

## DAISYFACE FLOW

# FORM C

## Offering Memorandum

### Purpose of This Form

A company that wants to raise money using Regulation Crowdfunding must give certain information to prospective investors, so investors will have a basis for making an informed decision. The Securities and Exchange Commission, or SEC, has issued regulations at 17 CFR §227.201 listing the information companies must provide. This form – Form C – is the form used to provide that information.

Each heading below corresponds to a section of the SEC's regulations.

#### §227.201(A) – BASIC INFORMATION ABOUT THE COMPANY

<b>Name of Company</b>	daisyface flow, LLC
<b>State of Organization</b>	Delaware
<b>Date Company Was Formed</b>	October 9, 2018
<b>Kind of Entity</b> (Check One)	Limited Liability Company
<b>Street Address</b>	45 Sudan St #3 Boston MA 02125
<b>Website Address</b>	<a href="https://daisyfaceflow.com/">https://daisyfaceflow.com/</a>

#### §227.201(B) – DIRECTORS AND OFFICERS OF THE COMPANY

<b>Name</b>	Morgan Chase	
<b>All positions with the Company and How Long for Each Position</b>	<u>Position</u> Owner	<u>How Long</u> October 9, 2018
<b>Business Experience During Last Three Years</b>	Morgan is an avid yogi and has been translating her passion into teaching others.	
<b>Principal Occupation During Last Three Years</b>	Self-Employed Yoga Instructor	

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Has this Person Been Employed by Anyone Else During the Last Three Years?	Yes	
If Yes, List the Name of the Other Employer(s) and its (their) Principal Business	<u>Name</u> Northeast Addictions Treatment Center	<u>Business</u> Evidence-based treatment center
	Kforce Inc	Professional staffing firm

**§227.201(C) – EACH PERSON WHO OWNS 20% OR MORE OF THE VOTING POWER**

<u>Name</u>	Morgan Chase
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**§227.201(D) – THE COMPANY’S BUSINESS AND BUSINESS PLAN**

**The Basics**

Our “Wellness on Wheels” model brings the yoga studio to the client! With your help, we plan to purchase a 1970’s era VW bus and transform it into the daisyface “flowmobile.” With talented yoga teachers behind the wheel and the flowmobile™ stocked with mats & props needed for practice, our services are the first of its kind in this market.

With the daisyface flowmobile™, yoga becomes more approachable and accessible to a variety of communities that could benefit from this thriving self-care practice. The 1970’s era VW bus is a symbol of the Hippie era, boasting peace, love, & now--yoga!

**The Problem**

Yoga is in high demand ALL over the world, but in cities like Boston, it can be very expensive. Many people that would benefit from yoga cannot afford it and are unable to access local studios/gyms where it’s typically offered.

Currently in Boston, the middle class is our largest demographic with a median annual income of \$53,815. Yoga can’t solve everyone’s problems, but this practice could provide mental and spiritual relief, valuable perspective, and a sense of mindfulness to all areas of their lives.

**The Solution**

Our “Wellness on Wheels” model brings the yoga studio to the client! With talented yoga teachers behind the wheel & the flowmobile™ stocked with mats & props needed for practice, our services are the first of its kind in the Boston area.

**How It Works**

Step One: Secure the flowmobile™, a refurbished 60’s to 70’s VW Bus and equip it to hold merchandise, yoga mats, blocks, straps, etc.

Step Two: Promote and hit the road! Working with past, present, and future clients (including private individuals and businesses), daisyflow will be teaching classes, workshops, and holding events to continue to build the brand.

Step Three: Grow with the (daisy)flow! Continue to secure partnerships and clients to scale operations to multiple instructors and vehicles :)

### **Why Now**

Yoga is changing the world. One student, one class, one flow at a time. Let this be the “vehicle” that brings that transformation to the communities that need it most. By building an accessible brand with the mobility to meet demand wherever it's located, daisyface is able to capture underserved markets while competing on price and availability in core areas.

### **What Makes us Different**

The daisyface flowmobile™ will offer a multitude of services to its clients/students. Including, but not limited to:

- Outdoor yoga classes in a range of incredible locations (sky's the limit!)
- Private 1:1 in-home or at a local studio instruction
- Small group classes to be hosted in a unique space
- Services to after school programs, elderly homes, sober living communities, first responder stations, etc.

Daisyface brings the yoga to YOU! We will have daisyface flow branded merchandise for sale on the bus at all times (e.g. tank tops, tee shirts, sweatshirts, beanies, yoga mats, stickers, pins, etc.). Our special events are more than a typical yoga class - they are SO FUN! Anyone can book the bus for their bachelorette/bridal suite, birthday party, childrens' play-date, or corporate event. We hope to join yoga festivals, antique shows, classic car expos, and other events that traditional yoga studios have largely ignored.

Our primary day-to-day costs include: fuel, payment for the teacher(s), rental fee of class space (if applicable), and merchandise restocking. Our plans for expansion are to properly market & promote the flowmobile™, to create the hype & buzz it deserves! As we begin to book more and more clients, we may procure an additional bus so we can further facilitate the demand for the flowmobile's convenience factor of "Wellness on Wheels." As the flowmobile™ fleet grows, we will also bring on additional teachers to offer a wider array of talent & styles of classes for our clients! Also, through initial promotion, the daisyface flowmobile™ will look to secure strategic partnerships with companies like AirBnB and Groupon as an additional service/experience clients can book. We plan to take advantage of many opportunities for high-visibility promotion and marketing.

### **Market and Location Analysis**

Boston is a major US city. Yoga is a \$16 Billion dollar industry. This being said, there are plenty of other local yoga businesses out there. However, none are quite like daisyface flow. None currently provide the flexibility and freedom of the flowmobile™, which brings the class directly to the clients. Daisyface flow provides a one-of-a-kind, memorable yoga experience. The flowmobile™ comes equipped with everything the students need for an incredible time on their mat, led by Morgan or one of our other expert instructors. Our team will allow clients to fully release and relax into the experience. Geographically, our market is Greater Boston and the surrounding towns, including Dorchester, Milton, South Boston, East Boston, and more. As we grow, we would love to bring the daisyface flowmobile™ to other states in the New England region (NH, VT, ME, RI, CT) and beyond! Local competitors include a similar service located on Nantucket Island that provides mobile barre classes. They offer comparable services to ours, but we focus on yoga instead of barre.

§227.201(E) – NUMBER OF EMPLOYEES

The Company currently has 1 employees.

#### §227.201(F) – RISKS OF INVESTING

##### Required Statements

**A crowdfunding investment 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.**

**The 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.**

**Please refer to Appendix A for risks of investing in this investment**

##### Risks in Educational Materials

Our [Educational Materials](#) list risks that are common to many of the companies on the MainVest platform.

#### §227.201(G) – TARGET OFFERING AMOUNT AND OFFERING DEADLINE

Target Offering Amount	\$50,000
Offering Deadline	February 14th, 2019

##### Required Statement

**If the sum of the investment commitments does not equal or exceed the Target Offering Amount as of the Offering Deadline, no securities will be sold in the offering, investment commitments will be canceled, and all committed funds will be returned.**

#### §227.201(H) – COMMITMENTS THAT EXCEED THE TARGET OFFERING AMOUNT

Will the company accept commitments that exceed the Target Offering Amount?	Yes
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What is the maximum you will accept in this Offering?	\$75,000
If Yes, how will the company deal with the oversubscriptions?	We will accept subscriptions on a first-come, first-served basis.

§227.201(i) – HOW THE COMPANY INTENDS TO USE THE MONEY RAISED IN THE OFFERING

**The Company is Reasonably Sure it Will Use the Money as Follows**

<i>Use of Money</i>	<i>How Much (if Minimum)</i>	<i>How Much (if Maximum)</i>
Compensation to MainVest	\$3,000	\$4,500
Fixed Asset (Vehicle)	\$40,000	\$50,000
Equipment	\$5,000	\$15,000
Merchandise	\$2,000	\$5,500
TOTAL	\$50,000	\$75,000

§227.201(j) – THE INVESTMENT PROCESS

**To Invest**

- Review this Form C and the [Campaign Page](#)
- If you decide to invest, press the **Invest** button
- Follow the instructions

**To Cancel Your Investment**

Send an email to [info@mainvest.com](mailto:info@mainvest.com) no later than 48 hours before the Offering Deadline or go to your dashboard for your user account to cancel manually. In your email, include your name and the name of the Company.

NOTE: For more information about the investment and cancellation process, see [Educational Materials](#).

**Required Statements**

- Investors may cancel an investment commitment until 48 hours prior to the Offering Deadline.
- MainVest will notify investors when and if the Target Offering Amount has been raised.
- If the Company reaches the Target Offering Amount before the Offering Deadline, it may close the offering early if it provides notice about the new Offering Deadline at least five business days before such new Offering Deadline, absent a material change that would require an extension of the offering and reconfirmation of the investment commitment.
- If an investor does not cancel an investment commitment before the 48-hour period before the Offering Deadline, the funds will be released to the Company upon closing of the offering and the investor will receive securities in exchange for his or her investment.

§227.201(k) – MATERIAL CHANGES

**Required Statement**

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If an investor does not reconfirm his or her investment commitment after a material change is made to the offering, the investor's investment commitment will be cancelled and the committed funds will be returned.

EXPLANATION: A "material change" means a change that an average, careful investor would want to know about before making an investment decision. A material change could be good or bad. If a material change occurs after you make an investment commitment but before the Offering closes, then the Company will notify you and ask whether you want to invest anyway. If you do not affirmatively choose to invest, then your commitment will be cancelled, your funds will be returned to you, and you will not receive any securities.

**§227.201(L) – PRICE OF THE SECURITIES**

The Company is offering "securities" in the form of revenue sharing notes, which we refer to as "Notes." The Notes are being offered at their face amount. For example, you will pay \$1,000 for a Note with a face amount of \$1,000.

**§227.201(M) – TERMS OF THE SECURITIES**

**Overview**

The Company is offering "securities" in the form of revenue sharing notes, which we refer to as "Notes." Many of the terms of the Notes are set forth in a separate document called the Note Indenture. Copies of the form of Note the Company will issue, and the Note Indenture, are attached to this Form C.

**Your Right to Payments under the Note**

Your right to payments under the Note is set forth in the Note, together with a separate document called the Note Indenture. Copies of the form of Note the Company will issue, and the Note Indenture, are attached to this Form C. Additionally, general terms are outlined below and in the Company's offering page:

**CAP**

1.5×

**PERCENTAGE OF REVENUE\***

7.5%\*

**SENIORITY**

Subordinated

**MATURITY DATE**

December 31, 2025

**SECURITIZATION**

Unsecured

\*as further defined in the note agreement

### **Obligation to Contribute Capital**

Once you pay for your Note, you will have no obligation to contribute more money to the Company, and you will not be personally obligated for any debts of the Company. However, under some circumstances you could be required by law to return some or all of a distribution you receive from the Company.

### **No Right to Transfer**

The Notes will be illiquid (meaning you might not be able to sell them) for four reasons:

- The Note Indenture prohibits the sale or other transfer of Notes without the Company's consent.
- If you want to sell your Note the Company will have the first right of refusal to buy it, which could make it harder to find a buyer.
- Even if a sale were permitted, there is no ready market for Notes, as there would be for a publicly-traded stock.
- By law, for a period of one year you won't be allowed to transfer the Investor Shares except (i) to the Company itself, (ii) to an "accredited" investor, (iii) to a family or trust, or (iii) in a public offering of the Company's shares.

As a result, you should plan to hold your Note until maturity.

### **Security**

The Notes are not secured by any assets of the Company or any assets of persons associated with the Company.

### **Modification of Terms of Notes**

The terms of the Notes and the Note Indenture may be modified or amended with the consent of Investors holding 50% of the Notes, measured by the total amount outstanding under each Note.

### **Other Classes of Securities**

The Company has outstanding the following securities:

Name of Security	Limited Liability Company Interests
Number of Shares Outstanding	n/a
Describe Voting Rights of These Securities, Including Any Limitations on Voting Rights	n/a
How These Securities Differ from the Revenue Sharing Notes Offered to Investors	n/a

### **Dilution of Rights**

The Company has the right to create additional classes of securities, both equity securities and debt securities (e.g., other classes of promissory notes). Some of these additional classes of securities could have rights that are superior to those of the Notes. For example, the Company could issue promissory notes that are secured by specific property of the Company.

### The People Who Control the Company

Each of these people owns 20% or more of the total voting power of the Company:

<i>Name</i>	<i>Percentage of Voting Rights</i>
Morgan Chase	100%

### How the Exercise of Voting Rights Could Affect You

You will receive payments with respect to your Note only if the Company makes enough money to pay you or, if the Company doesn't make enough money to pay you, if there is enough value in the collateral the Company pledged as security for the Notes.

The people with voting rights control the Company and make all the decisions about running its business. If they make good business decisions, it is more likely you will be paid. If they make poor business decisions, it is less likely you will be paid. For example, if they hire too many people and/or try to expand too quickly, the business could be harmed. The people with voting rights could also decide to file for bankruptcy protection, making it more difficult for you to be paid.

### How the Notes are Being Valued

The Notes are being valued at their face value. We don't anticipate that we'll ever need to place a value on the Notes in the future.

## §227.201(N) – THE FUNDING PORTAL

The Company is offering its securities through MainVest, Inc., which is a "Funding Portal" licensed by the Securities and Exchange Commission and FINRA. MainVest Inc.'s Central Index Key (CIK) number is 0001746059, their SEC File number is 007-00162, and their Central Registration Depository (CRD) number is 298384.

## §227.201(O) – COMPENSATION OF THE FUNDING PORTAL

The Company will compensate MainVest, Inc. as follows:

MainVest will be paid 6.0% of the final offering amount, upon the successful completion of the offering. MainVest does not receive compensation if the offering does not succeed.

MainVest, Inc. owns no interest in the Company, directly or indirectly, and will not acquire an interest as part of the Offering, nor is there any arrangement for MainVest, Inc. to acquire an interest.

## §227.201(P) – INDEBTEDNESS OF THE COMPANY

The Company has no indebtedness outside of the debt the Company is expecting to raise through regulation crowdfunding on MainVest.

## §227.201(Q) – OTHER OFFERINGS OF SECURITIES WITHIN THE LAST THREE YEARS



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The Company has not made any offerings with other third-party regulation crowdfunding companies in the past three years.

**§227.201(R) – TRANSACTIONS BETWEEN THE COMPANY AND “INSIDERS”**

The Company has not made any business transaction, including stock purchases, salaries, property rentals, consulting arrangements, guaranties, etc.

**§227.201(S) – THE COMPANY’S FINANCIAL CONDITION**

The Company was established in October 2018. As such, there are limited financial statements and information for the investor to review.

Without the funds the Company plans to raise through regulation crowdfunding on MainVest, the Company would need to find other funds for the completion of its buildout, equipment, and ultimately to launch the Company. At this time, the Company may need to secure another form of capital (e.g. bank loan or equity investment) in order to launch the Company. The Company has no outstanding debt at the time of this offering.

**§227.201(T) – THE COMPANY’S FINANCIAL STATEMENTS**

**Historical Financial Statements**

Please see Appendix B for historical financial statements

**Pro Forma Income Statement**

In order to illustrate the future earning potential of the Company, the Company provided a summary of its 7-year financial forecast. The forecast has been developed by the Company using reasonable best efforts based on their understanding of the industry and market they wish to enter. Please refer to Section §227.201(F) of this Offering Memorandum for a list of the risks associated with an investment in the company and utilizing any pro forma provided by the Company for making investment decisions.

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Year	2019	2020	2021	2022	2023	2024	2025
Classes	\$133,856	\$215,233	\$225,995	\$237,294	\$249,159	\$261,617	\$274,698
Merch	\$4,558	\$5,013	\$5,515	\$6,066	\$6,673	\$7,340	\$8,074
<b>Gross revenue</b>	<b>\$138,413</b>	<b>\$220,246</b>	<b>\$231,509</b>	<b>\$243,361</b>	<b>\$255,832</b>	<b>\$268,957</b>	<b>\$282,772</b>
Costs and operating expenses							
Classes	\$26,088	\$85,001	\$97,751	\$112,414	\$129,276	\$148,667	\$170,967
Merch	\$1,519.20	\$1,595.16	\$1,674.92	\$1,758.67	\$1,846.60	\$1,938.93	\$2,035.88
Misc Costs	\$3,000	\$3,150	\$3,308	\$3,473	\$3,647	\$3,829	\$4,020
<b>Total costs and operating expenses</b>	<b>\$30,607</b>	<b>\$89,746</b>	<b>\$102,733</b>	<b>\$117,645</b>	<b>\$134,769</b>	<b>\$154,435</b>	<b>\$177,023</b>
<b>Operating profit</b>	<b>\$107,806</b>	<b>\$130,500</b>	<b>\$128,776</b>	<b>\$125,715</b>	<b>\$121,063</b>	<b>\$114,522</b>	<b>\$105,749</b>
Revenue Share (1)	\$10,381	\$16,518	\$17,363	\$18,252	\$19,187	\$20,172	\$10,626
<b>Pre- tax cash Flow after debt payment</b>	<b>\$97,425</b>	<b>\$113,982</b>	<b>\$111,413</b>	<b>\$107,463</b>	<b>\$101,876</b>	<b>\$94,351</b>	<b>\$95,123</b>

(1) Assumes a MainVest final offering of \$75,000. If the final offering amount is lower than \$75,000, the total debt payments are expected to be lower.

#### §227.201(u) – DISQUALIFICATION EVENTS

EXPLANATION: A company is not allowed to raise money using Regulation Crowdfunding if certain designated people associated with the company (including its directors or executive officers) committed certain prohibited acts (mainly concerned with violations of the securities laws) on or after May 16, 2016. (You can read more about those rules in the [Education Materials](#).) This item requires a company to disclose whether any of those designated people committed any of those prohibited acts before May 16, 2016.

The answer for the Company is No, none of the designated people committed any of the prohibited acts, ever.

#### §227.201(v) – UPDATES ON THE PROGRESS OF THE OFFERING

To track the investment commitments we've received in this Offering, click to see [the Progress Bar](#).

#### §227.201(w) – ANNUAL REPORTS FOR THE COMPANY

We will file a report with the Securities and Exchange Commission annually and post the report on our website at <https://daisyfaceflow.com>, no later than 120 days after the end of each fiscal year.

It's possible that at some point, the Company won't be required to file anymore annual reports. We will notify you if that happens.

#### §227.201(x) – OUR COMPLIANCE WITH REPORTING OBLIGATIONS

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NOT COPY OR DISTRIBUTE.**

EXPLANATION: This item requires a company to disclose whether it has ever failed to file the reports required by Regulation Crowdfunding.

The Company has never raised money using Regulation Crowdfunding before, and therefore has never been required to file any reports.

**§227.201(Y) – OTHER IMPORTANT INFORMATION PROSPECTIVE INVESTORS SHOULD KNOW ABOUT**

The Issuer offers “Perks” as a means of showing appreciation to investors for supporting small community businesses. The offering of “Perks” by issuers is done purely on a voluntary basis and have no influence upon the terms of the Offering. As such, Investor “Perks” are not contractual conditions governed by “the Note” and are not enforceable under “the Note”.

**(Z) - ADDITIONAL INFORMATION INCLUDED IN THE FORM C**

	Most recent fiscal year-end	Prior fiscal year-end
Total Assets	\$0	\$0
Cash & Cash Equivalents	\$0	\$0
Accounts Receivable	\$0	\$0
Short-term Debt	\$0	\$0
Long-term Debt	\$0	\$0
Revenues/Sales	\$0	\$0
Cost of Goods Sold	\$0	\$0
Taxes Paid	\$0	\$0
Net Income	\$0	\$0

Jurisdictions in which the Company intends to offer the securities:

AL, AK, AZ, AR, CA, CO, CT, DE, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MA, MI, MN, MS, MO, MT, NE, NV, NH, NJ, NM, NY, NC, ND, OH, OK, OR, PA, RI, SC, SD, TN, TX, UT, VT, VA, WA, WV, WI, WY, B5, GU, PR, VI, 1V

# APPENDIX A: INVESTMENT RISKS

#### YOU MIGHT LOSE YOUR MONEY

When you buy a certificate of deposit from a bank, the Federal government (through the FDIC) guarantees you will get your money back. Buying a Note is not like that at all. The ability of the Company to make the payments you expect, and ultimately to give you your money back, depends on a number of factors, including many beyond our control.

#### REAL ESTATE RISK

The Company is a mobile business & does not need to obtain any physical space or real estate in order to operate.

#### LIMITED SERVICES

The Company operates with a very limited scope, offering only yoga (multiple styles & specialties), meditation, breathwork, mindfulness, & health & wellness coaching services to potential clients, making them vulnerable to changes in customer preferences.

#### LIMITED OPERATING HISTORY

The Company is a newly established entity and has no history for prospective investors to consider.

#### LACK OF ACCOUNTING CONTROLS

Larger companies typically have in place strict accounting controls. Smaller companies typically lack these controls, exposing themselves to additional risk.

#### COMPETITION

The market in which we operate is highly competitive and could become increasingly competitive with new entrants in the market. The Company competes with many other businesses, both large and small, on the basis of quality, price, location, and customer experience. Changes in customer preference away from the Company's core business or the inability to compete successfully against the with other competitors could negatively affect the Company's financial performance.

#### RELIANCE ON MANAGEMENT

As a securities holder, you will not be able to participate in the Company's management or vote on and/or influence any managerial decisions regarding the Company. Furthermore, if the founder or other key personnel of the Company were to leave the Company or become unable to work, the Company (and your investment) could suffer substantially.

#### FINANCIAL FORECASTS RISKS

The financial forecasts provided by us herein are reasonable forecasts by us based upon assumption of stable economic conditions and other various assumptions regarding operations. The validity and accuracy of these assumptions will depend in large part on future events over which the Company and the key persons will

have no control. Changes in assumptions or their underlying facts could significantly affect the forecasts. To the extent that the assumed events do not occur, the outcome may vary significantly from the projected outcomes. Consequently, there can be no assurance that the actual operating results will correspond to the forecasts provided herein.

Additionally, the Company is a newly established entity and therefore has no operating history from which forecasts could be projected with.

#### INABILITY TO SELL YOUR INVESTMENT

The law prohibits you from selling your securities (except in certain very limited circumstances) for 12 months after you acquire them. Even after that one-year period, a host of Federal and State securities laws may limit or restrict your ability to sell your securities. Even if you are permitted to sell, you will likely have difficulty finding a buyer because there will be no established market. Given these factors, you should be prepared to hold your investment for its full term.

#### THE COMPANY MIGHT NEED MORE CAPITAL

The Company might need to raise more capital in the future to fund/expand operations, buy property and equipment, hire new team members, market its services, pay overhead and general administrative expenses, or a variety of other reasons. There is no assurance that additional capital will be available when needed, or that it will be available on terms that are not adverse to your interests as an investor. If the Company is unable to obtain additional funding when needed, it could be forced to delay its business plan or even cease operations altogether.

#### CHANGES IN ECONOMIC CONDITIONS COULD HURT THE COMPANY

Factors like global or national economic recessions, changes in interest rates, changes in credit markets, changes in capital market conditions, declining employment, changes in real estate values, changes in tax policy, changes in political conditions, and wars and other crises, among other factors are unpredictable and could negatively affect the Company's financial performance or ability to continue to operate.

#### NO REGISTRATION UNDER SECURITIES LAWS

The Notes will not be registered with the SEC or the securities regulator of any State. Hence, neither the Company nor the Notes will be subject to the same degree of regulation and scrutiny as if they were registered.

#### INCOMPLETE OFFERING INFORMATION

Title III does not require us to provide you with all the information that would be required in some other kinds of securities offerings, such as a public offering of shares (for example, publicly-traded firms must generally provide investors with quarterly and annual financial statements that have been audited by an independent accounting firm). Although Title III does require extensive

information, it is possible that you would make a different decision if you had more information.

#### LACK OF ONGOING INFORMATION

The Company will be required to provide some information to investors for at least 12 months following the offering. However, this information is far more limited than the information that would be required of a publicly-reporting company; and the Company is allowed to stop providing annual information in certain circumstances.

#### UNINSURED LOSSES

Although the Company will carry some insurance, the Company may not carry enough insurance to protect against all risks to the business. Additionally, there are some kinds of risks that are very difficult or impossible to insure against, at least at a reasonable cost. Therefore, the Company could incur an uninsured loss that could damage its business.

#### CHANGES IN LAWS

Changes in laws or regulations, including but not limited to zoning laws, environmental laws, tax laws, consumer protection laws, securities laws, antitrust laws, and health care laws, could negatively affect the Company's financial performance or ability to continue to operate. Specifically, any additional regulation on the Yoga, Health & Wellness industry could significantly negatively affect the business.

#### CONFLICT OF INTEREST WITH COMPANIES AND THEIR MANAGEMENT

In many ways, your interests and the interests of the Company's management will coincide: you both want the Company to be as successful as possible. However, your interests might be in conflict in other important areas, including these:

- You might want the company to act conservative to make sure they are best equipped to repay the Note obligations, while the company might prefer to spend aggressively to invest in the business.
- You would like to keep the compensation of managers low, while managers want to make as much as they can.

#### FUTURE INVESTORS MIGHT HAVE SUPERIOR RIGHTS

If the Company needs more capital in the future and takes on additional debt or other sources of financing, the new investors might have rights superior to yours. For example, they might have the right to be paid before you are, to receive larger distributions, to have a greater voice in management, or otherwise.

#### THE COMPANY IS NOT SUBJECT TO THE CORPORATE GOVERNANCE REQUIREMENTS OF THE NATIONAL SECURITIES EXCHANGES

Any company whose securities are listed on a national stock exchange (for example, the New York Stock Exchange) is subject to a number of rules about

corporate governance that are intended to protect investors. For example, the major U.S. stock exchanges require listed companies to have an audit committee made up entirely of independent members of the board of directors (i.e., directors with no material outside relationships with the company or management), which is responsible for monitoring the company's compliance with the law. The Company will not be required to implement these and other investor protections.

#### YOU HAVE A LIMITED UPSIDE

Notes include a maximum amount you can receive. You cannot receive more than that even if the Company is significantly more successful than your initial expectations.

#### YOU DO HAVE A DOWNSIDE

Conversely, if the Company fails to generate enough revenue, you could lose some or all of your money.

#### PAYMENTS AND RETURN ARE UNPREDICTABLE

Because your payments are based on the revenue of the Company, and the revenue of the Company can go up or down (or even disappear altogether) unpredictably, it is impossible to predict how much you will receive and when. And because the payments are unpredictable, so is your ultimate return.

#### THE NOTES ARE UNSECURED AND UNINSURED

The Notes are not secured by any collateral, nor are they guaranteed or insured by the FDIC or any other entity.

#### SUBORDINATION

The Notes shall be subordinated to all indebtedness of the Company to banks, commercial finance lenders, leasing and equipment financing institutions, and/or other institutions regularly engaged in the business of lending money.

#### LACK OF GUARANTY

The Notes are not personally guaranteed by the founder or any other person.

#### LIMITATION OF INDIVIDUAL RIGHTS IN EVENT OF DEFAULT

In the event of a default under the Notes, you will not be able to enforce your rights individually (for example, by bringing a lawsuit). Instead, a representative will be appointed according to the procedures set forth in the Note Indenture. It's possible that you will not like the representative, or that the representative will do things you believe are wrong or misguided. If an event of default has occurred and a representative has been appointed, all of the representative's reasonable expenses must be paid before any further payments are made with respect to the Notes.



## APPENDIX B: HISTORICAL FINANCIAL STATEMENTS

**daisyface flow, LLC**  
**Balance Sheet - unaudited**  
**For the period ended 11/14/2018**

	<u>Current Period</u> <u>11/14/18</u>
<b>ASSETS</b>	
<b>Current Assets:</b>	
Cash	\$ -
Petty Cash	-
Accounts Receivables	-
Inventory	-
Prepaid Expenses	-
Employee Advances	-
Temporary Investments	-
<b>Total Current Assets</b>	<b>-</b>
<b>Fixed Assets:</b>	
Land	-
Buildings	-
Furniture and Equipment	-
Computer Equipment	-
Vehicles	-
Less: Accumulated Depreciation	-
<b>Total Fixed Assets</b>	<b>-</b>
<b>Other Assets:</b>	
Trademarks	-
Patents	-
Security Deposits	-
Other Assets	-
<b>Total Other Assets</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>\$ -</b>
<b>LIABILITIES</b>	
<b>Current Liabilities:</b>	
Accounts Payable	\$ -
Business Credit Cards	-
Sales Tax Payable	-
Payroll Liabilities	-
Other Liabilities	-
Current Portion of Long-Term Debt	-
<b>Total Current Liabilities</b>	<b>-</b>
<b>Long-Term Liabilities:</b>	
Notes Payable	-
Mortgage Payable	-
Less: Current portion of Long-term debt	-
<b>Total Long-Term Liabilities</b>	<b>-</b>
<b>EQUITY</b>	
Capital Stock/Partner's Equity	-
Opening Retained Earnings	-
Dividends Paid/Owner's Draw	-
Net Income (Loss)	-
<b>Total Equity</b>	<b>-</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$ -</b>

**daisyface flow, LLC**  
**Income Statement - unaudited**  
**For the period ended 11/14/2018**

	<b>Current Period</b>
	<b>10/9/2018 - 11/14/2018</b>
<b>REVENUES</b>	
Sales	\$ -
Other Revenue	-
<b>TOTAL REVENUES</b>	-
<b>COST OF GOODS SOLD</b>	
Cost of Sales	-
Supplies	-
Other Direct Costs	-
<b>TOTAL COST OF GOODS SOLD</b>	-
<b>GROSS PROFIT (LOSS)</b>	-
<b>OPERATING EXPENSES</b>	
Advertising and Promotion	-
Bank Service Charges	-
Business Licenses and Permits	-
Computer and Internet	-
Depreciation	-
Dues and Subscriptions	-
Insurance	-
Meals and Entertainment	-
Miscellaneous Expense	-
Office Supplies	-
Payroll Processing	-
Professional Services - Legal, Accounting	-
Occupancy	-
Rental Payments	-
Salaries	-
Payroll Taxes and Benefits	-
Travel	-
Utilities	-
Website Development	-
<b>TOTAL OPERATING EXPENSES</b>	-
<b>OPERATING PROFIT (LOSS)</b>	-
<b>INTEREST (INCOME), EXPENSE &amp; TAXES</b>	
Interest (Income)	-
Interest Expense	-
Income Tax Expense	-
<b>TOTAL INTEREST (INCOME), EXPENSE &amp; TAXES</b>	-
<b>NET INCOME (LOSS)</b>	<b>\$ -</b>

**daisyface flow, LLC**  
**Statement of Cash Flow - unaudited**  
**For the period ended 11/14/2018**

	<b>Current Period</b>
	<b>10/9/2018 - 11/14/2018</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Net Income	-
Adjustments to Reconcile Net Income to Net Cash Flows From Operating Activities:	
Depreciation	-
Decrease (Increase) in Operating Assets:	
Trade Accounts Receivable	-
Inventory	-
Prepaid Income Taxes	-
Increase (Decrease) in Operating Liabilities:	
Accounts Payable	-
Credit Cards Payable	-
Total Adjustments	-
<b>Net Cash Flows From Operating Activities</b>	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Purchase of Property and Equipment	-
<b>Net Cash Flows From Investing Activities</b>	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>	
Repayment of Debt	-
Member's Withdrawals	-
<b>Net Cash Flows From Financing Activities</b>	-
<b>NET INCREASE (DECREASE) IN CASH</b>	-
<b>CASH - BEGINNING</b>	-
<b>CASH - ENDING</b>	-

**daisyface flow, LLC**  
**Statement of Changes in Members Equity- unaudited**  
**For the period ended 11/14/2018**

	<u>Current Period</u> <u>10/9/2018 -</u> <u>11/14/2018</u>
<b>MEMBER'S EQUITY - BEGINNING</b>	-
Issuance of LLC Interests	-
Net Income	<u>-</u>
<b>MEMBER'S EQUITY - ENDING</b>	<u><u>-</u></u>

I, Morgan Chase, certify that:

- (1) The financial statements of daisyface flow LLC included in this Form are true and complete in all material respects; and
- (2) The tax return information of daisyface flow LLC have not been included in this Form as daisyface flow LLC has only been formed on 10/9/2018 and has not filed a tax return to date.

Signature:

DocuSigned by:  
*Morgan Chase*  
301028BC6FA6487...

Name: Morgan Chase

Title: Owner, daisyface flow LLC