

OFFERING MEMORANDUM

PART 11 OF OFFERING STATEMENT (EXHIBIT A TO FORM C)

Storiad, Inc.

961 E. California Blvd.  
Pasadena, CA91106

<http://storiad.com>

## Storiad, Inc.

4,000 shares of Common  
Stock

Crowdfunding involves risk. You should not invest any funds in this offering unless you can afford to lose your entire investment.

In making an investment decision, investors must rely on their own examination of the issuer and the terms of the offering, including the merits and risks involved.

These securities have not been recommended or approved by any federal or state securities commission or regulatory authority. Furthermore, these authorities have not passed upon the accuracy or adequacy of this document.

Title 1 U.S. Securities and Exchange Commission does not pass upon the merits of any securities offered or the terms of the offering, nor does it pass upon the accuracy or completeness of any offering document or literature.

These securities are offered under an exemption from registration, however, the U.S. Securities and Exchange Commission has not made an independent determination that these securities are exempt from registration.

## THE OFFERING

Storiad (the "Company") is offering up to 4,000 shares of its Common Stock on a "best efforts" basis. The offering may continue until July 27, 2017 (which date may be extended at our option) or the date when all the shares have been sold. The shares will be priced at \$25 USD per share.

Our target offering amount is \$10,000. We will accept investments in excess of the target amount. Specifically, if we reach the target offering amount of \$10,000, we may conduct the first of multiple closings of the offering early if we provide notice about the new offering deadline at least five (5) business days prior to such a new offering deadline (absent a material change that would require an extension of the offering and reconfirmation of the investment commitment). Oversubscriptions will be allocated on a first come, first served basis.

The valuation of Storiad (the "Company") is \$2,500,000.

### Multiple Closings

If we reach the target offering amount prior to the offering deadline, we may conduct the first of multiple closings of the offering early, if we provide notice about the new offering deadline at least five business days prior (absent a material change that would require an extension of the offering and reconfirmation of the investment commitment).

## THE COMPANY AND ITS BUSINESS

### The company's business

Storiad is a Provide a Platform company serving the book selling industry. Our subscription-based software & database solutions allow authors to go about the business of selling books without worrying about their book selling infrastructure. All from a single, integrated platform. Storiad generates revenues through recurring software (SaaS) & database (DBaaS) subscription fees. Our software and database fees are related to those services authors use to build digital campaigns to sell their books. These paid services include: 1. Planning 2. Marketing 3. Research 4. Messaging 5. Video 6. Social 7. Guidelines Storiad has no liabilities or pending litigation. The competition we have identified is represented by four groups: 1. Marketing & publicity services provided by book publishers; 2. Marketing & publicity services

offered by boutique consultancies; 3. Freelance marketing & publicity consultants; and 4. DIY marketing & publicity by authors.

Please see Appendix C for further information.

## The team

### Officers and directors

Ramzi Samir Hajj	President
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Ramzi has an BA and MBA in Economics & Statistics from the University of Chicago. Prior to founding Storiad, his professional experience included positions with the Economics and International Tax practices at KPMG and Ernst & Young. Ramzi has held the position of the President of Storiad for the entirety of the company's existence. He has been the president of Storiad since its inception in 2010. His experience during the last three years includes: operations, business development, and marketing.

### Related party transactions

The company has not conducted any related party transactions.

## RISK FACTORS

These are the principal risks that related to the company and its business:

- **Our patent-pending and other intellectual property could be unenforceable or ineffective.** One of the Company's most valuable assets is its intellectual property. We currently have a patent-pending related to our System and Method for Digital Bookselling Campaigns Development. Specifically, the Storiad System and Method for Digital Bookselling Campaign Developments integrates the ten familiar software, databases, and processes that are crucial to the author's bookselling activities onto a single platform. These ten platform elements include the following: 1) Organizational platform; 2) Networking platform; 3) Marketing platform; 4) Research (database) platform; 5) Messaging platform; 6) Video (Virtual Author Event) platform; 7) Social media management platform; 8) Statistical tracking/planning platform; 9) Interactive guidelines platform; and 10) Campaign support platform. The integration of all ten of these elements is our patent-pending System and Method asset. Whereas we feel our System and Method to be a sustainable and expandable competitive advantage, there can be no guarantee that a competitor develops a superior system that will render Storiad's system obsolete and commercially non-viable. The Company intends to continue to file additional patent applications and build its intellectual property portfolio as we discover new technologies related to the digital bookselling market. There can be no guarantee that any of our Intellectual Property Patent applications or Patents will be granted, or once granted that they will be enforceable, and/or commercially effective.
- **There are several potential competitors who are better positioned than we are to take the majority of the market.** We will compete with larger, established

bookselling companies who currently have products on the markets and/or various respective product development programs. They have much better financial means and marketing/sales and human resources than us. They may succeed in developing and marketing competing equivalent products earlier than us, or superior products than those developed by us. There can be no assurances that competitors will not render our technologies and/or services obsolete, or that the various software, databases, and services developed by us will be preferred to any existing or newly developed technologies and/or services. It should further be assumed that that competition will intensify. It is also possible authors may find the Company's offerings too expensive and continue to rely on their own ad hoc bookselling activities.

- **Storiad is a new company.** Storiad has no history, no clients, no revenues. We have never turned a profit and there is no assurance that we will ever be profitable. If you are investing in this company, it's because you think the Company, through the technologies and services it offers, is a good idea. In addition, there can be no assurances that our patent-pending will be granted, or once granted will the patent be enforceable, and/or commercially viable. We are competing in a relatively mature industry with many established, recognized, and well-funded market participants. There can be no guarantee our products and services can effectively compete against the products and services of established market participants.
- **You cannot easily resell the securities.** Storiad securities are relatively illiquid in that there are no secondary markets for their liquidation. It remains unclear when, if ever, the Company will participate in an Initial Public Offering (IPO). In addition, there can be no assurances as to when, if ever, Storiad will declare and pay a dividend.
- **Any valuation at this stage is pure speculation.** Absent a liquid market, it is difficult to determine the specific worth of the Company. Our valuation figures are based on projected revenue and profitability of revenues and profits yet to be earned. Investing in the Company will remain a high-risk endeavor for the foreseeable future.
- Our business projections are only estimates. There can be no assurances that the Company will meet those projections. There can be no assurances that the company will ever attain profitability. As such, there can be no assurances as to when, if ever, Storiad will declare and pay a dividend.
- **Share Dilution.** In the future, as the Company seeks to raise additional capital to grow the business, it is possible the Company may issue additional classes of shares thereby diluting the value of earlier shareholders' shares.
- **Market for New Products/ Market Penetration.** In order to remain competitive, we plan to introduce several new products in the coming years. Our goal is to earn the reputation as the premier destination for authors to find the bookselling software, databases and processes designed to help them efficiently, profitably, and cost-effectively sell more books. We plan to launch products that meet the needs of customers and produce these products in the most cost effective way. When a new product is introduced, there is no certainty that it will be accepted by our customers. This may adversely impact our business.

- **Loss of Key Personnel.** In the short and medium terms, should the founder of the Company die or become otherwise incapacitated, this event would adversely effect the strategic direction and operational functioning of the Company. As the Company grows and adds key employees, this risk will be mitigated through the decentralization of the Company's key roles.
- **Technology Development Risk.** Our patent-pending "System and Method for Digital Bookselling Campaigns Development" is comprised of ten bookselling platform components. Four of these components have been built and will be made commercially available in June 2017. We are presently (as of April 2017) engaged in building two additional platform components. Following our Crowdfunding round, we will build the remaining four components. There can be no guarantee we will be able to successfully complete and deploy the two bookselling platform components currently under development due in August 2017. In addition, there can be no guarantee we will be able to successfully complete and deploy the remaining four components due in December 2017.

## **OWNERSHIP AND CAPITAL STRUCTURE; RIGHTS OF THE SECURITIES**

### **Ownership**

- Ramzi Samir Hajj, 96.53% ownership, Common Stock
- Investors through StartEngine Crowd Funding Round: 3.47% ownership, Common Stock

### **Classes of securities**

- Common Stock: 51,000

#### **Voting Rights** *(of this security)*

The holders of shares of the Company's common stock, no par value per share ("Voting Common Stock" and, collectively with the Non-voting Common Stock, the "Common Stock"), are entitled to one vote for each share held of record on all matters submitted to a vote of the shareholders.

#### **Dividend Rights**

Subject to preferences that may be granted to any then outstanding preferred stock, holders of shares of Common Stock are entitled to receive ratably such dividends as may be declared by the Board out of funds legally available therefore as well as any distribution to the shareholders. The payment of dividends on the Common Stock will be a business decision to be made by the Board from time based upon the results of our operations and our financial condition and any other factors that our board of directors considers relevant. Payment of dividends on the Common Stock may be restricted by law and by loan agreements, indentures and other transactions entered into by us from time to time. The Company has never paid a dividend and does not intend to pay dividends in the foreseeable future, which means that shareholders may not receive any return on their investment from dividends.

## **Rights to Receive Liquidation Distributions**

Liquidation Rights. In the event of our liquidation, dissolution, or winding up, holders of Common Stock are entitled to share ratably in all of our assets remaining after payment of liabilities and the liquidation preference of any then outstanding preferred stock.

## **Rights and Preferences**

The rights, preferences and privileges of the minority holders of the company's Common Stock are subject to and may be adversely affected by, the rights of the majority holders of our Common Stock.

## **What it means to be a Minority Holder**

As a minority holder of Storiad common shares, you will have limited ability, if all, to influence our policies or any other corporate matter, including the election of directors, changes to the Company's governance documents, additional issuances of securities, company repurchases of securities, a sale of the Company or of assets of the Company, or transactions with related parties.

## **Dilution**

Investors should understand the potential for dilution. Each Investor's stake in the Company, could be diluted due to the Company issuing additional shares. In other words, when the Company issues more shares, the percentage of the Company that you own will increase, even though the value of the Company may increase. You will own a smaller piece of a larger company. This increase in number of shares outstanding could result from a stock offering (such as an initial public offering, another crowd-funding round, a venture capital round or angel investment), employees exercising stock options, or by conversion of certain instruments (e.g., convertible notes, preferred shares or warrants) into stock.

If we decide to issue more shares, an Investor could experience value dilution, with each share being worth less than before, and control dilution, with the total percentage an investor owns being less than before. There may also be earnings dilution, with a reduction in the amount earned per share (although this typically occurs only if we offer dividends, and most early stage companies are unlikely to offer dividends, referring to invest any earnings into the Company).

The type of dilution that hurts early-stage investors mostly occurs when the company sells more shares in a "down round," meaning at a lower valuation than in earlier offerings.

If you are making an investment expecting to own a certain percentage of the Company or expecting each share to hold a certain amount of value, it is important to realize how the value of those shares can decrease by actions taken by the Company. Dilution can make drastic changes to the value of each share, ownership percentage, voting control, and earnings per share.



## **Transferability of securities**

For a year, the securities can only be resold:

- In an IPO;
- To the company;
- To an accredited investor; and
- To a member of the family of the purchaser or the equivalent, to a trust controlled by the purchaser, to a trust created for the benefit of a member of the family of the purchaser or the equivalent, or in connection with the death or divorce of the purchaser or other similar circumstance.

## **FINANCIAL STATEMENTS AND FINANCIAL CONDITION; MATERIAL INDEBTEDNESS**

### **Financial Statements**

Our financial statements can be found attached to this document. The financial review covers the period ending in 2017-12-31.

### **Financial Condition**

### **Results of Operation**

We have not yet generated any revenues and do not anticipate doing so until we have completed the building and delivery of our various software and database products. We do not anticipate occurring until October 2017. Based on our forecast, with the liquidity of the anticipated full raise amount, we anticipate that we can operate the business for 12 months without revenue generation.

### **Financial Milestones**

The company is investing for continued growth of the brand, as is generating net income losses as a result.

Management currently forecasts the following Company developments:

1. Launch of the Minimal Viable Product (MVP) by June of 2017. The MVP incorporates the Networking Platform, the Marketing Platform, and the Research Platform. We expect to start generating revenues by October 2017
2. Development, testing and launch of the Messaging Platform by July 2017;
3. Development, testing and launch of the Virtual Author Platform by December 2017.

### **Liquidity and Capital Resources**

The company is currently generating operating losses and requires the continued infusion of new capital to continue business operations. If the company is successful

in this offering, we will likely seek to continue to raise capital under crowdfunding offerings, equity and/or debt issuances, or any other method available to the company. For the foreseeable future, future cash flows will be reinvested into the company for business development and market penetration purposes.

### **Indebtedness**

The Company has no outstanding debt issuances.

### **Recent offerings of securities**

None

### **Valuation**

\$2,500,000.00

We have not undertaken any efforts to produce a valuation of the Company. The price of the shares merely reflects the opinion of the Company as to what would be fair market value.

### **USE OF PROCEEDS**

We are seeking to raise a minimum of \$10,000 (target amount) and up to \$100,000 (overallotment amount) in this offering through Regulation Crowdfunding. We plan to allocate the use of proceeds as follows:

	<b>Offering Amount Sold</b>	<b>Offering Amount Sold</b>
<b>Total Proceeds:</b>	\$100,000	\$10,000
Less: Offering Expenses		
StartEngine Fees (6% total fee)	\$6000	\$600
Offering Expenses (Marketing 3% total fees)	\$3000	\$300
<b>Net Proceeds</b>	\$91,000	\$9,100
<b>Use of Net Proceeds:</b>		
Software Development*	<i>\$50,000</i>	\$9,100
Marketing	\$27,000	\$0



Contract/Outsourcing**	\$8,000	\$0
General Administrative	\$1,000	\$0
Professional Fees (IP Legal)	\$5,000	\$0
Working Capital	\$0	\$0
<b>Total Use of Net Proceeds</b>	<b>\$91,000</b>	<b>\$9,100</b>

\* Software Development expenditures includes developing, testing, and launching the software behind the Messaging Platform and Virtual Author Event Platform.

\*\* Contract/Outsourcing expenditures include using third party consultants to conduct additional research to expand the industry contact database behind the Research Platform.

The identified uses of proceeds are subject to change at the sole discretion of the executive officers.

and directors based on the business needs of the Company.

### ***Irregular Use of Proceeds***

The Company might incur Irregular Use of Proceeds that may include but are not limited to the following over \$10,000: Vendor payments and salary made to one's self, a friend or relative; Any expense labeled "Administration Expenses" that is not strictly for administrative purposes.

## **REGULATORY INFORMATION**

### **Disqualification**

No disqualifying event has been recorded in respect to the company or its officers or directors.

### **Compliance failure**

The company has not previously failed to comply with Regulation CF.

### **Annual Report**

The company will make annual reports available on its website.

EXHIBIT B TO FORM C

FINANCIAL STATEMENTS AND INDEPENDENT ACCOUNTANT'S REVIEW FOR  
Storiad, Inc.

*[See attached]*

I, Ramzi S. Hajj, the President of Storiad, Inc., hereby certify that the financial statements of Storiad, Inc. and notes thereto for the periods ending December 31, 2016 and December 31, 2017 included in this Form C offering statement are true and complete in all material respects.

IN WITNESS THEROF, this Principal Executive Officer's Financial Statement Certification has been executed as of the March 23, 2018

/s/ Ramzi S. Hajj

March 23, 2018

STORIAD, INC.

FINANCIAL STATEMENTS  
(UNAUDITED)

AS OF AND FOR THE YEARS ENDED  
December 31, 2017 and 2016

Storiad, Inc.  
Index to Financial Statements  
(unaudited)

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**STORIAD, INC.**  
**BALANCE SHEETS**  
**DECEMBER 31, 2017 AND 2016**  
(unaudited)

	<u>2017</u>	<u>2016</u>
<b>Cash</b>	\$ 12,500	\$ 13,414
<b>Total Assets</b>	\$ 12,500	\$ 13,414
<b>Liabilities</b>		
Credit Card Payable	\$ 3,400	\$ 3,800
<b>Total Liabilities</b>	\$ 3,400	\$ 3,800
<b>Equity</b>		
Add'l Paid-in Capital	\$ 259,473	\$ 159,435
Accumulated Deficit	\$ (249,859)	\$ (149,821)
<b>Total Equity</b>	\$ 9,100	\$ 9,614
<b>Total Liabilities &amp; Equity</b>	\$ 12,500	\$ 13,414



**STORIAD, INC.**  
**STATEMENTS OF OPERATIONS**  
**FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**  
**(unaudited)**

	<u>2017</u>	<u>2016</u>
<b>Total Revenues</b>	\$ -	\$ -
<b><u>Expenses</u></b>		
Technology Development	\$ 80,000	\$ 23,000
Marketing	\$ 1,076	\$ 825
Promotional	\$ -	\$ -
Design	\$ -	\$ -
Business Development	\$ 550	\$ 600
Website Operations	\$ 3,266	\$ 2,527
Materials & Equipment	\$ 1,885	\$ 365
General & Administrative	\$ 2,520	\$ 2,520
Legal	\$ 155	\$ 1,255
Taxes & Accounting	\$ 4,834	\$ 1,099
Interest	\$ 5,752	\$ 4,699
<b>Total Expenses</b>	\$ 100,038	\$ 36,890
<b>Net Income</b>	\$ (100,038)	\$ (36,890)

**STORIAD, INC.**  
**STATEMENTS OF STOCKHOLDERS' EQUITY**  
**FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**  
**(unaudited)**

	<u>Common Stock</u>				Total Stockholders Equity (Deficit)
	Shares	Amount	Additional Paid-in Capital	Accumulated Deficit	
December 31, 2016	-	-	159,435	(149,821)	9,614
Contributed Capital	1,770.00	44,250	100,038	-	144,288
Net Loss	-	-	-	(100,038)	(100,038)
December 31, 2017	1,770	\$ 44,250	\$ 259,473	\$ (249,859)	\$ 53,864

**STORIAD, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**  
**(unaudited)**

	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Income (loss)	\$ (100,038)	\$ (36,890)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Accounts payable	(914)	200
Net cash provided by (used in) operating activities	<u>\$ (100,952)</u>	<u>\$ (36,690)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Capital contribution	100,038	36,890
Net cash provided by (used in) financing activities	<u>100,038</u>	<u>36,890</u>
Increase (decrease) in cash and cash equivalents	(914)	200
Cash and cash equivalents, beginning of year	13,414	13,214
Cash and cash equivalents, end of year	<u>\$ 12,500</u>	<u>\$ 13,414</u>

## NOTE 1- NATURE OF OPERATIONS

Storiad, Inc. was formed on March 13, 2010 ("Inception") in the State of California. The financial statements of STORIAD, INC. (which may be referred to as the "Company", "we," "us," or "our") are prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The Company's headquarters are located in Pasadena, CA.

Storiad, Inc. is a Provide a Platform company serving the bookselling industry. Our subscription-based software & database solutions allow authors to go about the business of selling books without worrying about their bookselling infrastructure. All from a single, integrated platform.

Storiad offers its customers the opportunity to develop bookselling campaigns by choosing from one or more of the following bookselling campaign development elements: Planning Platform, Networking Platform, Research Platform, Messaging Platform, Social Media Platform, Video Platform, Tracking Platform, Guidelines Platform, and Resources Platform.

## NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### *Use of Estimates*

The preparation of financial statements in conformity with U.S. GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities, and the reported amount of expenses during the reporting periods. Actual results could materially differ from these estimates. It is reasonably possible that changes in estimates will occur in the near term.

### *Fair Value of Financial Instruments*

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants as of the measurement date. Applicable accounting guidance provides an established hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in valuing the asset or liability and are developed based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the Company's assumptions about the factors that market participants would use in valuing the asset or liability. There are three levels of inputs that may be used to measure fairvalue:

Level 1 - Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 - Include other inputs that are directly or indirectly observable in the marketplace.

Level 3 - Unobservable inputs which are supported by little or no market activity.

The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

Fair-value estimates discussed herein are based upon certain market assumptions and pertinent information available to management as of December 31, 20X1 and 20XX. The respective carrying value of certain on-balance-sheet financial instruments approximated their fair values.

### *Cash and Cash Equivalents*

For purpose of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

#### *Revenue Recognition*

The Company will recognize revenues from various recurring subscription fees as they relate to the Marketing Platform, Research Platform, Messaging Platform, Social Media Platform, and Virtual Author Event Platform, when (a) persuasive evidence that an agreement exists; (b) the service has been performed; (c) the prices are fixed and determinable and not subject to refund or adjustment; and (d) collection of the amounts due is reasonably assured.

#### *Income Taxes*

The Company applies ASC 740 Income Taxes ("ASC 740"). Deferred income taxes are recognized for the tax consequences in future years of differences between the tax bases of assets and liabilities and their financial statement reported amounts at each period end, based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized. The provision for income taxes represents the tax expense for the period, if any and the change during the period in deferred tax assets and liabilities.

ASC 740 also provides criteria for the recognition, measurement, presentation and disclosure of uncertain tax positions. A tax benefit from an uncertain position is recognized only if it is "more likely than not" that the position is sustainable upon examination by the relevant taxing authority based on its technical merit.

The Company is subject to tax in the United States ("U.S.") and files tax returns in the U.S. Federal jurisdiction and California state jurisdiction. The Company is subject to U.S. Federal, state and local income tax examinations by tax authorities for all periods since 2014. The Company currently is not under examination by any tax authority.

#### *Concentration of Credit Risk*

The Company maintains its cash with a major financial institution located in the United States of America which it believes to be creditworthy. Balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At times, the Company may maintain balances in excess of the federally insured limits.

### **NOTE 3 - COMMITMENTS AND CONTINGENCIES**

We are currently not involved with or know of any pending or threatening litigation against the Company or any of its officers.

### **NOTE 4 - STOCKHOLDERS' EQUITY**

#### *Common Stock*

We have authorized the issuance of 100,000 shares of our common stock with par value of \$1.00.

### **NOTE 5 - SUBSEQUENT EVENTS**

The Company has evaluated subsequent events that occurred after December 31, 2017 through March 22, 2018, the issuance date of these financial statements. There have been no other events or transactions during this time which would have a material effect on these financial statements.

EXHIBIT C TO FORM C

PROFILE SCREENSHOTS

*[See attached]*





## **VIDEO TRANSCRIPT (Exhibit D)**

My name is Ramzi. I'm the founder of Storiad. Storiad is all about bookselling. Storiad is all about bookselling for those authors with limited bookmarking budgets. Storiad is all about bookselling for those authors with limited book marketing budgets who want to move beyond just social media marketing to really engage their target audience with informative, entertaining, and memorable marketing messages about their book. Storiad offers the software, the bookselling industry contact databases, the video platforms, and proven guidelines that authors need for smart, long-running, and affordable book marketing campaigns. So, if you're an author with a limited book marketing budget, but who wants to sell more books, then give us a look-see. With Storiad, your story is out there. Bye for now.

## **STARTENGINE SUBSCRIPTION PROCESS (Exhibit E)**

### **Platform Compensation**

- As compensation for the services provided hereunder by StartEngine Capital, Issuer shall pay to StartEngine Capital at the conclusion of the offering a fee consisting of a 5% (five percent) commission based on the amount of investments raised in the Offering and paid upon disbursement of funds from escrow at the time of a closing. The commission is paid in cash and in securities of the Issuer identical to those offered to the public in the Offering at the sole discretion of StartEngine Capital and reimbursement of certain expenses related to the Offering. The securities paid to the Site, if any, will be of the same class and have the same terms, conditions and rights as the securities being offered and sold by the Issuer on the Site.

### **Information Regarding Length of Time of Offering**

- Investment Cancellations: Investors will have up to 48 hours prior to the end of the offering period to change their minds and cancel their investment commitments for any reason. Once the offering period is within 48 hours of ending, investors will not be able to cancel for any reason, even if they make a commitment during this period.
- Material Changes: Material changes to an offering include but are not limited to: A change in minimum offering amount, change in security price, change in management, etc. If an issuing company makes a material change to the offering terms or other information disclosed, including a change to the offering deadline, investors will be given five business days to reconfirm their investment commitment. If investors do not reconfirm, their investment will be cancelled and the funds will be returned.

### **Hitting The Target Goal Early & Oversubscriptions**

- StartEngine Capital will notify investors by email when the target offering amount has hit 25%, 50% and 100% of the funding goal. If the issuing company hits its goal early, and the offering minimum of 21 days has been met, the issuing company can create a new target deadline at least 5 business days out. Investors will be notified of the new target deadline via email and will then have the opportunity to cancel up to 48 hours before new deadline.
- Oversubscriptions: We require all issuers to accept oversubscriptions. This may not be possible if: 1) it vaults an issuer into a different category for financial statement requirements (and they do not have the requisite financial statements); or 2) they reach \$1M in investments. In the event of an oversubscription, shares will be allocated at the discretion of the issuer.
- If the sum of the investment commitments does not equal or exceed the target offering amount at the offering deadline, no securities will be sold in the offering, investment commitments will be cancelled and committed funds will be returned.
- If a StartEngine issuer reaches their target offering amount prior to the deadline, they may conduct an initial closing of the offering early if they provide notice about the new offering deadline at least five business days prior to the new offering deadline (absent a material change that would require an extension of the offering and reconfirmation of the investment commitment). StartEngine will notify investors when the issuer meets its target offering amount. Thereafter, the issuer may conduct additional closings until the

offering deadline.

### Minimum and Maximum Investment Amounts

- In order to invest, to commit to an investment or to communicate on our platform, users must open an account on StartEngine Capital and provide certain personal and non-personal information including information related to income, net worth, and other investments.
- Investor Limitations: Investors are limited in how much they can invest on all crowdfunding offerings during any 12-month period. The limitation on how much they can invest depends on their net worth (excluding the value of their primary residence) and annual income. If either their annual income or net worth is less than \$100,000, then during any 12-month period, they can invest up to the greater of either \$2,000 or 5% of the lesser of their annual income or net worth. If both their annual income and net worth are equal to or more than \$100,000, then during any 12-month period, they can invest up to 10% of annual income or net worth, whichever is less, but their investments cannot exceed \$100,000.