bulletin Board™ designation for this purpose, but as broker-dealers have consolidated their OTC quotation activity to our platform, thousands of U.S. reporting companies are no longer quoted on the OTC Bulletin Board. Today, 95% of all OTC priced quotes are published by broker-dealers on OTC Markets Group's platform, OTC Link™, while only 5% are on the OTC Bulletin Board.
- **Investors can find real-time professional quotes on otcmarkets.com.** Investors looking for real-time quotes, financial reports, news, and more OTC company information, rely on otcmarkets.com for the most up-to-date and accurate information for all 10,000 OTC securities. Many free financial sites do not offer OTC quotes while others frequently mislabel the tier where an OTC company is trading. For example, several thousand OTC trading symbols have a .PK tag on them when they are not, in fact, trading on the OTC Pink tier of the OTC marketplace. Investors should go to otcmarkets.com for reliable OTC market information.
- **OTCQB is fully accessible to investors and offers broker-dealers an electronic trading environment.** Investors can trade OTCQB securities through their preferred broker-dealers and get real-time quotes through online broker-dealers such as E*Trade, Fidelity, Scottrade, Schwab, and TD Ameritrade.
- **OTC Markets helps intelligent investors discover world-class companies.**
We segment the OTC market into three tiers:



The top tier of the OTC market representing a trillion dollars of market capitalization – designed for the best OTC companies that meet the highest financial standards and undergo a qualitative review.



The middle tier of the OTC market - for companies that report to the SEC or a U.S. banking regulator. There are no financial or qualitative standards for this tier.



The bottom tier of the OTC market – a speculative trading marketplace that helps broker-dealers get the best prices for investors.

TO LEARN MORE ABOUT OTCQB, VISIT OTCMARKETS.COM or

Contact Issuer Services at issuers@otcmarkets.com or (212) 896-4420

ABOUT OTC Markets

OTC Markets Group Inc. operates the world's largest electronic marketplace for unlisted stocks. Our platform supports an open network of broker-dealers that provide investors with the best prices in over 10,000 OTC securities.

Ten years ago, we saw a need to bring electronic trading to what was then a telephone-only OTC marketplace on the OTC Bulletin Board. Broker-dealers responded favorably to our new electronic platform and superior customer service and overwhelmingly use our platform to trade OTC securities. Today, over 95% of broker-dealer OTC priced quotes are on our platform compared to less than 5% on FINRA's OTC Bulletin Board (OTCBB). As a result, most OTC companies are no longer quoted on the OTCBB.

The transparent and electronic trading we brought to the OTC helped to ignite a 500% increase in dollar volume traded in OTC securities in the last ten years. With this increased activity, we saw a need to help investors research and navigate the vast sea of 10,000 OTC companies.

We started with OTCQX in 2007 to help intelligent investors identify the best OTC-traded companies that provide high quality disclosure, have reputable management teams, and meet minimum financial thresholds. Companies on OTCQX include Adidas, Axa, Deutsche Telekom, Roche, Wal-Mart de Mexico and many others. OTCQX has become a marketplace where intelligent investors find the best companies that the OTC marketplace has to offer.

In April 2010, we created OTCQB to help investors identify companies that provide disclosure to a U.S. regulator (such as the SEC or FDIC) but that have not qualified for OTCQX. We believe it is important to recognize the considerable effort and commitment to disclosure and transparency these companies offer their investors, even if they are in early stages of development.

The bottom tier, OTC Pink, identifies the large number of late or non-SEC reporting companies that are economically distressed, in very early business development stages, or sometimes even purposefully dark to U.S. investors. We operate this tier so broker-dealers can meet their regulatory obligations to get best prices for their customers who want or need to trade these securities.

As a result of the work we have done, the OTC market is now conveniently segmented into three tiers that help investors more easily identify levels of quality (OTCQX), information (OTCQB), and risk (OTC Pink). In the few short years since segmenting the market, we have already seen that intelligent, long-term investors invest in the companies that provide the highest quality information and the highest levels and breadth of liquidity.

Improving and innovating the OTC marketplace is our mission. Contact us to find out more about our solutions to create better information and more intelligent investors.

Visit otcm Markets.com or contact Issuer Services at issuers@otcm Markets.com or (212) 896-4420 today!

