REVERSE ACQUISITION AND MERGER

An alternative method to a Private Placement is to go public through a reverse acquisition, which is a type of business combination in which a private company acquires a public company, allowing the private company to bypass the lengthy and complex process of going public.

Stony Hill Advisors Inc. helps a business owner establish and execute a detailed plan that identifies acquisition candidates and helps you complete a reverse acquisition. There are several reasons why a private company may choose to conduct a reverse merger:

- **Time**: Reverse mergers can be completed more quickly than traditional IPOs, which can take months or even over a calendar year to complete. This can be an advantage for private companies that want to go public quickly.

- **Cost**: While reverse mergers may have some costs, they are typically less expensive than traditional IPOs. This can be an advantage for private companies that want to go public but have limited resources.

- **Access to Capital**: Going public through a reverse merger can provide private companies with access to capital from public markets. This can be an advantage for private companies that need capital to fund growth or expansion.

- **Liquidity**: Going public through a reverse merger can provide private company shareholders with liquidity, allowing them to sell their shares on public markets. This can be an advantage for private company shareholders who want to monetize their investment.

- **Growth Opportunities**: Going public through a reverse merger can provide private companies with opportunities for growth through acquisitions and other strategic initiatives. This can be an advantage for private companies that want to expand their business.

It is important to note that while there are advantages to conducting a reverse merger, there are also potential disadvantages, such as the potential for undisclosed prior issues or liabilities with the public shell, and the need to comply with exchange rules and SEC filings. Companies should carefully evaluate the potential advantages and disadvantages of a reverse merger before deciding to pursue this option.

It is important to note that reverse mergers always come with some history and some shareholders, and sometimes this history can be bad and manifest itself in the form of currently sloppy records, pending lawsuits, and other unforeseen liabilities. Private companies should also be aware that shell companies could have existing shareholders who could be anxious to sell their stock. The legal requirements for a reverse merger can vary depending on the specific situation and the exchange involved.