

News Release Case Study

Answer Key



Take a Chance Technology Ltd.

December 6, 2012⁽⁴⁾

NEWS RELEASE:

Take a Chance Technology Announces Incredible⁽¹⁾ New Sales Contract

Take a Chance Technology (TSX-V: TCT) is pleased to report that it is expecting to post record revenue next quarter⁽²⁾⁽³⁾. The revenue will come from a new contract⁽⁶⁾ signed with the federal government on our new product, Fix-it-all Software. The contract was signed November 15, 2012⁽⁴⁾.

This is the Company's first sale of the software and proves economic feasibility⁽⁵⁾ of our latest project. We anticipate installing 4,000 units⁽³⁾ of the software over the next 12 months in various government locations.

Joe Hopeful, CEO of the Company states "We are extremely excited about partnering with the federal government for this venture. With the sale of such a significant number of units our teams will be near capacity⁽⁶⁾. This contract marks an important milestone in our Company's development".

This news release was prepared and reviewed by Joe Hopeful, President and CEO of the Company. For further information contact Joe Hopeful at jhopeful@takeachance.net.

On behalf of the Board of Directors,

"*Joe Hopeful*"

Joe Hopeful
President and CEO

About Take a Chance Technology Inc.

Take a Chance Technology Inc. is located in Waterloo, Ontario; a fictional Canadian based company that develops, installs and supports⁽²⁾ records management software. Its flagship product, Fix-it-all software, is patent-pending software marketed to organizations that require confidential record keeping and systems interfacing across functions within the organization.

Footnotes – A regulator may issue a comment letter on the following matters:

- (1) Language could be considered promotional - disclosure should be balanced and factual. See National Policy 51-201 *Disclosure Standards*
- (2) Revenue recognition – knowing the company develops, installs and supports software does it make sense the revenue will be recorded in one quarter; potential for multiple element arrangements
- (3) Forward looking information – Use of the words “record”, “next quarter” and/or the quantification of 4,000 units
- (4) Timely disclosure – contract signed Nov, but press release Dec. Consider material change reporting timelines. Additionally consider insider trading rules and blackout periods for the intervening time.
- (5) Research and development – potential trigger to capitalize costs, meeting new milestone
- (6) Material contracts – could question whether exception of majority of sales activities eliminates the option to rely on the ordinary course exemption, may need to file the contract

For illustrative purposes only