

Offering Memorandum: Part II of Offering Document (Exhibit A to Form C)

Open Box Buy Corporation
2896 Carmelo Drive
Henderson, NV 89052
www.openboxbuyonline.com

Up to \$1,070,000.00 Convertible Promissory Note.
Minimum Target Amount: \$10,000.00

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.

Company:

Company: Open Box Buy Corporation
Address: 2896 Carmelo Drive, Henderson, NV 89052
State of Incorporation: NV
Date Incorporated: August 21, 2018

Terms:

Convertible Promissory Notes

Offering Minimum: \$10,000.00 of Convertible Promissory Note.

Offering Maximum: \$1,070,000.00 of Convertible Promissory Note.

Type of Security Offered: Convertible Promissory Note.

Note converts to Common Stock when the company raises \$3,000,000.00 in a qualified equity financing.

Maturity Date: December 31, 2020

Valuation Cap: \$15,000,000.00

Discount Rate: 20.0%

Annual Interest Rate: 10.0%

Minimum Investment Amount (per investor): \$250.00

Terms of the underlying Security

Underlying Security Name: Common Stock

Voting Rights:

Each Stockholder shall have one vote for every share of stock having voting rights registered in his name on the record date for the meeting. The Company shall not have the right to vote treasury stock of the Company, nor shall another corporation have the right to vote its stock of the Company if the Company holds, directly or indirectly, a majority of the shares entitled to vote in the election of directors of such other corporation. Persons holding stock of the Company in a fiduciary capacity shall have the right to vote such stock. Persons who have pledged their stock of the Company shall have the right to vote such stock unless in the transfer on the books of the Company the pledgor expressly empowered the pledgee to vote such stock. In that event, only the pledgee, or his proxy, may represent such stock and vote thereon. A plurality of the votes of the shares present in person or represented by proxy at the meeting and entitled to vote shall determine all elections and, except when the law or Articles of Incorporation require otherwise, the affirmative vote of a majority of the shares present in person or represented by proxy at the meeting and entitled to vote shall determine all other matters. Where a separate vote by a class or classes is required, a majority of the outstanding shares of such class or classes, present in person or represented by proxy, shall constitute a quorum entitled to take action with respect to that vote on that matter and the affirmative vote of the majority of shares of such class or classes present in person or

represented by proxy at the meeting shall be the act of such class. The Stockholders may vote by voice vote on all matters. Upon demand by a Stockholder entitled to vote, or his proxy, the Stockholders shall vote by ballot. In that event, each ballot shall state the name of the Stockholder or proxy voting, the number of shares voted and such other information as the Company may require under the procedure established for the meeting.

Material Rights:

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 holders of the company's Common Stock are subject to and may be adversely affected by any additional classes of stock that we may designate in the future.

Perks

Invest from Day 2-7 and get a 20% Bonus of shares on conversion

Invest from Day 8-14 and get a 15% Bonus of shares on conversion

Invest from Day 15-21 and get a 10% Bonus of shares on conversion

Invest from Day 22-28 and get a 5% Bonus of shares on conversion

**Annual Interest Rate subject to adjustment of 10% bonus for StartEngine shareholders. See 10% Bonus below*

The 10% Bonus for StartEngine Shareholders

Open Box Buy Corporation will offer 10% additional bonus interest for all investments that are committed, within 24 hours of this offering going live, by StartEngine Crowdfunding Inc. shareholders who invested over \$1,000 in the StartEngine Reg A offering which closed earlier this year.

StartEngine shareholders who have invested \$1,000+ in the StartEngine Reg A+

campaign will receive a 10% increase in the annual interest rate on Convertible Promissory Notes in this Offering if they invest within a 24-hour window of their campaign launch date. For example, if invest in the first 24 hours, your annual interest rate will be 11% instead of 10%.

This 10% Bonus is only valid for one year from the time StartEngine Crowdfunding Inc. investors receive their countersigned StartEngine Crowdfunding Inc. subscription agreement.

The Company and its Business

Company Overview

Open Box Buy Corporation (OBB) is a company focused on developing a number of deep discount retail stores dedicated to selling brand name open box and refurbished electronics, TVs, Computer/Laptops, large appliances, small kitchen appliances, toys, mattresses, as well as indoor and outdoor furniture. The founder of OBB has a history of performance and was able to show great results with its short period of operation. We wish to focus on showrooms that are between 30,000 and 50,000 square feet that are located within power retail centers near national retailers with high traffic and clear visibility.

Competitors and Industry

Top 3 competitors for OBB are Ollie's Bargain Outlet (NASDAQ: OLLI), TJ Maxx (NYSE: TJX), and ROSS Stores (NASDAQ: ROST). All of the mentioned companies have expanded heavily within the past few years; revenues of over \$50B in 2017 and have a collective market cap of over \$77B as of October 31, 2018 according to each company's public annual reports and historic stock trading values. All of these companies are considered to be opportunistic buyers of name brand products who offer them to their customers at deeply discounted prices. We believe the main difference is that TJ Maxx and Ross are focused mainly on clothing and accessories with a small amount of home decor while Ollie's Bargain Outlet stores focuses on opportunistic buyouts in product categories from fertilizer and other consumables, to books, home decor and even flooring. As far as we know, OBB will be the only deep discount retailer focused mainly on larger ticket items such as refurbished HDTV's, large appliances, closeout furniture, as well as some of the smaller consumer electronics and home items.

Current Stage and Roadmap

The brand name and DBA of Open Box Buy started as simply a home based business to personally sell closeout items on eBay back in April of 2008, under a different company. By May of 2010 Open Box Buy Inc. (a different entity) was formed to operate as the DBA Open Box Buy and it opened a 5,000 sq ft warehouse location with the main goal to simply expand upon the success of the online business with 95% of sales to be on eBay and Amazon. In December of 2012 Open Box Buy Inc. was abandoned in order to open the first 35,000 square foot retail store in the Open Box Buy DBA under the partnership of Big Deer Holdings LLC. Big Deer Holdings LLC operated this

location until November 2014 when it moved operations into a new 31,000 square foot location on the other side of the Las Vegas Valley. Big Deer Holdings LLC only moved out of the first location because the landlord of the previous location was foreclosed upon and the bank forced the company as well as Office Max out in order to place Hobby Lobby as a national credit tenant into the space. Big Deer Holdings LLC operated the store in this location until October 2016 when the store was closed and the partnership was eventually abandoned. Currently there is not an operating Open Box Buy store location and we have established a brand new company under the name of the Open Box Buy Corporation in August of 2018. Open Box Buy Corporation expects to open its' first large Open Box Buy retail location within the next 6 months with plans to expand to 6 stores regionally within 3 years and eventually to hundreds of stores nationwide. Open Box Buy Corporation has already identified several new locations which are advantageous for the business model of the concept of Open Box Buy and the Company has been in negotiations for the acquisition of a new lease with the goal to open this first store by the second quarter of 2019.

The Team

Officers and Directors

Name: Richard Marino

Richard Marino's current primary role is with the Issuer.

Positions and offices currently held with the issuer:

- **Position:** Founder, CEO and Director
Dates of Service: August 21, 2018 - Present
Responsibilities: Responsible for managing all activities for the company and concept. Including Sales, accounting, fundraising, real estate acquisitions, lease negotiations, buying products, managing the store, managing the product refurbishment center, managing vendors and relationships, accounts payable, investments, loans, handling lenders investors needs

Other business experience in the past three years:

- **Employer:** Big Deer Holdings LLC DBA: Open Box Buy
Title: President/CEO/Managing Member
Dates of Service: November 01, 2012 - August 03, 2017
Responsibilities: Responsible for managing all activities for the company and concept. Including Sales, accounting, fundraising, real estate acquisitions, lease negotiations, buying products, managing the store, managing the product refurbishment center, managing vendors and relationships, accounts payable, investments, loans, handling lenders investors needs

Other business experience in the past three years:

- **Employer:** Open Box Buy LLC DBA: Open Box Buy
Title: President/CEO/Managing Member
Dates of Service: August 04, 2017 - August 20, 2018
Responsibilities: Responsible for managing all activities for the company and concept. Including Sales, accounting, fundraising, real estate acquisitions, lease negotiations, buying products, managing the store, managing the product refurbishment center, managing vendors and relationships, accounts payable, investments, loans, handling lenders investors needs

Risk Factors

The SEC requires the company to identify risks that are specific to its business and its financial condition. The company is still subject to all the same risks that all companies in its business, and all companies in the economy, are exposed to. These include risks relating to economic downturns, political and economic events and technological developments (such as hacking and the ability to prevent hacking). Additionally, early-stage companies are inherently more risky than more developed companies. You should consider general risks as well as specific risks when deciding whether to invest.

These are the risks that relate to the Company:

Uncertain Risk

An investment in the Company (also referred to as “we”, “us”, “our”, or “Company”) involves a high degree of risk and should only be considered by those who can afford the loss of their entire investment. Furthermore, the purchase of any of the convertible notes should only be undertaken by persons whose financial resources are sufficient to enable them to indefinitely retain an illiquid investment. Each investor in the Company should consider all of the information provided to such potential investor regarding the Company as well as the following risk factors, in addition to the other information listed in the Company’s Form C. The following risk factors are not intended, and shall not be deemed to be, a complete description of the commercial and other risks inherent in the investment in the Company.

Our business projections are only projections

There can be no assurance that the Company will meet our projections. There can be no assurance that the Company will be able to find sufficient demand for our product, that people think it’s a better option than a competing product, or that we will be able to provide the service at a level that allows the Company to make a profit and still attract business.

Any valuation at this stage is difficult to assess

The valuation for the offering was established by the Company. Unlike listed companies that are valued publicly through market-driven stock prices, the valuation of private companies, especially startups, is difficult to assess and you may risk overpaying for your investment.

The transferability of the Securities you are buying is limited

Any convertible notes purchased through this crowdfunding campaign is subject to SEC limitations of transfer. This means that the stock/note that you purchase cannot be resold for a period of one year. The exception to this rule is if you are transferring the stock back to the Company, to an “accredited investor,” as part of an offering registered with the Commission, to a member of your family, trust created for the benefit of your family, or in connection with your death or divorce.

Your investment could be illiquid for a long time

You should be prepared to hold this investment for several years or longer. For the 12 months following your investment there will be restrictions on how you can resell the securities you receive. More importantly, there is no established market for these securities and there may never be one. As a result, if you decide to sell these securities in the future, you may not be able to find a buyer. The Company may be acquired by an existing player in the educational software development industry. However, that may never happen or it may happen at a price that results in you losing money on this investment.

If the Company cannot raise sufficient funds it will not succeed

The Company, is offering convertible notes in the amount of up to \$107,000 in this offering, and may close on any investments that are made. Even if the maximum amount is raised, the Company is likely to need additional funds in the future in order to grow, and if it cannot raise those funds for whatever reason, including reasons relating to the Company itself or the broader economy, it may not survive. If the Company manages to raise only the minimum amount of funds, sought, it will have to find other sources of funding for some of the plans outlined in “Use of Proceeds.”

We may not have enough capital as needed and may be required to raise more capital.

We anticipate needing access to credit in order to support our working capital requirements as we grow. Although interest rates are low, it is still a difficult environment for obtaining credit on favorable terms. If we cannot obtain credit when we need it, we could be forced to raise additional equity capital, modify our growth plans, or take some other action. Issuing more equity may require bringing on additional investors. Securing these additional investors could require pricing our equity below its current price. If so, your investment could lose value as a result of this additional dilution. In addition, even if the equity is not priced lower, your ownership percentage would be decreased with the addition of more investors. If we are unable to find additional investors willing to provide capital, then it is possible that we will choose to cease our sales activity. In that case, the only asset remaining to generate a return on your investment could be our intellectual property. Even if we are not forced to cease our sales activity, the unavailability of credit could result in the Company performing below expectations, which could adversely impact the value of your investment.

Terms of subsequent financings may adversely impact your investment

We will likely need to engage in common equity, debt, or preferred stock financings in the future, which may reduce the value of your investment in the Convertible Notes.

Interest on debt securities could increase costs and negatively impact operating results. Preferred stock could be issued in series from time to time with such designation, rights, preferences, and limitations as needed to raise capital. The terms of preferred stock could be more advantageous to those investors than to the holders of Convertible Notes or Common Stock. In addition, if we need to raise more equity capital from the sale of Common Stock, institutional or other investors may negotiate terms that are likely to be more favorable than the terms of your investment, and possibly a lower purchase price per share.

Management Discretion as to Use of Proceeds

Our success will be substantially dependent upon the discretion and judgment of our management team with respect to the application and allocation of the proceeds of this Offering. The use of proceeds described below is an estimate based on our current business plan. We, however, may find it necessary or advisable to re-allocate portions of the net proceeds reserved for one category to another, and we will have broad discretion in doing so.

Projections: Forward Looking Information

Any projections or forward looking statements regarding our anticipated financial or operational performance are hypothetical and are based on management's best estimate of the probable results of our operations and will not have been reviewed by our independent accountants. These projections will be based on assumptions which management believes are reasonable. Some assumptions invariably will not materialize due to unanticipated events and circumstances beyond management's control. Therefore, actual results of operations will vary from such projections, and such variances may be material. Any projected results cannot be guaranteed.

You are trusting that management will make the best decision for the company

You are trusting in management discretion. You are buying non-voting membership interest as a minority holder, and therefore must trust the management of the Company to make good business decisions that grow your investment.

The Convertible Promissory Notes have no rights to vote until the date of maturity

The Convertible Promissory Notes have no voting rights. This means you are trusting in management discretion. You will also hold these non-voting securities as a minority holder. Therefore, you will have no say in the day-to-day operation of the Company and must trust the management of the Company to make good business decisions that grow your investment. If the Company chooses to issue Preferred Stock at any time in the future, the outstanding Preferred Stock have liquidation preferences over holders of Common Stock, including the Common Stock received from conversion of the Notes being offered in this offering. This liquidation preference is paid if the amount a holder of Preferred Stock would receive under the liquidation preference is greater than the amount such holder would have received if such holder's shares of Preferred Stock had been converted to Common Stock immediately prior to the liquidation event. If a liquidation event, including a sale of our company, were to occur then first all creditors and Preferred Stockholders of the Company will be paid out. If there is any cash remaining, then the Common stockholders will be paid.

Our new product could fail to achieve the sales projections we expected

Our growth projections are based on an assumption that with an increased advertising and marketing budget our products will be able to gain traction in the marketplace at a faster rate than our current products have. It is possible that our new products will fail to gain market acceptance for any number of reasons. If the new products fail to achieve significant sales and acceptance in the marketplace, this could materially and adversely impact the value of your investment.

We are an early stage company and have not yet generated any profits

Open Box Buy Corporation was formed on August 21st, 2018. Accordingly, the Company has a limited history upon which an evaluation of its performance and future prospects can be made. Our current and proposed operations are subject to all business risks associated with new enterprises. These include likely fluctuations in operating results as the Company reacts to developments in its market, managing its growth and the entry of competitors into the market. We will only be able to pay dividends on any shares once our directors determine that we are financially able to do so. Open Box Buy Corporation has incurred a net loss and has had limited revenues generated since inception. There is no assurance that we will be profitable in the next 3 years or generate sufficient revenues to pay dividends to the holders of the shares.

We are an early stage company and have limited revenue and operating history

The Company has a short history, few customers, and effectively no revenue. If you are investing in this company, it's because you think that Open Box Buy Corporation is a good idea, that the team will be able to successfully market, and sell the product or service, that we can price them right and sell them to enough peoples so that the Company will succeed. Further, we have never turned a profit and there is no assurance that we will ever be profitable.

This offering involves “rolling closings,” which may mean that earlier investors may not have the benefit of information that later investors have.

Once we meet our target amount for this offering, we may request that StartEngine instruct the escrow agent to disburse offering funds to us. At that point, investors whose subscription agreements have been accepted will become our noteholders. All early-stage companies are subject to a number of risks and uncertainties, and it is not uncommon for material changes to be made to the offering terms, or to companies' businesses, plans or prospects, sometimes on short notice. When such changes happen during the course of an offering, we must file an amended to our Form C with the SEC, and investors whose subscriptions have not yet been accepted will have the right to withdraw their subscriptions and get their money back. Investors whose subscriptions have already been accepted, however, will already be our noteholders and will have no such right.

Ownership and Capital Structure; Rights of the Securities

Ownership

The following table sets forth information regarding beneficial ownership of the company's holders of 20% or more of any class of voting securities as of the date of this Offering Statement filing.

Stockholder Name	Number of Securities Owned	Type of Security Owned	Percentage
Richard Marino	450,000	Common Stock	90.0

The Company's Securities

The Company has authorized Common Stock, and Convertible Promissory Notes.

Common Stock

The amount of security authorized is 50,000,000 with a total of 500,000 outstanding.

Voting Rights

Each Stockholder shall have one vote for every share of stock having voting rights registered in his name on the record date for the meeting. The Company shall not have the right to vote treasury stock of the Company, nor shall another corporation have the right to vote its stock of the Company if the Company holds, directly or indirectly, a majority of the shares entitled to vote in the election of directors of such other corporation. Persons holding stock of the Company in a fiduciary capacity shall have the right to vote such stock. Persons who have pledged their stock of the Company shall have the right to vote such stock unless in the transfer on the books of the Company the pledgor expressly empowered the pledgee to vote such stock. In that event, only the pledgee, or his proxy, may represent such stock and vote thereon. A plurality of the votes of the shares present in person or represented by proxy at the meeting and entitled to vote shall determine all elections and, except when the law or Articles of Incorporation require otherwise, the affirmative vote of a majority of the shares present in person or represented by proxy at the meeting and entitled to vote shall determine all other matters. Where a separate vote by a class or classes is required, a majority of the outstanding shares of such class or classes, present in person or represented by proxy, shall constitute a quorum entitled to take action with respect to that vote on that matter and the affirmative vote of the majority of shares of such class or classes present in person or represented by proxy at the meeting shall be the act of such class. The Stockholders may vote by voice vote on all matters. Upon demand by a Stockholder entitled to vote, or his proxy, the Stockholders shall vote by ballot. In that event, each ballot shall state the name of the Stockholder or proxy voting, the number of shares voted and such other information as the Company may require under the procedure established for the meeting.

Material Rights

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 holders of the company's Common Stock are subject to and may be adversely affected by any additional classes of stock that we may designate in the future.

Convertible Promissory Notes

The security will convert into Common stock and the terms of the Convertible Promissory Notes are outlined below:

Amount outstanding: \$0.00

Maturity Date: December 31, 2020

Interest Rate: 10.0%

Discount Rate: 20.0%

Valuation Cap: \$15,000,000.00

Conversion Trigger: 3,000,000

Material Rights

Conversion; Repayment Premium Upon Sale of the Company.

(a) In the event that the Company issues and sells shares of its stock to investors (the "Equity Investors") on or before the date of the repayment in full of this Note in a transaction or series of transactions pursuant to which the Company issues and sells its stock resulting in gross proceeds to the Company of at least \$3,000,000 (excluding the conversion of the Notes and any other debt) (a "Qualified Financing"), then it converts into Common Stock at conversion price equal to the lesser of (i) 80% of the per share price paid by the Investors or (ii) the price equal to the quotient of \$15,000,000 divided by the aggregate number of outstanding stock of the Company as of immediately prior to the initial closing of the Qualified Financing (assuming full conversion or exercise of all convertible and exercisable securities then outstanding other than the Notes.)

(b) If the conversion of the Note would result in the issuance of a fractional share, the

Company shall, in lieu of issuance of any fractional share, pay the Investor otherwise entitled to such fraction a sum in cash equal to the product resulting from multiplying the then current fair market value of one share of the class and series of common stocks into which this Note has converted by such fraction.

(c) Notwithstanding any provision of this Note to the contrary, if the Company consummates a Sale of the Company (as defined below) prior to the conversion or repayment in full of this Note, then (i) the Company will give the Investor at least 15 days prior written notice of the anticipated closing date of such Sale of the Company and (ii) at the closing of such Sale of the Company, in full satisfaction of the Company's obligations under this Note, the Company will pay to the Investor an aggregate amount equal to the greater of (a) the aggregate amount of the principal and all unaccrued and unpaid interest under this Note or (b) the amount the Investor would have been entitled to receive in connection with such Sale of the Company if the aggregate amount of principal and interest then outstanding under this Note had been converted into shares of common stock of the Company pursuant to Section 3(a) immediately prior to the closing of such Sale of the Company.

(d) For the purposes of this Note: "Sale of the Company" shall mean (i) any consolidation or merger of the Company with or into any other corporation or other entity or person, or any other corporate reorganization, other than any such consolidation, merger or reorganization in which the members of the Company immediately prior to such consolidation, merger or reorganization, continue to hold at least a majority of the voting power of the surviving entity in substantially the same proportions (or, if the surviving entity is a wholly owned subsidiary, its parent) immediately after such consolidation, merger or reorganization; (ii) any transaction or series of related transactions to which the Company is a party in which in excess of 50% of the Company's voting power is transferred; provided, however, that a Sale of the Company shall not include any transaction or series of transactions principally for bona fide equity financing purposes in which cash is received by the Company or any successor or indebtedness of the Company is cancelled or converted or a combination thereof; or (iii) a sale, lease, exclusive license or other disposition of all or substantially all of the assets of the Company.

Maturity.

Unless the Note has been previously converted in accordance with the terms of the Note prior to the Maturity Date, the entire outstanding principal balance and all unpaid accrued interest shall automatically be converted into Common Stock at a price per security equal to the quotient of \$15,000,000 divided by the aggregate number of outstanding common shares of the Company as of immediately prior to the conversion of these Notes (assuming full conversion or exercise of all convertible and exercisable securities then outstanding other than the Notes.) as soon as a reasonably practicable following the Maturity Date.

What it means to be a minority holder

As a holder of convertible notes, you will have no voting rights. Even upon conversion of the notes into Common Stock, you will be a minority holder. As a minority holder of common stock of the company, you will have limited rights in regards to the corporate actions of the company, including additional issuances of securities, company repurchases of securities, a sale of the company or its significant assets, or company transactions with related parties. Further, investors in this offering may have rights less than those of other investors, and will have limited influence on the corporate actions of the company.

Dilution

Investors should understand the potential for dilution. The investor's stake in a 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 go down, even though the value of the company may go up. 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 crowdfunding round, a venture capital round, angel investment), employees exercising stock options, or by conversion of certain instruments (e.g. convertible bonds, preferred shares or warrants) into stock.

If the company decides 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 (though this typically occurs only if the company offers dividends, and most early stage companies are unlikely to offer dividends, preferring to invest any earnings into the company).

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.

Recent Offerings of Securities

We have made the following issuances of securities within the last three years:

- **Type of security sold:** Debt

Final amount sold: \$35,000.00
Use of proceeds: Working Capital
Date: August 31, 2018
Offering exemption relied upon: Section 4(a)(2)

- **Name:** Common Stock
Type of security sold: Equity
Final amount sold: \$500.00
Number of Securities Sold: 500,000
Use of proceeds: These were my first shares I issued myself, Rich Marino, at company startup for \$500 worth of assets which I had contributed to the company. This was done at the par value of \$0.001 per share.
Date: August 21, 2018
Offering exemption relied upon: Section 4(a)(2)

Financial Condition and Results of Operations

Financial Condition

You should read the following discussion and analysis of our financial condition and results of our operations together with our financial statements and related notes appearing at the end of this Offering Memorandum. This discussion contains forward-looking statements reflecting our current expectations that involve risks and uncertainties. Actual results and the timing of events may differ materially from those contained in these forward-looking statements due to a number of factors, including those discussed in the section entitled "Risk Factors" and elsewhere in this Offering Memorandum.

Results of Operations

How long can the business operate without revenue:

The company, in the current stage, can operate for at least a year or more by raising the funding goal of \$1,070,000. At this time, the biggest expense is the rental costs of approximately \$3,500 per month for warehousing all of the store's assets. Some contract labor costs, legal, and accounting fees are related to further money raises, however they are only accrued once we have identified and have some level of commitment to funding the company either in equity, debt, or a combination of the two. In order to open the first new store location, further monies will need to be and are expected to be raised in additional offerings which the company is already now pursuing with high net-worth, private money sources as well as more institutional types of resources. It typically takes about \$1 Million up to \$1.5 Million to open a store however the first store won't require as much capital because the Company already owns all of the assets needed to build out and fully operate a 35,000 square foot store now. These assets already owned by the Company include shelving, displays, signage,

warehouse shelving, equipment, computers, point of sale system, inventory control system, office furniture, labeling equipment, printers, cash registers, shopping carts, and everything else to open a turn-key store. This saves the company up to \$500,000 of startup costs for the first store. The crowdfunding raise will give us the seed money necessary to acquire a newly leased retail space, move into the space, set up the store, and for the hiring and training of staff to operate the store as well as the legal and accounting costs attributable to the next rounds of funding coming into the Company from resources outside of the Crowdfunding campaign. However if for some reason the Company can not raise enough additional funds from an outside source in addition to the crowdfunding raise, the Company can initially choose to not open a retail store location instead focusing all efforts on the sales of products strictly online through eBay, Amazon, Craigslist, and other internet marketplaces. In this worst-case scenario, the Company would then redirect the majority of the funds from the crowdfunding towards inventory purchases as the overhead for operating the online sales model is minimal with only warehouse rent, utilities, and a couple of support staff to help run a successful online operation.

Foreseeable major expenses based on projections:

The first major expenses come in the form of paying off the short term debt principal. The next biggest expenses will come in the form of the lease deposits, legal, and other costs associated with the lease and acquisition of the new store location. Tenant improvements are expected to be included in the lease terms and covered mostly by the new landlord, however, the company will incur moving and store setup costs as well as hiring and employee training costs before we open the location for generating sales revenues. We will mitigate some of these costs by generating retail sales online through eBay and Amazon and further developing our new wholesale division during the time we are setting up the new brick and mortar retail location.

Future operational challenges:

The first challenge that is facing the company in the most immediate future stems from the lease, build-out, and set up of the new store location. Initially it is time-consuming to negotiate out the lease terms for an anchor tenancy property. Once the lease terms have been agreed upon and executed, the tenant improvements begin and absorb more time especially due to the size of the space. At this point, the property is ready for move-in costing additional time and money now with labor for setting up the retail showroom as well as ordering, receiving, processing, pricing, and merchandising all of the new inventory.

Future challenges related to capital resources:

The only real capital resource challenge facing the company is maintaining enough free capital for purchasing new inventory adequate to keep up with customer demand. Keeping enough product on the shelves in order to satisfy the consumers is very cash demanding because all purchases in the deep discount secondary market must be paid upfront in cash as there are no credit terms offered by suppliers on liquidated products. It is for this very reason that the company is able to acquire products at such

a deeply discounted cost.

Future milestones and events:

Every time the company opens a new store location, the capital expenditures are heavily front end loaded by large inventory purchases and labor costs directly related to receiving, processing, pricing, and merchandising the store with this inventory. Once the store is fully stocked, the costs for maintaining the inventory levels go down dramatically to only covering replacing the inventory as it sells. So the net profit for the first year of operations is far lower due to these costs as compared to the subsequent years of operating the same location. So as the company grows to more and more locations, the company keeps rolling profits into expanding into more stores. However, we anticipate that once each store is in its' second year of sales the net income margins increase dramatically going forward as the store will have established its' full inventory levels which we expect to bring the labor costs down significantly. The company expects to grow regionally and eventually nationally. This aggressive growth pattern will require reinvestment of cash resources heavily into expanding the company footprint into each new location with the bulk of the expenditures going into assets such as inventory.

Liquidity and Capital Resources

What capital resources are currently available to the Company? (Cash on hand, existing lines of credit, shareholder loans, etc...)

The company has approximately \$11,000 cash on hand and \$92,000 worth of inventory to sell as well as a revolving line of credit for inventory with Royal Union.

How do the funds of this campaign factor into your financial resources? (Are these funds critical to your company operations? Or do you have other funds or capital resources available?)

The funds from this campaign are critical for current working capital. At the same time as we are now raising money through the crowdfunding resource, we are also pursuing larger capital raises in the form of equity, debt, and possibly a combination of the two from other private investors, venture funds, and other institutional resources. This larger capital raise will help fund the company expansion to multiple locations as well as further develop our brand recognition through larger marketing efforts. The company does now have a revolving line of credit established with Royal Union used specifically for inventory purchases.

Are the funds from this campaign necessary to the viability of the company? (Of the total funds that your company has, how much of that will be made up of funds raised from the crowdfunding campaign?)

The funds from the crowdfunding campaign are looked at by the company as working

capital to help the Company pursue larger investment rounds from resources other than the crowdfunding campaign as well as for helping to market and expand the regulation Crowdfunding round to larger rounds. The company currently has all of the assets necessary to open a big box retail store such as shelving, displays, point of sale, computers, equipment, signage, tools, office furniture, and inventory to sell through the newest wholesale division.

How long will you be able to operate the company if you raise your minimum? What expenses is this estimate based on?

If the company only raises the minimum of \$10,000, it can operate effectively for up to 5 months as the only expense will be the rent of the warehousing of the current company assets.

How long will you be able to operate the company if you raise your maximum funding goal?

If the company successfully raises the maximum goal of \$1,070,000, it can operate for up to 5 years or more through retail sales and wholesale through third-party logistics warehouses.

**Are there any additional future sources of capital available to your company?
(Required capital contributions, lines of credit, contemplated future capital raises, etc...)**

The management of the company believes that the initial results of the regulation Crowdfunding raise have proven to be a great success and has plans to explore larger rounds of regulation crowdfunding. It is also currently pursuing and speaking to several different resources of growth capital for the expansion of the business. We expect to secure additional funds from multiple sources of private money and possibly a blend of a more institutional type of funds. We currently have a revolving credit line established for the use of inventory purchases.

Indebtedness

- **Creditor:** Royal Union
Amount Owed: \$80,000.00
Interest Rate: 10.0%
Maturity Date: June 30, 2019
- **Creditor:** Rich Marino
Amount Owed: \$47,184.80
Interest Rate: 6.0%

Maturity Date: December 31, 2020

- **Creditor:** Eric Luis
Amount Owed: \$13,000.00
Interest Rate: 0.0%
Maturity Date: February 08, 2021

Related Party Transactions

- **Name of Entity:** Rich Marino
Relationship to Company: Director
Nature / amount of interest in the transaction: The note bears interest of 6%, accrued annually in arrears, with the balance due at maturity on December 31, 2020..
Material Terms: The proceeds have been used for working capital related expenses

Valuation

Valuation Cap: \$15,000,000.00

Valuation Cap Details: At the time of maturity of the convertible note, we plan to have 4 stores operating. For this valuation cap, we have reduced the number of stores to 2 operating with an average gross revenue of \$5 Million annually per store. With an EBITDA of approximately 15% per store, the net profit of the company is expected to be around \$1.5 Million annually for only 2 stores operating. Using simple retail store valuation methods of ten times net profits, gives us a valuation of \$15 Million.

Use of Proceeds

If we raise the Target Offering Amount of \$10,000.00 we plan to use these proceeds as follows:

- *StartEngine Platform Fees*
6.0%
- *Working Capital*
94.0%
Funds will be used to cover warehouse rents for all the current company assets as well as some legal, accounting, and marketing costs for the next round of fundraising into the company.

If we raise the over allotment amount of \$1,070,000.00, we plan to use these proceeds as follows:

- *StartEngine Platform Fees*

6.0%

- *Working Capital*

15.0%

The money being raised is to secure the lease of a new 30,000 to 40,000 square foot retail space to open a new store with the proceeds going towards deposits for the location, first month's rent, moving costs to get the store assets out of storage, store set up costs, hiring, training, and opening labor costs attributed to moving and opening the store for sales generation.

- *Marketing*

15.0%

These funds will be used to cover online marketing costs for the next round of equity fundraising for the company.

- *Short Term Debt Payoff*

10.0%

These funds will be used to pay off a small, short-term loan which has a high interest rate. The funds from this loan were used for working capital and costs associated specifically to launch this crowdfunding capital raise.

- *Inventory*

54.0%

Money will be used to purchase inventory for the company

The Company may change the intended use of proceeds if our officers believe it is in the best interests of the company.

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 the requirements of Regulation Crowdfunding.

Ongoing Reporting

The Company will file a report electronically with the SEC annually and post the report on its website no later than April 30 (120 days after Fiscal Year End). Once posted, the annual report may be found on the Company's website at www.openboxbuyonline.com (www.openboxbuyonline.com/annualreports).

The Company must continue to comply with the ongoing reporting requirements

until:

- (1) it is required to file reports under Section 13(a) or Section 15(d) of the Exchange Act;
- (2) it has filed at least one (1) annual report pursuant to Regulation Crowdfunding and has fewer than three hundred (300) holders of record and has total assets that do not exceed \$10,000,000;
- (3) it has filed at least three (3) annual reports pursuant to Regulation Crowdfunding;
- (4) it or another party repurchases all of the securities issued in reliance on Section 4(a)(6) of the Securities Act, including any payment in full of debt securities or any complete redemption of redeemable securities; or
- (5) it liquidates or dissolves its business in accordance with state law.

Updates

Updates on the status of this Offering may be found at:
www.startengine.com/openboxbuy

Investing Process

See Exhibit E to the Offering Statement of which this Offering Memorandum forms a part.

EXHIBIT B TO FORM C

FINANCIAL STATEMENTS AND INDEPENDENT ACCOUNTANT'S REVIEW FOR Open Box Buy Corporation

[See attached]

OPEN BOX BUY CORPORATION

FINANCIAL STATEMENTS **YEAR ENDED DECEMBER 31, 2019 AND 2018** *(Unaudited)*

(Expressed in United States Dollars)

INDEX TO FINANCIAL STATEMENTS

(UNAUDITED)

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of
Open Buy Box Corporation
Henderson, Nevada

We have reviewed the accompanying financial statements of Open Box Buy Corporation (the "Company,"), which comprise the balance sheet as of December 31, 2019 and December 31, 2018, and the related statement of operations, statement of shareholders' equity (deficit), and cash flows for the year ending December 31, 2019 and December 31, 2018, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Going Concern

As discussed in Note 12, certain conditions indicate that the Company may be unable to continue as a going concern. The accompanying financial statements do not include any adjustments that might be necessary should the Company be unable to continue as a going concern.

Set Apart FS

July 31, 2020
Los Angeles, California

OPEN BUY BOX CORPORATION
BALANCE SHEET
(UNAUDITED)

As of December 31,	2019	2018
(USD \$ in Dollars)		
ASSETS		
Current Assets:		
Cash, cash equivalents and restricted cash	\$ 11,308	\$ -
Inventories	91,779	50,000
Total current assets	103,087	50,000
Property and equipment, net	342,614	395,779
Total assets	\$ 445,702	\$ 445,779
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	\$ 25,372	\$ -
Other current liabilities	-	93
Shareholder loan	26,160	11,026
Short term loan	115,953	35,803
Convertible notes, current	84,687	
Total current liabilities	252,171	46,922
Total liabilities	252,171	46,922
STOCKHOLDERS' EQUITY		
Common Stock	\$ 500	\$ 500
Paid in Capital	463,000	463,000
Retained earnings/(Accumulated Deficit)	(269,970)	(64,643)
Total stockholders' equity	193,530	398,857
Total liabilities and stockholders' equity	\$ 445,702	\$ 445,779

See accompanying notes to financial statements.

OPEN BUY BOX CORPORATION
STATEMENTS OF OPERATIONS
(UNAUDITED)

For Fiscal Year Ended December 31,	2019	2018
(USD \$ in Dollars)		
Net revenue	\$ -	\$ -
Cost of goods sold	-	-
Gross profit	-	-
Operating expenses		
General and administrative	176,091	60,711
Research and development	-	-
Sales and marketing	30,396	3,000
Total operating expenses	206,487	63,711
Operating income/(loss)	(206,487)	(63,711)
Interest expense	11,746	932
Other Loss/(Income)	(12,906)	-
Income/(Loss) before provision for income taxes	(205,327)	(64,643)
Provision/(Benefit) for income taxes	-	-
Net income/(Net Loss)	\$ (205,327)	\$ (64,643)

See accompanying notes to financial statements.

OPEN BUY BOX CORPORATION
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(UNAUDITED)

(in thousands, \$US)	Common Stock		Paid In Capital	Accumulated Deficit	Total Shareholders' Equity
	Shares	Amount			
Inception—August 21, 2018	-	\$ -	\$ -	\$ -	\$ -
Net income/(loss)	-	-	-	(64,643)	(64,643)
Issuance of shares	500,000	500	463,000	-	463,500
Balance—December 31, 2018	500,000	\$ 500	\$ 463,000	\$ (64,643)	\$ 398,857
Net income/(loss)	-	-	-	(205,327)	(205,327)
Issuance of shares	-	-	-	-	0
Balance—December 31, 2019	500,000	\$ 500	\$ 463,000	\$ (269,970)	\$ 193,530

See accompanying notes to financial statements.

OPEN BUY BOX CORPORATION
STATEMENTS OF CASH FLOWS
(UNAUDITED)

For Fiscal Year Ended December 31,	2019	2018
(USD \$ in Dollars)		
CASH FLOW FROM OPERATING ACTIVITIES		
Net income/(loss)	\$ (205,327)	\$ (64,643)
<i>Adjustments to reconcile net income to net cash provided/(used) by operating activities:</i>		
Depreciation of property	53,164	17,721
Changes in operating assets and liabilities:		
Inventory	(41,779)	(50,000)
Accounts payable	25,372	-
Other current liabilities	(93)	93
Net cash provided/(used) by operating activities	(168,662)	(96,828)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchases of property and equipment	-	(413,500)
Net cash provided/(used) in investing activities	-	(413,500)
CASH FLOW FROM FINANCING ACTIVITIES		
Issuance of common shares	-	463,500
Borrowing on loans	95,284	46,828
Borrowing on Convertible Notes	84,687	-
Net cash provided/(used) by financing activities	179,971	510,328
Change in cash	11,308	-
Cash, cash equivalent and restricted cash—beginning of year	-	-
Cash, cash equivalent and restricted cash—end of year	\$ 11,308	\$ -
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for interest	\$ -	\$ -
Cash paid during the year for income taxes	\$ -	\$ -
OTHER NONCASH INVESTING AND FINANCING ACTIVITIES AND SUPPLEMENTAL DISCLOSURES		
Purchase of property and equipment not yet paid for	\$ -	\$ -
Conversion of debt into equity	\$ -	\$ -

See accompanying notes to financial statements.

OPEN BUY BOX CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED TO DECEMBER 31, 2019 AND DECEMBER 31, 2018

All amounts in these Notes are expressed in thousands of United States dollars (" \$" or "US\$"), unless otherwise indicated.

1. SUMMARY

Open Box Buy Corporation was formed on August 21, 2018 ("Inception") in the State of Nevada. The balance sheet of Open Box Buy Corporation (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 Henderson, Nevada.

Open Box Buy Corporation (OBB) is a company focused on developing a number of deep discount retail stores dedicated to selling brand name open box and refurbished electronics, TVs, Computer/Laptops, small kitchen appliances, toys, mattresses, as well as indoor and outdoor furniture. The company doesn't plan to focus on retail clothing at the stores. We focus on showrooms that are between 30,000 and 50,000 square feet that are located within power retail centers near national retailers with high traffic and clear visibility. We expect to open our first store in 2020 and expand to 10 stores within the next 3-5 years. We are also an experienced Power Seller on both Amazon and eBay with approximately 15% of our gross sales coming from these online marketplaces. In late 2019 the company began a "soft launch" of a wholesale division in order to leverage the buying relationships of the founder creating a new stream of revenue for the company while building the retail operation.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accounting and reporting policies of the Company conform to accounting principles generally accepted in the United States of America ("US GAAP").

Use of Estimates

The preparation of financial statements in conformity with United States GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include all cash in banks. The Company's cash are deposited in demand accounts at financial institutions that management believes are creditworthy.

Inventories

Inventories are valued at the lower of cost and net realizable value. Costs related to raw materials and finished goods are determined on the FIFO method.

OPEN BUY BOX CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED TO DECEMBER 31, 2019 AND DECEMBER 31, 2018

Property and Equipment

Property and equipment are stated at cost. Normal repairs and maintenance costs are charged to earnings as incurred and additions and major improvements are capitalized. The cost of assets retired or otherwise disposed of and the related depreciation are eliminated from the accounts in the period of disposal and the resulting gain or loss is credited or charged to earnings.

Depreciation is computed over the estimated useful lives of the related asset type or term of the operating lease using the straight-line method for financial statement purposes. The estimated service lives for property and equipment is as follows:

Category	Useful Life
Retail Displays, Fixtures, Shelving, Warehouse, and Equipment	7

Impairment of Long-lived Assets

Long-lived assets, such as property and equipment and identifiable intangibles with finite useful lives, are periodically evaluated for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. We look for indicators of a trigger event for asset impairment and pay special attention to any adverse change in the extent or manner in which the asset is being used or in its physical condition. Assets are grouped and evaluated for impairment at the lowest level of which there are identifiable cash flows, which is generally at a location level. Assets are reviewed using factors including, but not limited to, our future operating plans and projected cash flows. The determination of whether impairment has occurred is based on an estimate of undiscounted future cash flows directly related to the assets, compared to the carrying value of the assets. If the sum of the undiscounted future cash flows of the assets does not exceed the carrying value of the assets, full or partial impairment may exist. If the asset carrying amount exceeds its fair value, an impairment charge is recognized in the amount by which the carrying amount exceeds the fair value of the asset. Fair value is determined using an income approach, which requires discounting the estimated future cash flows associated with the asset.

Income Taxes

Open Box Boy Corporation is a C corporation for income tax purposes. The Company accounts for income taxes under the liability method, and deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying values of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. A valuation allowance is provided on deferred tax assets if it is determined that it is more likely than not that the deferred tax asset will not be realized. The Company records interest, net of any applicable related income tax benefit, on potential income tax contingencies as a component of income tax expense. The Company records tax positions taken or expected to be taken in a tax return based upon the amount that is more likely than not to be realized or paid, including in connection with the resolution of any related appeals or other legal processes. Accordingly, the Company recognizes liabilities for certain unrecognized tax benefits based on the amounts that are more likely than not to be settled with the relevant taxing authority. The Company recognizes interest and/or penalties related to unrecognized tax benefits as a component of income tax expense.

OPEN BUY BOX CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED TO DECEMBER 31, 2019 AND DECEMBER 31, 2018

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. The Federal Deposit Insurance Corporation insures balances up to \$250,000. At times, the Company may maintain balances in excess of the federally insured limits.

Revenue Recognition

The Company will recognize revenues primarily from the sale of its products and services 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.

Fair Value of Financial Instruments

Certain assets and liabilities of the Company are carried at fair value under GAAP. 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 on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. Financial assets and liabilities carried at fair value are to be classified and disclosed in one of the following three levels of the fair value hierarchy, of which the first two are considered observable and the last is considered unobservable:

Level 1—Quoted prices in active markets for identical assets or liabilities.

Level 2—Observable inputs (other than Level 1 quoted prices), such as quoted prices in active markets for similar assets or liabilities, quoted prices in markets that are not active for identical or similar assets or liabilities, or other inputs that are observable or can be corroborated by observable market data.

Level 3—Unobservable inputs that are supported by little or no market activity that are significant to determining the fair value of the assets or liabilities, including pricing models, discounted cash flow methodologies and similar techniques.

The carrying values of the Company's assets and liabilities approximate their fair values.

Subsequent Events

The Company considers events or transactions that occur after the balance sheets date, but prior to the issuance of the financial statements to provide additional evidence relative to certain estimates or to identify matters that require additional disclosure. Subsequent events have been evaluated through July 31, 2020, which is the date the financial statements were issued.

Recently Issued and Adopted Accounting Pronouncements

In February 2019, FASB issued ASU No. 2019-02, Leases, that requires organizations that lease assets, referred to as "lessees", to recognize on the balance sheet the assets and liabilities for the rights and obligations created by those

OPEN BUY BOX CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED TO DECEMBER 31, 2019 AND DECEMBER 31, 2018

leases with lease terms of more than 12 months. ASU 2019-02 will also require disclosures to help investors and other financial statement users better understand the amount, timing, and uncertainty of cash flows arising from leases and will include qualitative and quantitative requirements. The new standard for nonpublic entities will be effective for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020, and early application is permitted. We are currently evaluating the effect that the updated standard will have on the financial statements and related disclosures.

In June 2019, FASB amended ASU No. 2019-07, Compensation – Stock Compensation, to expand the scope of Topic 718, Compensation – Stock Compensation, to include share-based payment transactions for acquiring goods and services from nonemployees. The new standard for nonpublic entities will be effective for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020, and early application is permitted. We are currently evaluating the effect that the updated standard will have on the financial statements and related disclosures.

In August 2019, amendments to existing accounting guidance were issued through Accounting Standards Update 2019-15 to clarify the accounting for implementation costs for cloud computing arrangements. The amendments specify that existing guidance for capitalizing implementation costs incurred to develop or obtain internal-use software also applies to implementation costs incurred in a hosting arrangement that is a service contract. The guidance is effective for fiscal years beginning after December 15, 2020, and interim periods within fiscal years beginning after December 15, 2021, and early application is permitted. We are currently evaluating the effect that the updated standard will have on the financial statements and related disclosures.

The FASB issues ASUs to amend the authoritative literature in ASC. There have been a number of ASUs to date, including those above, that amend the original text of ASC. Management believes that those issued to date either (i) provide supplemental guidance, (ii) are technical corrections, (iii) are not applicable to us or (iv) are not expected to have a significant impact on our financial statements.

3. INVENTORY

Inventory was comprised of the following items:

As of Year Ended December 31,	2019	2018
Finished Goods	\$ 91,779	\$ 50,000
Total Inventories	\$ 91,779	\$ 50,000

OPEN BUY BOX CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED TO DECEMBER 31, 2019 AND DECEMBER 31, 2018

4. DETAILS OF CERTAIN ASSETS AND LIABILITIES

Other current liabilities consist of the following items:

As of Year Ended December 31,	2019	2018
Other Current Liabilities consist of:		
Overdraft charges	0	93
Total Other Current Liabilities	\$ -	\$ 93

5. PROPERTY AND EQUIPMENT

As of December 31, 2019, property and equipment consists of:

As of Year Ended December 31,	2019	2018
Retail Displays, Fixtures, Shelving, Warehouse, and Equipment	\$ 413,500	\$ 413,500
Property and Equipment, at Cost	413,500	413,500
Accumulated depreciation	(70,886)	(17,721)
Property and Equipment, Net	\$ 342,614	\$ 395,779

Depreciation expense for property and equipment for the fiscal year ended December 31, 2019 and December 31, 2018 totaled \$53,164 and \$17,721 respectively.

6. CAPITALIZATION AND EQUITY TRANSACTIONS

Common Stock

The Company is authorized to issue 50,000,000 common shares at \$0.001 par value. As of December 31, 2019, 500,000 shares of common stock shares have been issued and outstanding for a par value of \$500.

7. DEBT

Since inception, the Company has a Promissory Note to Royal Union Nevada LLC in the amount of \$80,000. The note bears interest of 10%, accrued monthly in arrears, with the balance due at maturity on June 30, 2020. The proceeds were used to pay for all of the costs associated with the Crowdfunding campaign, rent, and other working capital related expenses. This note has been classified as a short term loan.

Since inception, the Company has a Promissory Note to Rich Marino in the amount of \$47,184.80. The note bears interest of 6%, accrued annually in arrears, with the balance due at maturity on December 31, 2020. The proceeds have been used for working capital related expenses. This note has been classified as a short term shareholder loan.

OPEN BUY BOX CORPORATION**NOTES TO FINANCIAL STATEMENTS****FOR YEAR ENDED TO DECEMBER 31, 2019 AND DECEMBER 31, 2018**

On September 8, 2019, the company issued a Promissory Note to Eric Luis in the amount of \$10,000. The note accrued an interest rate of interest of 20% for 3 months and was payable on December 8, 2019. Money not paid by due date will continue to be charged a default interest of 10% per month with a maximum term of 6 months. The proceeds have been used for working capital related expenses. The outstanding balance of the loan as of December 31, 2019 including accrued interest is in the amount of \$12,000. The loan has been classified as a short term loan.

During 2019, the company issued convertible notes to StartEngine investors for an aggregate amount of \$84,687. The notes carry an interest rate of 10% per year and mature on December 31, 2020. The notes have been classified as current.

8. INCOME TAXES

The provision for income taxes for the year ended December 31, 2019 and December 31, 2018 consists of the following:

As of Year Ended December 31,	2019	2018
Net Operating Loss	\$ (61,269)	\$ (19,289)
Valuation Allowance	61,269	19,289
Net Provision for income tax	\$ -	\$ -

Significant components of the Company's deferred tax assets and liabilities at December 31, 2019, and December 31, 2018 are as follows:

As of Year Ended December 31,	2019	2018
Net Operating Loss	\$ (80,559)	\$ (19,289)
Valuation Allowance	80,559	19,289
Total Deferred Tax Asset	\$ -	\$ -

Management assesses the available positive and negative evidence to estimate if sufficient future taxable income will be generated to use the existing deferred tax assets. On the basis of this evaluation, the Company has determined that it is more likely than not that the Company will not recognize the benefits of the federal and state net deferred tax assets, and, as a result, full valuation allowance has been set against its net deferred tax assets as of December 31, 2019. The amount of the deferred tax asset to be realized could be adjusted if estimates of future taxable income during the carryforward period are reduced or increased.

As of December 31, 2019, the Company had net operating loss ("NOL") carryforwards of approximately \$267,970. Utilization of some of the federal and state NOL carryforwards to reduce future income taxes will depend on the Company's ability to generate sufficient taxable income prior to the expiration of the carryforwards. Under the provisions of the Internal Revenue Code, the NOLs and tax credit carryforwards are subject to review and possible adjustment by the IRS and state tax authorities. NOLs and tax credit carryforwards may become subject to an annual limitation in the event of certain cumulative changes in the ownership interest of significant stockholders over a three-year period in excess of 50%, as defined under Sections 382 and 383 of the Internal Revenue Code, as well as similar state provisions. This could limit the amount of tax attributes that can be utilized annually to offset future taxable income or tax liabilities. The amount of the annual limitation is determined based on the value of the Company

OPEN BUY BOX CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED TO DECEMBER 31, 2019 AND DECEMBER 31, 2018

immediately prior to the ownership change. The Company has not performed a comprehensive Section 382 study to determine any potential loss limitation with regard to the NOL carryforwards and tax credits.

The Company recognizes the impact of a tax position in the financial statements if that position is more likely than not of being sustained on a tax return upon examination by the relevant taxing authority, based on the technical merits of the position. As of December 31, 2019, and December 31, 2018, the Company had no unrecognized tax benefits.

The Company recognizes interest and penalties related to income tax matters in income tax expense. As of December 31, 2019, and December 31, 2018, the Company had no accrued interest and penalties related to uncertain tax positions.

9. RELATED PARTY

Since inception, the Company has a Promissory Note to Rich Marino in the amount of \$47,184.80. The note bears interest of 6%, accrued annually in arrears, with the balance due at maturity on December 31, 2021. The proceeds have been used for working capital related expenses. This note has been classified as a short term shareholder loan.

10. COMMITMENTS AND CONTINGENCIES

Contingencies

The Company's operations are subject to a variety of local and state regulation. Failure to comply with one or more of those regulations could result in fines, restrictions on its operations, or losses of permits that could result in the Company ceasing operations.

Litigation and Claims

From time to time, the Company may be involved in litigation relating to claims arising out of operations in the normal course of business. As of December 31, 2019, there were no pending or threatened lawsuits that could reasonably be expected to have a material effect on the results of the Company's operations.

11. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through July 31, 2020, the date the financial statements were available to be issued.

From January 3, 2020 through March 24, 2020, the Company received an aggregate amount of \$24,660 from StartEngine investors in exchange of convertible notes. The notes carry an interest rate of 10% and mature on December 31, 2020.

On July 28, 2020 the terms of the original promissory note dated September 8, 2019 between Open Box Buy Corporation (OBB) and Eric Luis (Lender) were amended. As of April 8, 2020, the total balance due according the original agreement was \$16,000.00. Due to the complete shutdown of the retail environment in which OBB Operates, Lender has agreed to Cap the interest accrued as of April 8, 2020 for a total interest earned of \$6,000.00. Under a new payment plan, the

OPEN BUY BOX CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED TO DECEMBER 31, 2019 AND DECEMBER 31, 2018

Lender and OBB have agreed to amend the original payment plan to a monthly payment of \$2,666.67 starting September 8, 2020 through February 8, 2021.

There have been no other events or transactions during this time which would have a material effect on these financial statements.

12. GOING CONCERN

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company has a net operating loss of \$205,327, an operating cash flow loss of \$169,662 and an accumulated deficit of \$267,970 as of December 31, 2019. The Company's situation raises a substantial doubt on whether the entity can continue as a going concern in the next twelve months.

The Company's ability to continue as a going concern in the next twelve months following the date the financial statements were available to be issued is dependent upon its ability to produce revenues and/or obtain financing sufficient to meet current and future obligations and deploy such to produce profitable operating results.

Management has evaluated these conditions and plans to generate revenues and raise capital as needed to satisfy its capital needs. During the next twelve months, the Company intends to fund its operations through debt and/or equity financing.

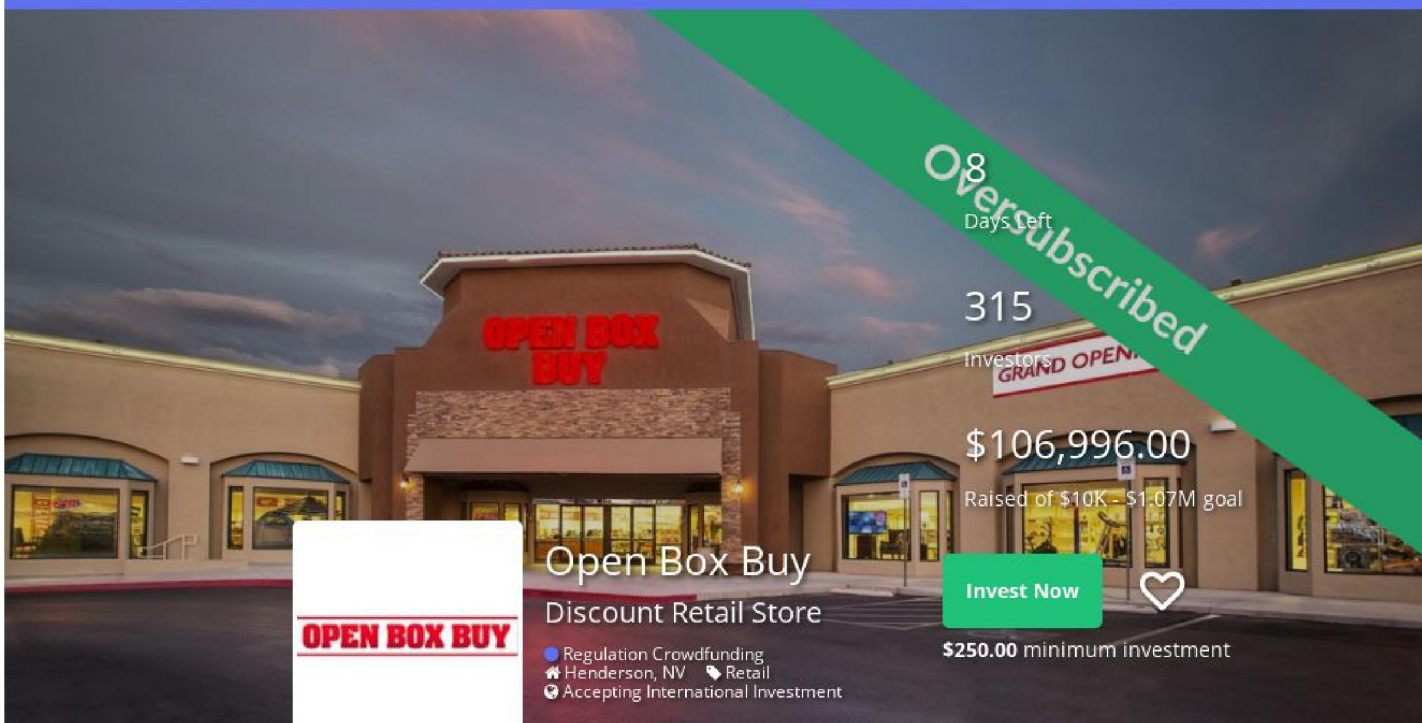
There are no assurances that management will be able to raise capital on terms acceptable to the Company. If it is unable to obtain sufficient amounts of additional capital, it may be required to reduce the scope of its planned development, which could harm its business, financial condition, and operating results. The accompanying financial statements do not include any adjustments that might result from these uncertainties.

EXHIBIT C TO FORM C

PROFILE SCREENSHOTS

[See attached]

Open Box Buy is a Title III - Regulation Crowdfunding Campaign and is actively accepting investments.



8 Days Left

315 Investors

\$106,996.00 Raised of \$10K - \$1.07M goal

Invest Now

♥

\$250.00 minimum investment

OPEN BOX BUY

Open Box Buy
Discount Retail Store

- Regulation Crowdfunding
- Henderson, NV
- Retail
- Accepting International Investment

[Overview](#)[Team](#)[Terms](#)[Updates](#)[Comments](#)[Share](#)

Where You Save Money

Invest in Open Box Buy

We are excited to introduce OPEN BOX BUY (OBB), which is to our knowledge, the first ever deep-discount retail store that specializes in big-name brand and open box consumer electronics, as well as large and small appliances, video games; housewares; toys; sporting goods; tools; BBQ; outdoor, patio, and small furnishings. If you are looking for hard goods and consumer durables for your office or home, at a price that cannot beat, then Open Box Buy is the solution!

While major department stores such as Sear's, JC Penny's, Macy's, etc. have seen their sales drop in recent years and continue to find themselves in major financial problems, discount retailers have been rising and growing. Companies such as Ross, TJ Maxx, Ollies, and Dollar Stores have continued to add locations and increase sales on an annual basis even through the years of the recent "Great Recession". The data supporting these claims is easily found by reviewing each of these company's annual



round by reviewing each of these company's annual financial reports as they are all fully reporting public entities.

The images above are from the previous operations of Open Box Buy under different entities which no longer exist. The Company does not currently have a store.

We believe Open Box Buy fits nicely in the secondary marketplace explosion of deep-discounted retail stores with our specialized mix of products. Based in Las Vegas, our business model is almost exactly like TJ Maxx, Marshalls, Ross, and Burlington Coat Factory, except we have a unique product mix of consumer electronics, appliances, housewares, and other home hard goods.

- Think TJ MAXX for electronics and hard goods
- Think Walmart without the food, pharmacy and clothing
- Think Big Lots and the 99¢ Store for bigger purchases of brand name electronics, computers, furniture, and other hard goods

Our Background

A Note to Investors about past accomplishments under the name Open Box Buy.

The brand name and DBA of Open Box Buy started as simply a home based business to personally sell closeout items on eBay back in April of 2008, under a different company. By May of 2010 Open Box Buy Inc. (a different entity) was formed to operate as the DBA Open Box Buy and it opened a 5,000 sq ft warehouse location with the main goal to simply expand upon the success of the online business with 95% of sales to be on eBay and Amazon. In December of 2012 Open Box Buy Inc. was abandoned in order to open the first 35,000 square foot retail store in the Open Box Buy DBA under the partnership of Big Deer Holdings LLC. Big Deer Holdings LLC operated this location until November 2014 when it moved operations into a new 31,000 square foot location on the other side of the Las Vegas Valley. Big Deer Holdings LLC only moved out of the first location because the landlord of the previous location was foreclosed upon and the bank forced the company as well as Office Max out in order to place the multi Billion dollar Company Hobby Lobby as a national credit tenant into the space. Big Deer Holdings LLC operated the store in this location until October 2016 when the store was closed and the partnership was eventually abandoned. Currently there is not an operating Open Box Buy store location and we have established a brand new company under the name of the Open Box Buy Corporation in August of 2018 in order to open a new location in a retail power center with tremendous traffic and high visibility. Open Box Buy Corporation expects to open its' first large Open Box Buy retail location within the next 6 months with plans to expand to 6 stores regionally within 3 years and eventually to hundreds of stores nationwide.

The Offering

INVESTMENT OPPORTUNITY

Convertible Promissory Notes

Note converts to Common Stock when the company raises \$3,000,000 in a qualified equity financing

Perks

Invest from Day 1-7 and get a 20% Bonus of shares on conversion

Invest from Day 8-14 and get a 15% Bonus of shares on conversion

Invest from Day 15-21 and get a 10% Bonus of shares on conversion

Invest from Day 22-28 and get a 5% Bonus of shares on conversion

Maturity Date: December 31st, 2020

Valuation Cap: \$15,000,000

Discount Rate: 20%

Annual Interest Rate: 10%*

**Annual Interest Rate subject to adjustment 10% bonus for StartEngine shareholders. See 10% Bonus below*

What is a Convertible Note?

A convertible note offers you the right to receive shares of Common Stock in the Company. The number of shares you will receive in the future will be determined at the next equity round in which the Company raises at least \$3,000,000 in qualified equity financing. The highest conversion price per security is set based on a \$15,000,000 Valuation Cap or if less, then you will receive a 20% discount on the price the new investors are purchasing. You also receive 10% interest per year added to your investment. When the maturity date is reached, if the note has not converted then you are entitled to receive shares of Common Stock equal to your investment and interest back at a price per security determined by dividing the Valuation Cap by the aggregate number of outstanding shares of the Company as of immediately prior (on a fully diluted basis).

*For details on the bonus, please see the **Offering Summary** below.*

Why Invest in a Discount Retail Store ?

It's simple- We believe all the facts suggest that the discount retail secondary market is exploding.

- TJX Companies (\$27.40 Billion US Sales) and Dollar General (\$23.47 Billion US Sales) rank among the top-20 largest U.S. retailers in sales volume according to Business Insider.
- Nordstrom Rack stores (244 stores) outnumber the amount of Nordstrom locations (122 stores) according to Nordstrom website "About Us".
- Amazon's market cap reached \$1 Trillion in September 2018 making it the second most valuable company in the world behind Apple according to their publicly available financial reports.
- Walmart's corporate mission statement is "to save people money so they can live better".

"Retailers Opening Over 4,000 Stores in 2017, Debunking the Retail Apocalypse Research report from IHL Group shows 2.7 retailers are opening stores for every retailer closing stores."

So, what's behind this tremendous growth?

- **Saving Money is the Key Driving Factor:** The top two reasons people shop at Amazon are low prices and free shipping according to a report published by Epsilon in February 2018. In their survey of approximately 4,000 active Amazon customers, they cited price (64%) and free shipping (60%) as the major factors for making their purchases with Amazon,

both of which are money saving motivated.

- **We Believe Consumer behavior is shifting:** Getting a deal on eBay, shopping at Ross or Goodwill, or even hitting up a consignment shop to find a secondhand treasure is now brag worthy as seen in the hit song "Thrift Shop" by Maklemore which spent 6 weeks at #1 on Billboard's Hot 100.
- **Social responsibility:** Sending items to landfills is now socially unacceptable in the eyes of consumers and investors.
- **Better recovery (minimize more loss):** One of the biggest drivers of secondary market growth is the ability to offset loss from returned and unsold goods. Depending on what channel a retailer chooses, there is great opportunity to achieve high pricing. We believe even liquidation – if managed correctly – is becoming a viable option.

Open Box Buy: Being Green



We believe we are an environmentally friendly company because every aspect of how we do business is some form of recycling or repurposing. Not only will we purchase and resell products in a secondary market of closeouts, reconditioned, and refurbished goods, but we also purchase, completely recondition, and reuse all of our shelving and displays which we have acquired from previously closed down retailers. For our Point of Sale, inventory control, and online marketing system we will only use refurbished Apple computers and tablets in our office, warehouse, and retail store. We believe that even our real estate acquisition can be considered environmentally conscious because we purposely look to acquire property from closed down retailers in high traffic areas that we can lease or purchase, renovate, and operate in order to revitalize commerce in the surrounding community. Our main mission is to save the world from the massive amount of products ending up in landfills. We are focused on salvaging these valuable items with professional work and care, then reselling them to consumers at a deep discount off of retail prices. Everything we will sell has carefully been quality control checked to be sold as a remanufactured item.

"Thirty-some years ago, unwanted or unsold products often ended their all-too- brief lives by being dumped in landfills. Today they are the basis of what professor of supply chain management Dale Rogers calls a growing slice of the U.S. Gross Domestic Product: secondary markets."

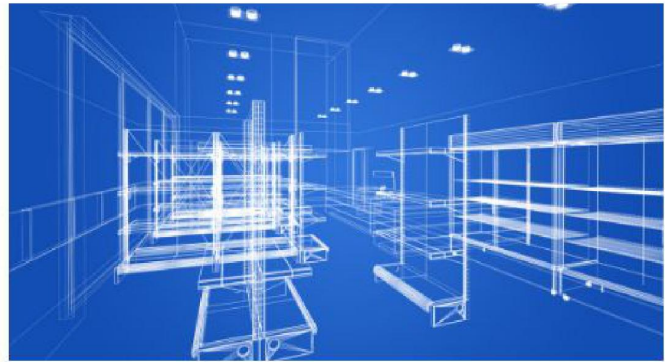
Our Mission

Open Box Buy Corporation (OBB) is focused on developing a number of deep discount retail stores dedicated to selling



brand name open box and refurbished electronics, TVs, Computer/Laptops, small kitchen appliances, toys, mattresses, as well as indoor and outdoor furniture.

Rich Marino is Open Box Buy's founder and CEO. Rich has over 20 years of business experience and has successfully led two businesses from start-up to to an eventual sale of the company with one being in the form of a public exit. He started operating under the name OBB in 2008 from his garage by personally selling open box and refurbished items on eBay and Amazon with great success. Becoming a PowerSeller in no time, **he expanded to a 5,000 square foot warehouse in 2010 which was owned by Open Box Buy Inc. (a separate company).** In December of 2012 Open Box Buy Inc. was abandoned in order to grow and open the first 35,000 square foot retail store in the Open Box Buy DBA (under the partnership of Big Deer Holdings LLC). In August 2018, he formed the Open Box Buy Corporation with the goal of becoming a national chain of discount retail stores and is now offering an opportunity for a few investors to help fund the opening of Open Box Buy Corporation's first Las Vegas store.



"We aim to be a highly profitable company in a highly profitable industry. We know the success of a discount retail business all depends on product procurement and how well we purchase our inventory. By focusing on opportunistic buys, we know our customers will always find the best price possible when shopping with us...we also aim to stay true to our mission of being a totally sustainable and 'green' business."

Rich Marino
CEO

Your Investment

PRO-FORMA REVENUES & EXPENSES (in \$1,000)

	2019	2020	2021
Revenues	\$5,348	\$14,935	\$24,216
COGS	\$2,753	\$6,745	\$10,897
G&A Exp.	\$2,373	\$6,104	\$9,705
EBITDA	\$222	\$2,086	\$3,614
Stores	2	4	6

This initial offering will pay for the opening of the first store and the marketing needed to introduce it to the public. Investors will receive convertible notes which earn an annual interest rate of 10%. The highest conversion price per security is set based on a \$15,000,000 Valuation Cap or if less, then you will receive a 20% discount on the price the new investors are purchasing.

Beyond retail sales at the physical store locations, OBB plans to have an online sales model via EBay, Amazon, and other large ecommerce marketplace selling engines edging out the competition by offering the lowest price available. In addition, we will have distinct lines of revenue via consumer financing, extended warranties, a trade-in to upgrade program, and 3rd party refurbishing services.

This round of funding will help to open the first store for the Open Box Buy Corporation and provide seed money for the

This round of funding will help to open the first store for the Open Box Buy Corporation and provide seed money for the legal, accounting, and other expenses attributed to the next rounds of funding. The Company plans to open

Our Business Plan

- Big Box Retail Storefront - 30,000 up to 50,000 Square Feet of Retail Showroom
- FIRST STORE IN LAS VEGAS AREA
- Anchor or Co-Anchor Tenancy
- Located in a Retail Power Center near other National Retailers with High Traffic and Visibility
- Warehouse Style Retail Floor Space



The Key is Deep Discounts: Everyday discounts start at 20% and can reach 80% or 90% off normal retail prices with storewide discounts averaging 50% to 60%.

The Products We Carry



Products are popular name brand hard goods:

- Consumer Electronics such as HDTV's, Computers, Tablets, Home Audio, Cellular Phones and Accessories
- Small Kitchen Appliances and Housewares
- Furniture and Mattresses
- Outdoor Living
- Toys, Bikes, and Video Games
- Sporting Goods and Exercise Equipment
- Seasonal and Holiday Items

Value Proposition to Customers



- OBB Will Sell Brand Name, New or Refurbished as New Products
- Customers receive high quality products at a deep discount which translates to more money in their pocket
- Customers can identify desired goods in store, purchase, take home, and use same day without waiting for shipping
- OBB will offer a 30 day money back guarantee return policy and most manufacturers provide full warranty for peace of mind with extended warranties available for purchase at discounted rates as well
- OBB will offer financing to Customers through Crest Financial with plans to bring the financing in-house in order to streamline the customer service experience as well as create an additional income stream for the company

The images above are from the previous operations of Open Box Buy under different entities which no longer exist. The Company does not currently have a store.

The Marketplace

- TJ Maxx, Marshalls, and Home Goods (one company TJX) – Beginning in 2007, grew from \$18.6 Billion in Sales with approximately 2,500 stores to \$35.86 Billion in Sales from approximately 3,800 stores in 2017 according to their publicly available annual reports
- Ollie's Bargain Outlet is an East US Coast deep discount store which has recently gone public on NASDAQ in July 2015. They rocketed from \$540 Million in sales in 2013 to \$1.077 Billion in 2017. They have approximately 303 stores in 23 states of the US and a market cap currently of \$5.7 Billion as of December 3, 2018 as found on their publicly available financial reports as well as stock price history on the NASDAQ stock exchange.
- Dollar General Opened over 1,200 new stores in 2017 according to The Statistics Portal Statistics



- Dollar General Company Officials announced in a 2017 earnings report that their Company had plans to create 900 new stores, remodel 1,000 stores, and relocate 100 stores in 2018
- Dollar Tree opened 620 new stores in 2017 as reported by Bob Sasser, Executive Chairman and Former CEO of Dollar Tree
- Walmart is the largest retailer in the world with gross annual sales of over \$500 Billion according to their public financial reports and a widely known Company slogan to "Save Money. Live Better."
- The retail consulting firm IHL Consulting Group compiled a list of 22 retailers bucking the retail apocalypse by growing their store counts. The list, which includes plans for nearly 3,000 new stores in 2017, is dominated by discount retail stores and grocery chains, including Dollar Tree, TJ Maxx, Ross Stores, Hobby Lobby, Lidl, Aldi, and Costco.
- Research report from IHL Group shows discount retailers are opening 2.7 new stores for every retail store closing which is debunking the idea of a full retail apocalypse.

["Is T.J. Maxx the best retail store in the land? | Fortune"](#)

Its annual sales—now \$27.4 billion, or more than those of Estée Lauder, Hilton Worldwide, and Hershey combined—have risen 50% over the past six years. Its profits have almost tripled, to \$2.1 billion. Its shareholders have been the beneficiaries of 18 consecutive years of earnings-per-share growth.

Why You Should Invest in Open Box Buy

Open Box Buy is positioned to quickly expand as a customer-driven, major brand in the Discount Retail Industry. Starting in Las Vegas, OBB is planning to open numerous stores in the future and make a name for itself as a place where People Save Money. Consumers expect the lowest prices for their electronics and housewares and that is exactly what we provide. Plus, with discount retail stores

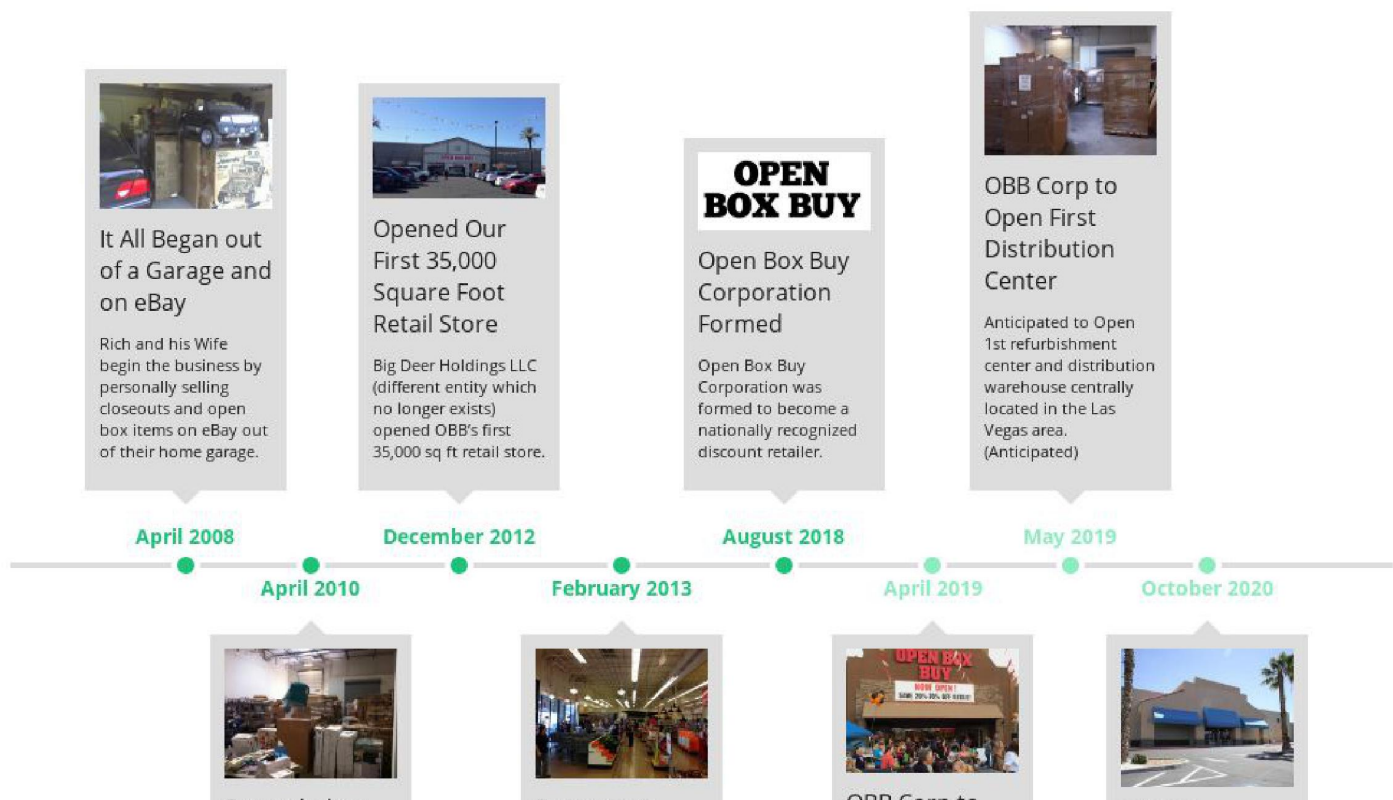
OPEN BOX BUY

is exactly what we provide. Plus, with discount retail stores exceeding analysts expectations with exploding growth, we believe that this campaign is an opportunity to invest in a business that has the ability to become a leader in the growing discount retail marketplace.

Open Box Buy is positioned to quickly expand as a customer-driven, major brand in the Discount Retail Industry. Starting in Las Vegas, OBB is planning to open numerous stores in the future and make a name for itself as a place where People Save Money. Consumers expect the lowest prices for their electronics and housewares and that is exactly what we provide. Plus, with discount retail stores exceeding analysts expectations with exploding growth, we believe that this campaign is an opportunity to invest in a business that has the ability to become a leader in the growing discount retail marketplace.

Your investment into Open Box Buy Corporation is being used to open the company's first large retail store in the Las Vegas Valley within the second quarter of 2019. The Company expects to open 3 to 4 stores within the Las Vegas and Henderson, Nevada area by the year 2020. Then broadening our reach at first regionally throughout the Southwest to areas such as Phoenix and Scottsdale, AZ for a projected total of 6 stores by the end of 2021. As the company keeps gaining momentum, we anticipate continual growth by adding more stores to each major metropolitan area eventually expanding our footprint across the country.

Our goal as a company is to be analog to companies which we consider to be leaders in discount retail in their respective fields such as TJ Maxx, however with our proprietary refurbishment process and specific product lines. In time, we plan to have hundreds of locations across the country.



Expanded to 5,000 Sq Ft Warehouse

Opened a 5,000 sq ft warehouse to expand sales through eBay and Amazon online marketplaces under the company Open Box Buy Inc. (closed Sept 2012 in order to expand concept to First Large Retail Store)

Business is Booming

During the second full month of sales the Big Deer Holdings LLC store was already profitable.

OBB Corp to Open First Large Store in Henderson

Open Box Buy Corporation anticipates to open first store in a new retail power center location with high traffic and visibility. (Anticipated)

OBB Corp to Open 1st Large Store In AZ

Anticipated to open 1st retail store in the Phoenix/Scottsdale area and 4th store for the company. (Anticipated)

Meet Our Team



Rich Marino

CEO, Founder and Director

Rich Marino is Open Box Buy's founder and CEO. Rich has over 20 years of business experience and has successfully led two businesses from start-up to an eventual sale of the companies with one being in the form of a public exit. He started OBB in 2008 from his garage selling open box and refurbished items on eBay and Amazon with great success. Becoming a PowerSeller in no time, he expanded to a 5,000 square foot warehouse in 2010, and eventually to his first 35,000 square foot retail location in 2012. He is now offering an opportunity for a few investors to help fund the opening of his new Las Vegas store.

Offering Summary

Company : Open Box Buy Corporation
Corporate Address : 2896 Carmelo Drive, Henderson, NV 89052
Offering Minimum : \$10,000.00
Offering Maximum : \$1,070,000.00
Minimum Investment Amount
(per investor) : \$250.00

Terms

Offering Type : Convertible Promissory Notes
Type of Equity Converted Into : Common Stock
Conversion Trigger : \$3,000,000.00
Maturity Date : December 31, 2020
Valuation Cap : \$15,000,000.00
Discount Rate : 20.0%
Annual Interest Rate : 10.0%

What is a Convertible Note?

A convertible note offers you the right to receive Common Stock in Open Box Buy Corporation. The amount of Common Stock you will receive in the future will be determined at the next equity round in which the Company raises at least \$3,000,000.00 in a qualified equity financing. The highest conversion price per security is set based on a \$15,000,000.00 Valuation Cap or if less, then you will receive a 20.0% discount on the price the new investors are paying. You also receive 10.0% interest per year added to your investment. When the maturity date is reached, if the note has not converted then you are entitled to receive Common Stock equal to your investment and interest back at a price per security determined by dividing the Valuation Cap by the aggregate number of outstanding equity securities of the Company as of immediately prior (on a fully diluted basis).

Perks

Invest from Day 2-7 and get a 20% Bonus of shares on conversion

Invest from Day 2-7 and get a 20% Bonus of shares on conversion

Invest from Day 8-14 and get a 15% Bonus of shares on conversion

Invest from Day 15-21 and get a 10% Bonus of shares on conversion

Invest from Day 22-28 and get a 5% Bonus of shares on conversion

**Annual Interest Rate subject to adjustment of 10% bonus for StartEngine shareholders. See 10% Bonus below*

The 10% Bonus for StartEngine Shareholders

Open Box Buy Corporation will offer 10% additional bonus interest for all investments that are committed, within 24 hours of this offering going live, by StartEngine Crowdfunding Inc. shareholders who invested over \$1,000 in the StartEngine Reg A offering which closed earlier this year.

StartEngine shareholders who have invested \$1,000+ in the StartEngine Reg A+ campaign will receive a 10% increase in the annual interest rate on Convertible Promissory Notes in this Offering if they invest within a 24-hour window of their campaign launch date. For example, if invest in the first 24 hours, your annual interest rate will be 11% instead of 10%.

This 10% Bonus is only valid for one year from the time StartEngine Crowdfunding Inc. investors receive their countersigned StartEngine Crowdfunding Inc. subscription agreement.

Irregular Use of Proceeds

The Company will not incur any irregular use of proceeds.

Offering Details

Form C Filings

SHOW MORE

Risks

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.

Updates

Notice of Material Change in Offering

24 days ago

[The following is an automated notice from the StartEngine team].

Hello! Recently, a change was made to the Open Box Buy offering. Here's an excerpt describing the specifics of the change:

Extended length of campaign.

When live offerings undergo changes like these on StartEngine, the SEC requires that certain investments be reconfirmed. If your investment requires reconfirmation, you will be contacted by StartEngine via email with further instructions.

Notice of Material Change in Offering

3 months ago

[The following is an automated notice from the StartEngine team].

Hello! Recently, a change was made to the Open Box Buy offering. Here's an excerpt describing the specifics of the change:

Extended length of the campaign an additional 30 days.

When live offerings undergo changes like these on StartEngine, the SEC requires that certain investments be reconfirmed. If your investment requires reconfirmation, you will be contacted by StartEngine via email with further instructions.

Notice of Material Change in Offering

3 months ago

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Extended length of campaign.

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Open Box Buy Update and Covid-19 Status

4 months ago

Good Afternoon Everyone,

I know that I have been overdue for a campaign and company update and would like to take a moment to address where we are as a company.

As I had updated everyone back at the end of 2019, we decided to turn our attention towards a wholesale business model in order to generate revenues immediately while going through the major expense of opening the new retail location. Just as we are beginning the launch of our new wholesale distribution, the Covid-19 epidemic struck. As one might imagine, our wholesale customers are all retailers who have been either shut down completely or their business has been dramatically reduced by the current situation. Most, if not all, of our customers have temporarily suspended any buying, placing us in a similar holding pattern to most of the country and the rest of the world for that matter.

At the launch and beginning of our campaign, we were entirely focused on the opening of a new retail location in the Henderson suburb of Las Vegas, Nevada. While this still is the big picture plan for the growth and expansion of the company, the last year and especially our current circumstances that the entire world is facing through the Covid-19 worldwide epidemic has given us a new perspective on our best next steps. Retail has been hit hard and will definitively see some changes going forward. The truth is that no-one really knows what life is going to be like when we get back to "normal", so there is no real way for us to accurately predict how the marketplace will adapt as it is far too early to know for sure.

The good news, now that we are in the midst of the Covid-19 crisis and retail businesses such as Open Box Buy have been deemed non-essential, is that we have avoided having a brand new retail store being completely shut down. Had we kept pressing forward to urgently open a new space as we had originally planned, I can say without almost certainty that we would not have survived such a huge blow to the company so very early on in our growth. Just one of our retail stores employs about 40 to 50 people full and part time, and has a significant amount of overhead expenses for the lease, utilities, insurance, and other operational costs. We now see this as a huge blessing by we not having these substantial financial burdens. It is specifically for this reason that we are now in a much better position during such an extraordinary time.

As we aren't currently locked into any specific market or retail obligation, we are completely free to move the company forward in the best way possible given the current market conditions. We are now in the position to follow market demand wherever we see the most opportunity, whether we choose to distribute wholesale; to sell retail online through major marketplaces such as Amazon and eBay; or maybe it ends up being even more advantageous timing for the opening of the new discount retail store as we emerge from the Covid-19 crisis.

In our opinion, the most encouraging aspect of the country's current financial condition is that our business model actually grows and thrives as a direct result of an economic down turn. As we emerge from this pandemic, we anticipate that the consumer's need to save

money in any way possible will be at an all-time high just as it was for discount retail during the Great Recession of 2007 to 2009. According to the publicly available financials from companies such as TJ Maxx, Burlington, dollar stores, and other deep discounters, steady growth can be seen all the way through the country's most recent economic hardship.

So while it might look great to only post the most cheery and exciting updates, this time I felt it much more important to also share some of the obstacles we face along the way and more importantly how we are overcoming them in order to produce the best possible results. I believe it to be disingenuous if I were not to share the downs as well as the ups along the way. At our core, we believe success is not a byproduct of a straight pathway without any obstacles and challenges, as much as it is how well we pivot and adapt in order to always keep moving forward.

I hope everyone is staying healthy, safe, and doing well.

Best regards,

Rich Marino
Open Box Buy

Notice to our investors:

4 months ago

We will be unable to meet our April 29, 2020, annual report filing requirements for securities sold pursuant to Regulation CF as a result of the temporary shutdown of nonessential business and the accompanying stay at home orders in the state of Nevada. As such, we intend to rely on the temporary relief being provided by the Securities and Exchange Commission. We will continue to use our best efforts to comply with our ongoing reporting obligations.

Notice of Material Change in Offering

4 months ago

[The following is an automated notice from the StartEngine team].

Hello! Recently, a change was made to the Open Box Buy offering. Here's an excerpt describing the specifics of the change:

Open Box Buy provided updated financials, extended their campaign, and changed their use of proceeds.

When live offerings undergo changes like these on StartEngine, the SEC requires that certain investments be reconfirmed. If your investment requires reconfirmation, you will be contacted by StartEngine via email with further instructions.

Notice of Funds Disbursement

4 months ago

[The following is an automated notice from the StartEngine team].

Hello!

As you might know, Open Box Buy has exceeded its minimum funding goal. When a company reaches its minimum on StartEngine, it's about to begin withdrawing funds. If you invested in Open Box Buy be on the lookout for an email that describes more about the disbursement process.

This campaign will continue to accept investments until its indicated closing date.

Thanks for funding the future.

-StartEngine

Notice of Funds Disbursement

5 months ago

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-StartEngine

Notice of Material Change in Offering

6 months ago

[The following is an automated notice from the StartEngine team].

Hello! Recently, a change was made to the Open Box Buy offering. Here's an excerpt describing the specifics of the change:

Open Box Buy is extending their campaign by 57 days.

When live offerings undergo changes like these on StartEngine, the SEC requires that certain investments be reconfirmed. If your investment requires reconfirmation, you will be contacted by StartEngine via email with further instructions.

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Comments (64 total)

Add a public comment...

0/2500



I'm not a robot



Post

Please [sign in](#) to post a comment.

Reyelle Matanguihan **3 INVESTMENTS** 24 days ago

Were the opening of the first store and distribution center has been pushed through?

Rich Marino - **Open Box Buy** 24 days ago

Thankfully, due to the current COVID crisis we haven't opened the retail operation. We believe that we were very lucky to not have opened up as we would have been adversely affected by the shutdown as well as uncertainty of the near term. We were currently rolling out a wholesale distribution at the beginning of COVID, however buying came to a screeching halt as our retailers had to shudder their doors. At this time we are raising more funds in order to create a stockpile of capital for the use of all of the immense buying opportunities that are coming from the fallout of all the bankruptcies as well as retail closures caused specifically by the worldwide shutdown. We are also patiently watching commercial real estate because this dramatic drop in retail economy creates another massive opportunity for us for great newly available space and dramatic reductions in lease prices. We have been so very lucky as just before the COVID shutdowns, we were being forced to pay a premium for space because the economy was so very strong. Unfortunately we were having a difficult time making this work for our needs, however it was a huge blessing as the timing couldn't be more perfect for our business model to "rise from the ashes" as we actually can take advantage of the unfortunate circumstances. We are taking full advantage of the amazing new inventory and real estate opportunities as they come available.

Thanks so much!

Rich

Helen Castaneda **8 INVESTMENTS** 3 months ago

Helen C. I have to cancel my interest in investing Open Buy Box.

Rich Marino - **Open Box Buy** 3 months ago

Hi Helen,

I don't see that you are actually a current investor on my end so you should be able to sign into your StartEngine account portal and cancel your interest. Since we are already oversubscribed, I cannot actually see all those on the waiting list myself so unfortunately I cannot help on my end. I'm sure you can find it in your login area if you look.

Thanks so much for you interest!

Rich

H Tucker **SE OWNER** **18 INVESTMENTS** **INVESTED** 3 months ago

I am a current investor with your company is there any plans in the future to be a drop off box or place for AMAZON or EBAY for customers to pick up their merchandise

THANKS

Rich Marino - **Open Box Buy** 3 months ago

Good morning Howard,

Thanks so much for being a part of our opportunity, we are so very happy to have you.

The simple answer is yes. We definitely plan on growing very closely with Amazon and to provide them with more than one solution to help them in their operations.

Our biggest goal is to actually become a returns center for Amazon. Since we have continually purchased inventory from Amazon for over 10 years now, we know that the biggest problem that they face is in dealing with customer returns. Brick and mortar retailers average 8% to 9% returns of their gross sales volume, and Amazon can average 20% up to 30%. We've seen how very much they struggle with their returns in how they've changed their returns distribution over the years. The cost of shipping out, return shipping, packaging, handling, processing, and remarketing for them is immense. When we are large enough to handle it, we intend to become an Amazon returns center where products can be dropped off at any of our locations. The customer will be immediately refunded by Amazon, and we can immediately process their returns, price, tag and have it out on our floor for sale within moments. Just think of how much money we will save Amazon by removing so many related costs, at the same time we are also

much money we will save Amazon by removing so many related costs, at the same time we are also eliminating some of our major acquisition costs as well so we can offer Amazon a revenue share of the sales of the item which will no doubt earn them back an even higher return of capital. This is especially true for large items such as appliances, large format HDTVs, furniture, etc.

So as we grow, we plan on embedding ourselves as closely as we can with Amazon in particular. We can be a pickup place for orders as you suggested which will draw traffic as I'm sure know.

Then as far as an exit strategy, we believe that we will be an excellent candidate to eventually be acquired by Amazon.

Thanks again and I hope you're doing well through these crazy times.

Rich

Charles Dunkle SE OWNER 24 INVESTMENTS INVESTED 4 months ago

It would only be commonsense to sell online, Amazon, Ebay and everything else. I don't understand why you haven't been doing that all ready. Why wait for brick and mortar overhead???

Rich Marino - Open Box Buy 4 months ago

Morning Charles,

We started and built this business by selling on eBay, Amazon, and Craigslist, and that will always be a part of our business model. We aren't waiting for the brick and mortar which is exactly why we chose to sell wholesale. By doing so we chose third party logistics companies in other parts of the country in order to save overhead and labor costs for the warehousing and distribution of our products. Within a very short period of time Covid-19 hit. As I'm sure you're aware, the restrictions were first supposed to last a couple of weeks, that was then stretched out to a month, and just now we are moving towards reopening. Obviously it didn't make sense for us to take on the massive expense of moving truckloads of inventory and a new refurbishment site if this was a temporary issue. The income gained by moving immediately to an online sales model would not have outpaced the costs and time involved, so we are simply holding our inventory, ready to sell again shortly as it is the most cost effective solution by far.

It is important to note that the reason the business evolved into a brick and mortar from a strictly online sales model is due to shipping costs and selling at deep discounts. When we purchase a truckload of inventory, we will have a certain amount, maybe 20%-30% of the load, that can be sold online while the majority must be sold in person without shipping. In order to compete in deep discount, we obviously must sell at prices well below retail. By selling online, for a majority of products, even after we discount the item to say half off, the shipping cost added back in will take the price closer to the retail price. For example, if we have a \$30 item sold at half off, the price is now \$15, however shipping will cost anywhere from \$6 up to \$15 or more depending on size and weight. So we can easily sell an Xbox game for \$15 online with a \$6 shipping fee while we cannot sell a Nerf gun or coffee maker for \$15 with maybe a \$20 shipping cost due to the size of the box. That is just one simple and small example to illustrate why in person sales will always be some part of our business model in order to be a success.

We learned this back in 2010-2012 when we had a 5,000 sq ft warehouse used for an only online sales model. That little warehouse evolved into a walk-in retail space specifically by customer demand. We learned that this model works best as a brick and mortar. Our specialty is actually electronics and especially HDTVs. I can tell you it is impossible to compete as a discounter selling tv's online when a 65" 4K Samsung now sells for as low as \$600 at regular retail prices. The shipping cost alone which can reach into the 100's of dollars prohibiting us from being competitive as a discounter.

So while we are all very disappointed in how the country is being temporarily closed down due to Covid, we are very thankful that we didn't take on any extra overhead, including a refurbishment warehouse. We believe we are in the best position for moving forward as our costs are low and we aren't married to any specific mode of distribution going forward. We have the ability to sell some things wholesale, some things online, and we still anticipate our return to a retail model.

Thanks so very much,

Rich

Hip Montano 8 INVESTMENTS INVESTED 4 months ago

how could I buy your products

Rich Marino - **Open Box Buy** 4 months ago
Good Afternoon Hip,

At the time that Covid-19 struck we were not selling retail and only selling wholesale by the truckloads. Unfortunately our inventory is being stored in warehouses until our state and country reopens what is deemed to be nonessential businesses.

Thanks for reaching out and I hope you and your family are safe and healthy!

Rich

MICHAEL THOMPSON **3 INVESTMENTS** **INVESTED** 4 months ago

\$12,000 in sales! I've lost more running for the bus. From below comment/reply, 2 months ago: "We have partnered up with one of our suppliers as well as third party logistics companies in order to keep our overhead low while we generate revenue." How much revenue have you had in last two months? I am starting to think more like those below with the negative comments. What are the "new use of proceeds."

Rich Marino - **Open Box Buy** 4 months ago
Hey Michael,

I completely agree with you. Historically, when we are operating at normal capacity, we have easily done \$12K in a day.

As you know the original plan was to open the retail store and we hadn't focused any energy on sales. As you may have read, we just recently decided to begin a wholesale business in order to generate revenues. Our first large inventory order had some serious delays and problems with delivery on the side of our supplier so the revenues you see were only from a couple of weeks in December.

Now, due to the Covid-19 Epidemic all of our sales have come to a complete halt as our wholesale distribution is going to retailers who have now been closed down since early March as you may be aware.

We believe that by us not yet opening the retail store and placing our efforts into the wholesale business was a huge blessing in disguise as we would be right in the middle of a huge financial mess if we had pushed for the opening of the store in 2019 as planned. So the good news is that for now we are heavy in inventory assets that are currently being stored in those warehouses at the ready for distribution once the bans have been lifted. So while it is unfortunate that we are in a holding pattern, we believe that we have dodged a huge bullet by making the decisions that we have made as it would be a whole lot worse if we were already operating in our new store location. Most likely we wouldn't have made it and now we still have a great opportunity to come out basically unscathed once the dust settles.

So while it is unfortunate that we are currently stuck in this holding pattern, we are ready to press hard on growth once the country begins to come back to some normalcy.

Jay Kanner **SE OWNER** **8 INVESTMENTS** **INVESTED** 5 months ago

Hello Rich, I noticed on Yelp that your store in Las Vegas has closed and the phone number is disconnected. Please give us an update on what is happening with Open Box Buy? Thank you.

Rich Marino - **Open Box Buy** 5 months ago
Afternoon Jay,

Yes those are the previous locations on Yelp. We are looking to open a new retail space in Henderson, NV, which is a suburb of Las Vegas. However right now we are operating in a wholesale capacity with our current inventory being received, processed, and shipped out of North Dakota, South Carolina, and of course Las Vegas. We have partnered up with one of our suppliers as well as third party logistics companies in order to keep our overhead low while we generate revenue. Even though historically we've done well as a retailer both online and in stores, we also saw the immediate opportunity of building our business through our newest wholesale endeavors so we are exploring all our options for growing the business. Thanks so much for reaching out and have a great weekend!

Rich

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Important Message

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1) Regulation A offerings (JOBS Act Title IV; known as Regulation A+), which are offered to non-accredited and accredited investors alike. These offerings are made through StartEngine Primary, LLC (unless otherwise indicated). 2) Regulation D offerings (Rule 506(c)), which are offered only to accredited investors. These offerings are made through StartEngine Primary, LLC. 3) Regulation Crowdfunding offerings (JOBS Act Title III), which are offered to non-accredited and accredited investors alike. These offerings are made through StartEngine Capital, LLC. Some of these offerings are open to the general public, however there are important differences and risks.

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Potential investors are strongly advised to consult their legal, tax and financial advisors before investing. The securities offered on this site are not offered in jurisdictions where public solicitation for offerings is not permitted; it is solely your responsibility to comply with the laws and regulations of your country of

residence.

California Investor Only - [Do Not Sell My Personal Information](#)



EXHIBIT D TO FORM C

VIDEO TRANSCRIPT

No Video Present.

STARTENGINE SUBSCRIPTION PROCESS (Exhibit E)

Platform Compensation

- As compensation for the services provided by StartEngine Capital, the issuer is required to pay to StartEngine Capital a fee consisting of a 6-8% (six to eight percent) commission based on the dollar amount of securities sold 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. Additionally, the issuer must reimburse certain expenses related to the Offering. The securities issued to StartEngine Capital, 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 StartEngine Capital's website.

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 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, material change to financial information, etc. If an issuer 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 issuer hits its goal early, the issuer 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 \$1.07M 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 its target offering amount prior to the deadline, it may conduct an initial closing of the offering early if they provide notice of 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 \$107,000, then during any 12-month period, they can invest up to the greater of either \$2,200 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 \$107,000, 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 \$107,000.

EXHIBIT F TO FORM C

ADDITIONAL CORPORATE DOCUMENTS

[See attached]

CONVERTIBLE NOTE SUBSCRIPTION AGREEMENT

THIS INVESTMENT INVOLVES A HIGH DEGREE OF RISK. THIS INVESTMENT IS SUITABLE ONLY FOR PERSONS WHO CAN BEAR THE ECONOMIC RISK FOR AN INDEFINITE PERIOD OF TIME AND WHO CAN AFFORD TO LOSE THEIR ENTIRE INVESTMENT. FURTHERMORE, INVESTORS MUST UNDERSTAND THAT SUCH INVESTMENT IS ILLIQUID AND IS EXPECTED TO CONTINUE TO BE ILLIQUID FOR AN INDEFINITE PERIOD OF TIME. NO PUBLIC MARKET EXISTS FOR THE SECURITIES, AND NO PUBLIC MARKET IS EXPECTED TO DEVELOP FOLLOWING THIS OFFERING.

THE SECURITIES OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR ANY STATE SECURITIES OR BLUE SKY LAWS AND ARE BEING OFFERED AND SOLD IN RELIANCE ON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND STATE SECURITIES OR BLUE SKY LAWS. ALTHOUGH AN OFFERING STATEMENT HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION (THE “SEC”), THAT OFFERING STATEMENT DOES NOT INCLUDE THE SAME INFORMATION THAT WOULD BE INCLUDED IN A REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND IT IS NOT REVIEWED IN ANY WAY BY THE SEC. THE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SEC, ANY STATE SECURITIES COMMISSION OR OTHER REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON THE MERITS OF THIS OFFERING OR THE ADEQUACY OR ACCURACY OF THE SUBSCRIPTION AGREEMENT OR ANY OTHER MATERIALS OR INFORMATION MADE AVAILABLE TO SUBSCRIBER IN CONNECTION WITH THIS OFFERING OVER THE WEB-BASED PLATFORM MAINTAINED BY STARTENGINE CAPITAL LLC (THE “INTERMEDIARY”). ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

INVESTORS ARE SUBJECT TO LIMITATIONS ON THE AMOUNT THEY MAY INVEST, AS SET OUT IN SECTION 4(d). THE COMPANY IS RELYING ON THE REPRESENTATIONS AND WARRANTIES SET FORTH BY EACH SUBSCRIBER IN THIS SUBSCRIPTION AGREEMENT AND THE OTHER INFORMATION PROVIDED BY SUBSCRIBER IN CONNECTION WITH THIS OFFERING TO DETERMINE THE APPLICABILITY TO THIS OFFERING OF EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

PROSPECTIVE INVESTORS MAY NOT TREAT THE CONTENTS OF THE SUBSCRIPTION AGREEMENT, THE OFFERING STATEMENT OR ANY OF THE OTHER MATERIALS AVAILABLE ON THE INTERMEDIARY’S WEBSITE (COLLECTIVELY, THE “OFFERING MATERIALS”) OR ANY COMMUNICATIONS FROM THE COMPANY OR ANY OF ITS OFFICERS, EMPLOYEES OR AGENTS AS INVESTMENT, LEGAL OR TAX ADVICE. IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE COMPANY AND THE TERMS OF THIS OFFERING, INCLUDING THE MERITS AND THE RISKS INVOLVED. EACH PROSPECTIVE INVESTOR SHOULD CONSULT THE INVESTOR’S OWN COUNSEL, ACCOUNTANT AND OTHER PROFESSIONAL ADVISOR AS TO INVESTMENT, LEGAL, TAX AND OTHER RELATED MATTERS CONCERNING THE INVESTOR’S PROPOSED INVESTMENT.

THE OFFERING MATERIALS MAY CONTAIN FORWARD-LOOKING STATEMENTS AND INFORMATION RELATING TO, AMONG OTHER THINGS, THE COMPANY, ITS BUSINESS PLAN AND STRATEGY, AND ITS INDUSTRY. THESE FORWARD-LOOKING STATEMENTS ARE BASED ON THE BELIEFS OF, ASSUMPTIONS MADE BY, AND INFORMATION CURRENTLY AVAILABLE

TO THE COMPANY'S MANAGEMENT. WHEN USED IN THE OFFERING MATERIALS, THE WORDS "ESTIMATE," "PROJECT," "BELIEVE," "ANTICIPATE," "INTEND," "EXPECT" AND SIMILAR EXPRESSIONS ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS, WHICH CONSTITUTE FORWARD LOOKING STATEMENTS. THESE STATEMENTS REFLECT MANAGEMENT'S CURRENT VIEWS WITH RESPECT TO FUTURE EVENTS AND ARE SUBJECT TO RISKS AND UNCERTAINTIES THAT COULD CAUSE THE COMPANY'S ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE CONTAINED IN THE FORWARD-LOOKING STATEMENTS. INVESTORS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON THESE FORWARD-LOOKING STATEMENTS, WHICH SPEAK ONLY AS OF THE DATE ON WHICH THEY ARE MADE. THE COMPANY DOES NOT UNDERTAKE ANY OBLIGATION TO REVISE OR UPDATE THESE FORWARD-LOOKING STATEMENTS TO REFLECT EVENTS OR CIRCUMSTANCES AFTER SUCH DATE OR TO REFLECT THE OCCURRENCE OF UNANTICIPATED EVENTS.

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THE COMPANY RESERVES THE RIGHT IN ITS SOLE DISCRETION AND FOR ANY REASON WHATSOEVER TO MODIFY, AMEND AND/OR WITHDRAW ALL OR A PORTION OF THE OFFERING AND/OR ACCEPT OR REJECT IN WHOLE OR IN PART ANY PROSPECTIVE INVESTMENT IN THE SECURITIES OR TO ALLOT TO ANY PROSPECTIVE INVESTOR LESS THAN THE AMOUNT OF SECURITIES SUCH INVESTOR DESIRES TO PURCHASE. EXCEPT AS OTHERWISE INDICATED, THE OFFERING MATERIALS SPEAK AS OF THEIR DATE. NEITHER THE DELIVERY NOR THE PURCHASE OF THE SECURITIES SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COMPANY SINCE THAT DATE.

TO: %%NAME_OF_ISSUER%%
%%ADDRESS_OF_ISSUER%%

Ladies and Gentlemen:

1. Note Subscription.

- (a) The undersigned ("Subscriber") hereby subscribes for and agrees to purchase a Convertible Note (the "Securities"), of %%NAME_OF_ISSUER%%, a %%STATE_INCORPORATED%%, %%COMPANY_TYPE%% (the "Company"), upon the terms and conditions set forth herein. The rights of the Securities are as set forth in the Convertible Note and any description of the Securities that appears in the Offering Materials is qualified in its entirety by such document.

(b) By executing this Subscription Agreement, Subscriber acknowledges that Subscriber has received this Subscription Agreement, a copy of the Offering Statement of the Company filed with the SEC and any other information required by the Subscriber to make an investment decision.

(c) This Subscription may be accepted or rejected in whole or in part, at any time prior to a Closing Date (as hereinafter defined), by the Company at its sole discretion. In addition, the Company, at its sole discretion, may allocate to Subscriber only a portion of the number of Securities Subscriber has subscribed for. The Company will notify Subscriber whether this subscription is accepted (whether in whole or in part) or rejected. If Subscriber's subscription is rejected, Subscriber's payment (or portion thereof if partially rejected) will be returned to Subscriber without interest and all of Subscriber's obligations hereunder shall terminate.

(d) The aggregate value of Securities sold shall not exceed \$%%MAX_FUNDING_AMOUNT%% (the "Oversubscription Offering"). Providing that subscriptions for \$%%MIN_FUNDING_AMOUNT%% Securities are received (the "Minimum Offering"), the Company may elect at any time to close all or any portion of this offering, on various dates at or prior to the Termination Date (each a "Closing Date").

(e) In the event of rejection of this subscription in its entirety, or in the event the sale of the Securities (or any portion thereof) is not consummated for any reason, this Subscription Agreement shall have no force or effect.

2. Purchase Procedure.

(a) Payment. The purchase price for the Securities shall be paid simultaneously with the execution and delivery to the Company of the signature page of this Subscription Agreement, which signature and delivery may take place through digital online means. Subscriber shall deliver a signed copy of this Subscription Agreement, along with payment for the aggregate purchase price of the Securities in accordance with the online payment process established by the Intermediary.

(b) Escrow arrangements. Payment for the Securities shall be received by Prime Trust, LLC (the "Escrow Agent") from the undersigned by transfer of immediately available funds or other means approved by the Company prior to the applicable Closing, in the amount as set forth in on the signature page attached hereto below and otherwise in accordance with Intermediary's payment processing instructions. Upon such Closing, the Escrow Agent shall release such funds to the Company. The undersigned shall receive notice and evidence of the digital entry of the number of the Securities owned by undersigned reflected on the books and records of the Company as recorded by CrowdManage (a "Cap Table Management service operated by StartEngine Crowdfunding, Inc.."), which books and records shall bear a notation that the Securities were sold in reliance upon Regulation CF.

(c) **Special provisions for cryptocurrency payments.** Notwithstanding Section 2(b), cryptocurrency payments will be received by the Escrow Agent from the undersigned and converted to U.S. dollars once per day. Once converted to U.S. dollars, the undersigned will be subscribed for the number of Securities he is eligible to receive based upon the investment value in U.S. dollars (the "Final Investment Amount"). Subscriber understands that the Final Investment Amount will be determined following the exchange of the cryptocurrency to U.S.

dollars at the current exchange rate, minus the Digital Asset Handling Fee of the Escrow Agent. Subscriber has read and understands the terms, conditions, and fees of the Escrow Agent for payments made in cryptocurrency available here, http://primetrust.com/assets/downloads/Digital_Asset_Disclosures.pdf. Cryptocurrency payments received at any time other than business hours in New York City (9:00am to 4:00pm Eastern Time, Monday through Friday) will be converted to U.S. dollars on the next business day. Subscriber further understands and affirms that Subscriber will be subscribed for the Securities equalling one-hundred percent (100%) of the Final Investment Amount. In the event that the Final Investment Amount exceeds the annual limit for the Subscriber, or that the Final Investment Amount exceeds the number of Securities available to the Subscriber, Subscriber will be refunded the amount not applied to his subscription. Any refunds, including those for cancelled investments, will be made only in the same cryptocurrency used for the initial payment and will be refunded to the same digital wallet address from which the initial payment was made.

3. Representations and Warranties of the Company.

The Company represents and warrants to Subscriber that the following representations and warranties are true and complete in all material respects as of the date of each Closing Date, except as otherwise indicated. For purposes of this Agreement, an individual shall be deemed to have “knowledge” of a particular fact or other matter if such individual is actually aware of such fact. The Company will be deemed to have “knowledge” of a particular fact or other matter if one of the Company’s current officers has, or at any time had, actual knowledge of such fact or other matter.

(a) Organization and Standing. The Company is a %%COMPANY_TYPE%% duly formed, validly existing and in good standing under the laws of the State of %%STATE_INCORPORATED%%. The Company has all requisite power and authority to own and operate its properties and assets, to execute and deliver this Subscription Agreement, and any other agreements or instruments required hereunder. The Company is duly qualified and is authorized to do business and is in good standing as a foreign corporation in all jurisdictions in which the nature of its activities and of its properties (both owned and leased) makes such qualification necessary, except for those jurisdictions in which failure to do so would not have a material adverse effect on the Company or its business.

(b) Eligibility of the Company to Make an Offering under Section 4(a)(6). The Company is eligible to make an offering under Section 4(a)(6) of the Securities Act and the rules promulgated thereunder by the SEC.

(c) Issuance of the Securities. The issuance, sale and delivery of the Securities in accordance with this Subscription Agreement has been duly authorized by all necessary corporate action on the part of the Company. The Securities, when so issued, sold and delivered against payment therefor in accordance with the provisions of this Subscription Agreement, will be duly and validly issued and outstanding and will constitute valid and legally binding obligations of the Company enforceable against the Company in accordance with their terms. The company will take measures necessary so the conversion of shares will be authorized and issued when required.

(d) Authority for Agreement. The execution and delivery by the Company of this Subscription

Agreement and the consummation of the transactions contemplated hereby (including the issuance, sale and delivery of the Securities) are within the Company's powers and have been duly authorized by all necessary corporate action on the part of the Company. Upon full execution hereof, this Subscription Agreement shall constitute a valid and binding agreement of the Company, enforceable against the Company in accordance with its terms, except (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies and (iii) with respect to provisions relating to indemnification and contribution, as limited by considerations of public policy and by federal or state securities laws.

(e) No filings. Assuming the accuracy of the Subscriber's representations and warranties set forth in Section 4 hereof, no order, license, consent, authorization or approval of, or exemption by, or action by or in respect of, or notice to, or filing or registration with, any governmental body, agency or official is required by or with respect to the Company in connection with the execution, delivery and performance by the Company of this Subscription Agreement except (i) for such filings as may be required under Section 4(a)(6) of the Securities Act or the rules promulgated thereunder or under any applicable state securities laws, (ii) for such other filings and approvals as have been made or obtained, or (iii) where the failure to obtain any such order, license, consent, authorization, approval or exemption or give any such notice or make any filing or registration would not have a material adverse effect on the ability of the Company to perform its obligations hereunder.

(f) Financial statements. Complete copies of the Company's financial statements consisting of the statement of financial position of the Company as at August 21, 2018 and the related consolidated statements of income and cash flows for the two-year period then ended or since inception (the "Financial Statements") have been made available to the Subscriber and appear in the Offering Statement and on the site of the Intermediary. The Financial Statements are based on the books and records of the Company and fairly present the financial condition of the Company as of the respective dates they were prepared and the results of the operations and cash flows of the Company for the periods indicated. The Financial Statements comply with the requirements of Rule 201 of Regulation Crowdfunding, as promulgated by the SEC.

(g) Proceeds. The Company shall use the proceeds from the issuance and sale of the Securities as set forth in the Offering Materials.

(h) Litigation. There is no pending action, suit, proceeding, arbitration, mediation, complaint, claim, charge or investigation before any court, arbitrator, mediator or governmental body, or to the Company's knowledge, currently threatened in writing (a) against the Company or (b) against any consultant, officer, manager, director or key employee of the Company arising out of his or her consulting, employment or board relationship with the Company or that could otherwise materially impact the Company.

4. Representations and Warranties of Subscriber. By executing this Subscription Agreement, Subscriber (and, if Subscriber is purchasing the Securities subscribed for hereby in a fiduciary capacity, the person or persons for whom Subscriber is so purchasing) represents and warrants, which representations and warranties are true and complete in all material respects as of the date of the Subscriber's Closing Date(s):

(a) Requisite Power and Authority. Such Subscriber has all necessary power and authority under all applicable provisions of law to execute and deliver this Subscription Agreement, the Operating Agreement and other agreements required hereunder and to carry out their provisions. All action on Subscriber's part required for the lawful execution and delivery of this Subscription Agreement and other agreements required hereunder have been or will be effectively taken prior to the Closing. Upon their execution and delivery, this Subscription Agreement and other agreements required hereunder will be valid and binding obligations of Subscriber, enforceable in accordance with their terms, except (a) as limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws of general application affecting enforcement of creditors' rights and (b) as limited by general principles of equity that restrict the availability of equitable remedies.

(b) Investment Representations. Subscriber understands that the Securities have not been registered under the Securities Act. Subscriber also understands that the Securities are being offered and sold pursuant to an exemption from registration contained in the Act based in part upon Subscriber's representations contained in this Subscription Agreement.

(c) Illiquidity and Continued Economic Risk. Subscriber acknowledges and agrees that there is no ready public market for the Securities and that there is no guarantee that a market for their resale will ever exist. Subscriber must bear the economic risk of this investment indefinitely and the Company has no obligation to list the Securities on any market or take any steps (including registration under the Securities Act or the Securities Exchange Act of 1934, as amended) with respect to facilitating trading or resale of the Securities. Subscriber acknowledges that Subscriber is able to bear the economic risk of losing Subscriber's entire investment in the Securities. Subscriber also understands that an investment in the Company involves significant risks and has taken full cognizance of and understands all of the risk factors relating to the purchase of Securities.

(d) Resales. Subscriber agrees that during the one-year period beginning on the date on which it acquired Securities pursuant to this Subscription Agreement, it shall not transfer such Securities except:

(i) To the Company;

(ii) To an "accredited investor" within the meaning of Rule 501 of Regulation D under the Securities Act;

(iii) As part of an offering registered under the Securities Act with the SEC; or

(iv) To a member of the Subscriber's family or the equivalent, to a trust controlled by the Subscriber, to a trust created for the benefit of a member of the family of the Subscriber or equivalent, or in connection with the death or divorce of the Subscriber or other similar circumstance.

(e) Investment Limits. Subscriber represents that either:

(i) Either of Subscriber's net worth or annual income is less than \$107,000, and that the amount it is investing pursuant to this Subscription Agreement, together with all other amounts invested in offerings under Section 4(a)(6) of the Securities Act within the previous 12 months, is either less than (A) 5% of the lower of its annual income or net

worth, or (B) \$2,200; or

(ii) Both of Subscriber's net worth and annual income are more than \$107,000, and that the amount it is investing pursuant to this Subscription Agreement, together with all other amounts invested in offerings under Section 4(a)(6) of the Securities Act within the previous 12 months, is less than 10% of the lower of its annual income or net worth, and does not exceed \$107,000.

(f) Subscriber information. Within five days after receipt of a request from the Company, the Subscriber hereby agrees to provide such information with respect to its status as a shareholder (or potential shareholder) and to execute and deliver such documents as may reasonably be necessary to comply with any and all laws and regulations to which the Company is or may become subject. **Subscriber further agrees that in the event it transfers any Securities, it will require the transferee of such Securities to agree to provide such information to the Company as a condition of such transfer.**

(g) Company Information. Subscriber has read the Offering Statement. Subscriber understands that the Company is subject to all the risks that apply to early-stage companies, whether or not those risks are explicitly set out in the Offering Materials. Subscriber has had an opportunity to discuss the Company's business, management and financial affairs with managers, officers and management of the Company and has had the opportunity to review the Company's operations and facilities. Subscriber has also had the opportunity to ask questions of and receive answers from the Company and its management regarding the terms and conditions of this investment. Subscriber acknowledges that except as set forth herein, no representations or warranties have been made to Subscriber, or to Subscriber's advisors or representative, by the Company or others with respect to the business or prospects of the Company or its financial condition.

(h) Valuation. The Subscriber acknowledges that the price of the Securities was set by the Company on the basis of the Company's internal valuation and no warranties are made as to value. The Subscriber further acknowledges that future offerings of Securities may be made at lower valuations, with the result that the Subscriber's investment will bear a lower valuation.

(i) Domicile. Subscriber maintains Subscriber's domicile (and is not a transient or temporary resident) at the address shown on the signature page.

(j) Foreign Investors. If Subscriber is not a United States person (as defined by Section 7701(a)(30) of the Internal Revenue Code of 1986, as amended), Subscriber hereby represents that it has satisfied itself as to the full observance of the laws of its jurisdiction in connection with any invitation to subscribe for the Securities or any use of this Subscription Agreement, including (i) the legal requirements within its jurisdiction for the purchase of the Securities, (ii) any foreign exchange restrictions applicable to such purchase, (iii) any governmental or other consents that may need to be obtained, and (iv) the income tax and other tax consequences, if any, that may be relevant to the purchase, holding, redemption, sale, or transfer of the Securities.

Subscriber's subscription and payment for and continued beneficial ownership of the Securities will not violate any applicable securities or other laws of the Subscriber's jurisdiction.

5. Revisions to Manner of Holding.

In the event that statutory or regulatory changes are adopted such that it becomes possible for

companies whose purpose is limited to acquiring, holding and disposing of securities issued by a single company ("Crowdfunding SPVs") to make offerings under Section 4(a)(6) of the Securities Act, Subscriber agrees to exchange the Securities for securities issued by a Crowdfunding SPV in a transaction complying with the requirements of Section 3(a)(9) of the Securities Act. Subscriber agrees that in the event the Subscriber does not provide information sufficient to effect such exchange in a timely manner, the Company may repurchase the Securities at a price to be determined by the Board of Directors. Subscriber further agrees to transfer its holdings of securities issued under Section 4(a)(6) of the Securities Act into "street name" in a brokerage account in Subscriber's name, provided that the Company pay all costs of such transfer. Subscriber agrees that in the event the Subscriber does not provide information sufficient to effect such transfer in a timely manner, the Company may repurchase the Securities at a price to be determined by the Board of Directors.

6. Indemnity.

The representations, warranties and covenants made by the Subscriber herein shall survive the closing of this Agreement. The Subscriber agrees to indemnify and hold harmless the Company and its respective officers, directors and affiliates, and each other person, if any, who controls the Company within the meaning of Section 15 of the Securities Act against any and all loss, liability, claim, damage and expense whatsoever (including, but not limited to, any and all reasonable attorneys' fees, including attorneys' fees on appeal) and expenses reasonably incurred in investigating, preparing or defending against any false representation or warranty or breach of failure by the Subscriber to comply with any covenant or agreement made by the Subscriber herein or in any other document furnished by the Subscriber to any of the foregoing in connection with this transaction.

7. Governing Law; Jurisdiction. This Subscription Agreement shall be governed and construed in accordance with the laws of the State of %%STATE_INCORPORATED%%.

EACH OF THE SUBSCRIBERS AND THE COMPANY CONSENTS TO THE JURISDICTION OF ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION LOCATED WITHIN THE STATE OF %%STATE_INCORPORATED%%, AND NO OTHER PLACE AND IRREVOCABLY AGREES THAT ALL ACTIONS OR PROCEEDINGS RELATING TO THIS SUBSCRIPTION AGREEMENT MAY BE LITIGATED IN SUCH COURTS. EACH OF SUBSCRIBERS AND THE COMPANY ACCEPTS FOR ITSELF AND HIMSELF AND IN CONNECTION WITH ITS AND HIS RESPECTIVE PROPERTIES, GENERALLY AND UNCONDITIONALLY, THE EXCLUSIVE JURISDICTION OF THE AFORESAID COURTS AND WAIVES ANY DEFENSE OF FORUM NON CONVENIENS, AND IRREVOCABLY AGREES TO BE BOUND BY ANY JUDGMENT RENDERED THEREBY IN CONNECTION WITH THIS SUBSCRIPTION AGREEMENT. EACH OF SUBSCRIBERS AND THE COMPANY FURTHER IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OUT OF ANY OF THE AFOREMENTIONED COURTS IN THE MANNER AND IN THE ADDRESS SPECIFIED IN SECTION 9 AND THE SIGNATURE PAGE OF THIS SUBSCRIPTION AGREEMENT.

EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED IN CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS SUBSCRIPTION AGREEMENT OR THE ACTIONS OF EITHER PARTY IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE AND ENFORCEMENT THEREOF, EACH OF THE PARTIES HERETO ALSO WAIVES ANY BOND OR SURETY OR SECURITY UPON SUCH BOND

WHICH MIGHT, BUT FOR THIS WAIVER, BE REQUIRED OF SUCH PARTY. EACH OF THE PARTIES HERETO FURTHER WARRANTS AND REPRESENTS THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS. THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS SUBSCRIPTION AGREEMENT. IN THE EVENT OF LITIGATION, THIS SUBSCRIPTION AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

8. Notices.

Notice, requests, demands and other communications relating to this Subscription Agreement and the transactions contemplated herein shall be in writing and shall be deemed to have been duly given if and when (a) delivered personally, on the date of such delivery; or (b) mailed by registered or certified mail, postage prepaid, return receipt requested, in the third day after the posting thereof; or (c) emailed, telecopied or cabled, on the date of such delivery to the address of the respective parties as follows:

If to the Company, to: %%ADDRESS_OF_ISSUER%%

If to a Subscriber, to Subscriber's address as shown on the signature page hereto

or to such other address as may be specified by written notice from time to time by the party entitled to receive such notice. Any notices, requests, demands or other communications by telecopy or cable shall be confirmed by letter given in accordance with (a) or (b) above.

9. Miscellaneous.

- (a) All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural, as the identity of the person or persons or entity or entities may require.
- (b) This Subscription Agreement is not transferable or assignable by Subscriber.
- (c) The representations, warranties and agreements contained herein shall be deemed to be made by and be binding upon Subscriber and its heirs, executors, administrators and successors and shall inure to the benefit of the Company and its successors and assigns.
- (d) None of the provisions of this Subscription Agreement may be waived, changed or terminated orally or otherwise, except as specifically set forth herein or except by a writing signed by the Company and Subscriber.
- (e) In the event any part of this Subscription Agreement is found to be void or unenforceable, the remaining provisions are intended to be separable and binding with the same effect as if the void or unenforceable part were never the subject of agreement.
- (f) The invalidity, illegality or unenforceability of one or more of the provisions of this

Subscription Agreement in any jurisdiction shall not affect the validity, legality or enforceability of the remainder of this Subscription Agreement in such jurisdiction or the validity, legality or enforceability of this Subscription Agreement, including any such provision, in any other jurisdiction, it being intended that all rights and obligations of the parties hereunder shall be enforceable to the fullest extent permitted by law.

(g) This Subscription Agreement supersedes all prior discussions and agreements between the parties with respect to the subject matter hereof and contains the sole and entire agreement between the parties hereto with respect to the subject matter hereof.

(h) The terms and provisions of this Subscription Agreement are intended solely for the benefit of each party hereto and their respective successors and assigns, and it is not the intention of the parties to confer, and no provision hereof shall confer, third-party beneficiary rights upon any other person.

(i) The headings used in this Subscription Agreement have been inserted for convenience of reference only and do not define or limit the provisions hereof.

(j) This Subscription Agreement may be executed in any number of counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

(k) If any recapitalization or other transaction affecting the stock of the Company is affected, then any new, substituted or additional securities or other property which is distributed with respect to the Securities shall be immediately subject to this Subscription Agreement, to the same extent that the Securities, immediately prior thereto, shall have been covered by this Subscription Agreement.

(l) No failure or delay by any party in exercising any right, power or privilege under this Subscription Agreement shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

[SIGNATURE PAGE FOLLOWS]

%%NAME_OF_ISSUER%%

SUBSCRIPTION AGREEMENT SIGNATURE PAGE

The undersigned, desiring to purchase Convertible Notes of %%NAME_OF_ISSUER%%, by executing this signature page, hereby executes, adopts and agrees to all terms, conditions and representations of the Subscription Agreement.

(a) The aggregate purchase price for the Convertible %%VESTING_AMOUNT%%
Notes the undersigned hereby irrevocably subscribes for is:

(b) The Securities being subscribed for will be owned
by, and should be recorded on the Company's books as
held in the name of:

%%SUBSCRIBER_DETAILS_WITH_TAX_ID%%

%%SUBSCRIBER_SIGNATURE%%

Date

* * * * *

This Subscription is %%NAME_OF_ISSUER%%
accepted By:
on %%TODAY%%. %%ISSUER_SIGNATURE%%

[CONVERTIBLE NOTE FOLLOWS]

THIS INSTRUMENT AND THE SECURITIES ISSUABLE UPON THE CONVERSION HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"). THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, HYPOTHECATED, OR OTHERWISE TRANSFERRED EXCEPT IN COMPLIANCE WITH THE ACT. FOR ONE YEAR FROM THE DATE OF THIS INSTRUMENT, SECURITIES SOLD IN RELIANCE ON REGULATION CROWDFUNDING UNDER THE ACT MAY ONLY BE TRANSFERRED TO THE COMPANY, TO AN "ACCREDITED INVESTOR" WITHIN THE MEANING OF RULE 501 OF REGULATION D UNDER THE ACT, AS PART OF AN OFFERING REGISTERED UNDER THE SECURITIES ACT WITH THE SECURITIES AND EXCHANGE COMMISSION (THE "SEC"), OR TO A MEMBER OF INVESTOR'S FAMILY OR THE EQUIVALENT, TO A TRUST CONTROLLED BY THE INVESTOR, TO A TRUST CREATED FOR THE BENEFIT OF A MEMBER OF THE FAMILY OF THE INVESTOR OR EQUIVALENT, OR IN CONNECTION WITH THE DEATH OR DIVORCE OF THE INVESTOR OR OTHER SIMILAR CIRCUMSTANCE. THE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SEC, ANY STATE SECURITIES COMMISSION OR OTHER REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON THE MERITS OF THIS OFFERING OR THE ADEQUACY OR ACCURACY OF THE SUBSCRIPTION AGREEMENT OR ANY OTHER MATERIALS OR INFORMATION MADE AVAILABLE TO INVESTOR IN CONNECTION WITH THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

CONVERTIBLE PROMISSORY NOTE
SERIES 2019 - CF

\$\$\$VESTING_AMOUNT\$ \$TODAY\$

For value received \$NAME_OF_ISSUER\$, a \$STATE_INCORPORATED\$ corporation (the "Company"), promises to pay to \$VESTING_AS\$, the investor party hereto ("Investor") who is recorded in the books and records of the Company as having subscribed to this convertible promissory note (the "Note") the principal amount set forth above and on the signature page of his/her subscription agreement (the "Subscription Agreement"), together with accrued and unpaid interest thereon, each due and payable on the date and in the manner set forth below. This Note is issued as part of a series of similar convertible promissory notes issued by the Company pursuant to Regulation Crowdfunding (collectively, the "Crowdfunding Notes") to qualified purchasers on the funding portal StartEngine Capital LLC (collectively, the "Investors").

1. Repayment. All payments of interest and principal shall be in lawful money of the United States of America and shall be made pro rata among all Investors. All payments shall be applied first to accrued interest, and thereafter to principal. The outstanding principal amount of the Note shall be due and payable on December 31, 2020 (the "Maturity Date").

2. Interest Rate. The Company promises to pay simple interest on the outstanding principal amount hereof from the date hereof until payment in full, which interest shall be payable at the rate of \$INTEREST_RATE\$ % per annum or the maximum rate permissible by law, whichever is less. Interest shall be due and payable on the Maturity Date and shall be calculated on the basis of a 365-day year for the actual number of days elapsed.

3. Conversion; Repayment Premium Upon Sale of the Company.

(a) In the event that the Company issues and sells shares of its stock to investors (the "**Equity Investors**") on or before the date of the repayment in full of this Note in a transaction or series of transactions pursuant to which the Company issues and sells shares of its stock resulting in gross proceeds to the Company of at least \$3,000,000 (excluding the conversion of the Notes and any other debt) (a "**Qualified Financing**"), then it converts into Common Stock at conversion price equal to the lesser of (i) 80% of the per share price paid by the Investors or (ii) the price equal to the quotient of \$15,000,000 divided by the aggregate number of outstanding common shares of the Company as of immediately prior to the initial closing of the Qualified Financing (assuming full conversion or exercise of all convertible and exercisable securities then outstanding other than the Notes.)

(b) If the conversion of the Note would result in the issuance of a fractional share, the Company shall, in lieu of issuance of any fractional share, pay the Investor otherwise entitled to such fraction a sum in cash equal to the product resulting from multiplying the then current fair market value of one share of the class and series of capital stock into

which this Note has converted by such fraction.

(c) Notwithstanding any provision of this Note to the contrary, if the Company consummates a Sale of the Company (as defined below) prior to the conversion or repayment in full of this Note, then (i) the Company will give the Investor at least 15 days prior written notice of the anticipated closing date of such Sale of the Company and (ii) at the closing of such Sale of the Company, in full satisfaction of the Company's obligations under this Note, the Company will pay to the Investor an aggregate amount equal to the greater of (a) the aggregate amount of the principal and all unaccrued and unpaid interest under this Note or (b) the amount the Investor would have been entitled to receive in connection with such Sale of the Company if the aggregate amount of principal and interest then outstanding under this Note had been converted into shares of Common Stock of the Company pursuant to Section 3(a) immediately prior to the closing of such Sale of the Company.

(d) For the purposes of this Note: "**Sale of the Company**" shall mean (i) any consolidation or merger of the Company with or into any other corporation or other entity or person, or any other corporate reorganization, other than any such consolidation, merger or reorganization in which the stockholders of the Company immediately prior to such consolidation, merger or reorganization, continue to hold at least a majority of the voting power of the surviving entity in substantially the same proportions (or, if the surviving entity is a wholly owned subsidiary, its parent) immediately after such consolidation, merger or reorganization; (ii) any transaction or series of related transactions to which the Company is a party in which in excess of 50% of the Company's voting power is transferred; *provided, however*, that a Sale of the Company shall not include any transaction or series of transactions principally for bona fide equity financing purposes in which cash is received by the Company or any successor or indebtedness of the Company is cancelled or converted or a combination thereof; or (iii) a sale, lease, exclusive license or other disposition of all or substantially all of the assets of the Company.

4. Maturity. Unless this Note has been previously converted in accordance with the terms of this Note, the entire outstanding principal balance and all unpaid accrued interest shall automatically be converted into Common Stock at a price per security equal to the quotient of \$15,000,000 divided by the aggregate number of outstanding common shares of the Company as of immediately prior to the conversion of these Notes (assuming full conversion or exercise of all convertible and exercisable securities then outstanding other than the Notes.) as soon as reasonably practicable following the Maturity Date.

5. Expenses. In the event of any default hereunder, the Company shall pay all reasonable attorneys' fees and court costs incurred by Investor in enforcing and collecting this Note.

6. Prepayment. The Company may not prepay this Note prior to the Maturity Date without the written consent of 51% in interest of the Investors.

7. Default. In the event of any "**Event of Default**" hereunder, the Convertible Notes shall accelerate and all principal and unpaid accrued interest shall become due and payable. Each of the following shall constitute an "**Event of Default**", provided, however that the 51% of the interest of Investors may waive

any Event of Default as set forth:

- a) The Company's failure to pay when due any amount payable by it hereunder and such failure continues uncured for 10 business days.
- b) The Company's failure to comply with any of its reporting obligations under Regulation Crowdfunding and such failure continues uncured for 10 business days.
- c) Voluntary commencement by the Company of any proceedings to have itself adjudicated as bankrupt.
- d) The entry of an order or decree under any bankruptcy law that adjudicates the Company as bankrupt, where the order or decree remains unstayed and in effect for 90 days after such entry.
- e) The entry of any final judgment against the Company for an amount in excess of \$100,000, if undischarged, unbonded, undismissed or not appealed within 30 days after such entry.
- f) The issuance or entry of any attachment or the receipt of actual notice of any lien against any of the property of the Company, each for an amount in excess of \$100,000, if undischarged, unbonded, undismissed or not being diligently contested in good faith in appropriate proceedings within 30 days after such issuance, entry or receipt.
- g) Any representation or warranty made by the Company under the Convertible Note Subscription Agreement shall prove to have been false or misleading in any material respect when made or deemed to have been made; provided that no Event of Default will occur under this clause if the underlying issue is capable of being remedied and is remedied within 30 days of the earlier of the Company becoming aware of the issue.

8. Waiver. The Company hereby waives demand, notice, presentment, protest and notice of dishonor.

9. Governing Law. This Note shall be governed by and construed under the laws of the state of %%STATE_INCORPORATED%%, as applied to agreements among %%STATE_INCORPORATED%% residents, made and to be performed entirely within the state of %%STATE_INCORPORATED%%, without giving effect to conflicts of laws principles.

10. Parity with Other Notes. The Company's repayment obligation to the Investor under this Note shall be on parity with the Company's obligation to repay all Notes issued pursuant to the Agreement. In the event that the Company is obligated to repay the Notes and does not have sufficient funds to repay the Notes in full, payment shall be made to Investors of the Notes on a pro rata basis. The preceding sentence shall not, however, relieve the Company of its obligations to the Investor hereunder.

11. Modification; Waiver. Any term of this Note may be amended or waived with the written consent of the Company and 51% in interest of investors.

12. Assignment. Subject to compliance with applicable federal and state securities laws (including the restrictions described in the legends to this Note), this Note and all rights hereunder are transferable in whole or in part by the Investor to any person or entity upon written notice to the Company. Thereupon, this Note shall be registered in the Company's books and records in the name of, the transferee.

Interest and principal shall be paid solely to the registered holder of this Note. Such payment shall constitute full discharge of the Company's obligation to pay such interest and principal.

13. Electronic Signature. The Company has signed this Note electronically and agrees that its electronic signature is the legal equivalent of its manual signature on this Note.

%%NAME_OF_ISSUER%%:

By: _____%%ISSUER_SIGNATURE%%_____

Name: %%NAME_OF_ISSUER%%

Title: %%ISSUER_TITLE%%

Investor:

By: %%INVESTOR_SIGNATURES%%

Name: %%VESTING_AS%%

Title: %%INVESTOR_TITLE%%

Email: %%VESTING_AS_EMAIL%%

[Remainder of page left blank]