

Sample Reg D PPM
This is a condensed 42 page sample

The full document Template totals 85 to 100 pages. It is the most comprehensive, complete PPM Template available.

Reader/Writer Notes
TEMPLATE PACKAGE OVERVIEW

Thank you for purchasing this Template Package. It contains all the templates you will need to complete your project. This includes the following:

#-1 A complete, comprehensive Regulation D Private Placement Memorandum for the debt or equity and Reg D rule number you ordered.

#-2 Attached to this same file is a Template for your "Investor Subscription Agreement"

3 Attached to this same file is a Template for your "Investor Questionnaire"

4 Attached to this same file is a Sample "Form D" for your review prior to submission to the SEC

Optional for debt Issues is a "Promissory Note"

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You have been granted permission to use this template for ONE securities offering. This Private Placement Memorandum Template compiled to comply with Federal Regulation D is a ONE-TIME use document. Additional uses violate United States Copyright laws.

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(Template CE4- Preview Sample)

Reader/Writer Notes For Reg D-4U PPM Users

Throughout this template, there are two primary overlaid-highlight colors that you should note and that you will be working with.

Areas highlighted in **Green are instruction notes to you**. You should observe them as they relate to items in the sections immediately following the particular note as they are general advice notes or thoughts for your consideration for that section.

Areas highlighted in **Yellow are specific items for which you will have to insert the information** as it applies to your project. They appear frequently thought-out the PPM document.

It is very important that you fill in every section-part of this PPM. Remember, this is a “disclosure document,” and it is your responsibility to be sure that are pertinent information has been disclosed to the prospective investor. Lack of full disclosure could make you liable for law suits.

The words “product” and “service” are used very frequently in the PPM. Please choose the most applicable for your project.

The following may be inserted when you have pages that are not completely full of text:

(The Balance of this page intentionally left blank)

Sample Regulation D PPM

97 pages

The full document Commonly totals 85 to 100 pages. It is the most comprehensive PPM Template available.

This sample document contains many partial paragraphs and pages. It should give you an indication of the high quality of the Template. This Sample is for a “C Corp” equity offering. Debt or LLC offering structure is similar but differs for the formation particulars.

Name Of Offeree

Memorandum Number

Confidential Private Placement Memorandum

(Put in the number of shares you will offer) SHARES

of

(Name of Company), INC (or whatever is applicable-Corp-company-incorporated).

This Confidential Private Placement Memorandum relates to an offering by (Name of Company, Inc., a (name of state incorporated) corporation (hereafter referred to as the "Company" or "(COMPANY Abbreviated NAME"), of (number of shares being offered) shares of its (Type of stock – common. Preferred) Stock for \$(price per share) per share. COMPANY Name reserves the right to increase or decrease the number of shares of (type of stock) Stock offered. These securities are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable state securities laws, pursuant to registration thereunder or exemption from such registration requirements.

The (type of stock) Stock is being offered and sold in a private placement (the "Offering") pursuant to an exemption from the registration requirements of the Securities Act of 1933 as amended, (the "Securities Act") and applicable state security laws. In order to participate in this Offering, each investor must execute and deliver to the company a subscription agreement (the "Subscription Agreement") and an investor questionnaire (the "Investor Questionnaire"), each in the form contained in Exhibit B hereof in which, among other matters, each investor will represent and warrant to the Company that the investor is acquiring the (type of stock) Stock for the investor's own account only, for investment purposes with no present intention of distributing any of such (type of stock) Stock and that no arrangement or understanding exists with any other person regarding the distribution of the (type of stock) Stock. The shares are being offered on a "best efforts, no minimum" basis, without escrow or refund provisions, and no selling agent has been engaged to assist with the Offering.

Substitute the following sentence for the above last sentence if you plan to have an escrow account

The Shares are being offered on a "best efforts" basis, with an escrow provisions, and to date, no selling agent has been engaged to assist with the Offering.

And use the following sentence if you plan to have a "minimum-maximum" offering.

This Offering is being conducted on a "reasonable efforts, all or none" basis as to the Minimum Offering and a "reasonable efforts" basis for all amounts in excess of the Minimum Offering, and to date, no selling agent has been engaged to assist with the Offering.

Investing In The (type of stock) Stock Involves Risk.

See "Risk Factors" Beginning On Page XXX.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this Memorandum. Any representation to the contrary is a criminal offense.

(First line - Fill in on a price per share basis – share price, selling commission and total proceeds to company)

(Second line total the amounts for each category)

(Different content for debt offerings or LLCs)

	Price to Investors	Selling Commissions (1)	Proceeds to Company (2)
Per Share	\$0.xx	\$0.0x	\$0.xx
Total (3)	\$xx,000,000	\$xxx,000	\$xx,000,000

Use the following chart if you are using a Minimum-Maximum offering

- (1) The company may pay selling commissions not to exceed 10% of the price paid by an investor and to be paid only to federally registered and state-licensed broker-dealers which are members of the Financial Industry Regulatory Authority (FINRA). As of the date hereof, no selling agent has been engaged to assist with the Offering. (See note "A" below)
- (2) Before all expenses of Offering and sale. Expenses of the Offering are estimated to be ***Partial Paragraph***.
- (3) This chart assumes all shares offered are sold. There is a- (specify if you have a minimum) no minimum number of shares that must be sold in the Offering and then the Company may use ***Partial Paragraph***

The minimum investment is \$X (the minimum dollar amount you will accept from an investor). The company may, in its sole discretion, accept subscriptions for a lesser amount.

The date of this Confidential Private Placement Memorandum is (add month, date, year when document is finished).

(The balance of this page intentionally left blank)

The following disclaimers should be included in their entirety in bold letters for a PPM.

This Confidential Private Placement Memorandum (the “Memorandum”) has been prepared solely for the use of persons interested in the Offering Partial Paragraph

**No person has been authorized to give any information or to make any representation with respect to this Offering which is not contained in this Memorandum, Partial Paragraph
This Memorandum does not constitute an offer by anyone in any jurisdiction in which the person making such offer is Partial Paragraph**

The securities described in this Memorandum are being offered subject to prior sale, acceptance or rejection of any offer to purchase for any reason, Partial Paragraph

No representations or warranties of any kind are intended or should be inferred with respect to the economic return that may accrue to any person as a Partial Paragraph

Prospective purchasers are not to construe the contents of this Memorandum or any prior or subsequent communications from the Company or any of its Partial Paragraph

Purchasers of the securities being offered hereby may not resell or otherwise transfer the securities unless the offer and resale thereof are either registered and/or Partial Paragraph

The delivery of this Memorandum at any time does not imply that the information herein is correct at any time subsequent to its date. The Company expressly Partial Paragraph

This offering involves a high degree of risk and is suitable only for investors of substantial means who, in and who can afford to lose their entire investment Partial Paragraph

The Company has agreed to make available to any offeree the opportunity to ask questions of and to receive answer from the Company concerning the Company’s Partial Paragraph

The Company reserves the right, in its sole discretion and for any reason whatsoever, to modify, amend, or withdraw all or any portion of this offering or to Partial Paragraph

NASAA LEGEND

IN MAKING AN INVESTMENT DECISION INVESTORS Partial Paragraph

Notice to residents of all states

The securities interests offered hereby have not been registered Partial Paragraph

NOTE: If you desire to have individual “States Legends” shown, a complete list can be ordered from the website. You can then also pick and choose those states that you intend to offer to sell in and that are appropriate for your offering.

SPECIAL NOTICE TO FOREIGN INVESTORS

If you live outside the United States, it is your responsibility to fully observe the laws of any relevant territory or jurisdiction outside the United States Partial Paragraph

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**This is a Long Version TABLE OF CONTENTS - It is your choice - be sure to
REVIEW and MODIFY AFTER FINAL REVIEW**

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SUMMARY OF THE OFFERING

You should read the following summary together with the more detailed information and financial statements and notes thereto appearing elsewhere in this Memorandum and in the materials delivered as exhibits to this Memorandum. This ***Partial Paragraph***

- The Company** COMPANY Name, Inc. was incorporated in (Name) of)State) on (date, month, year) for the purpose of ***Partial Paragraph***
If Appropriate - The Company has reincorporating from a predecessor LLC, (name of former LLC or other entity), formed in (state) on (date).
- The Offering** We are offering to sell up to (total number of shares offered) shares of our (type of stock) Stock at \$(price per share) ***Partial Paragraph***
If you are using an escrow account, substitute the following.
The Shares are being offered on a “best efforts” basis. ***Partial Paragraph***
- Description of Securities** We are offering shares of our (type of stock – Common/preferred) Stock. The shares of Common/preferred Stock we will sell in this Offering will be “restricted” securities under ***Partial Paragraph***
- Subscription** The shares of Common/preferred Stock must be paid for in cash at the time of subscription by submitting a check or wire transfer made payable to COMPANY name, Inc. Investors ***Partial Paragraph***
- Closing** Closing takes place as to any subscription on the date we accept the subscription and the funds from such subscriptions will then become immediately available to us at that time. ***Partial Paragraph.***
(Or this alternate)
Minimum/Maximum
Closing takes place, as to any subscription, upon the date we accept the. ***Partial Paragraph***
(Or this alternate)
Full Escrow
Closing takes place upon the date we accept subscriptions for the total amount ***Partial Paragraph***
- Offering Period** The Offering will commence on the date hereof and will expire on the earlier of (a) (state number of days) 90 (90 days is recommended) days from the date ***Partial Paragraph***

Use of Proceeds After payment of expenses (including fees, commissions, if any, and professional fees) of the Offering, we intend to use the proceeds of the Offering for (add brief narrative recap of use of proceeds) and general ***Partial Paragraph***

Investor Suitability Investors will be required to make certain representations with respect to their status and business experience and to ***Partial Paragraph***

Risk Factors Investment in our Company involves a high degree of risk. You should be advised of and understand the risks associated with ***Partial Paragraph***.

Securities Outstanding (Fill out date and number of shares outstanding from your final financials)
As of (Month, date, year), we had outstanding (number) ***Partial Paragraph***

Selected Financial Information (Fill out the following from your final financials.)
Selected Financial Data _____ As of (Month, date, year)

Current Assets	\$ xxx,xxx
Current Liabilities	\$ xxx,xxx
Working Capital (deficit)	\$ xxx,xxx
Total Assets	\$ xxx,xxx
Total Liabilities	\$ xxx,xxx
Stockholders Equity (deficit)	\$ xxx,xxx
Revenues (from inception)	\$ xxx,xxx
Expenses	\$ xxx,xxx
Net Income (loss)	\$xxx,xxx

For financial accounting purposes, we are (chose the most appropriate) in the development stage and we have only recently commenced operations, - a early stage company only ***Partial Paragraph***

Additional Information We will make available to you, prior to your purchase of any shares of Common/preferred Stock, the opportunity to ask questions and receive answers concerning COMPANY name and the ***Partial Paragraph***

There is no public market for (type of stock), and we do not anticipate that such a market will develop in the near future, if ever.

Business Plan

A description of (COMPANY's name) intended business and certain forecasted financial information is included in our Summary Business Plan (Exhibit C) dated (month-year). The Summary Business Plan is being furnished to each potential investor in this ***Partial Paragraph***

CAUTION CONCERNING FORWARD-LOOKING STATEMENTS

This Memorandum and other materials attached contain certain forward-looking statements concerning our operations, economic performance and financial condition, including, in particular, the likelihood of our success in developing and expanding our business. Forward-looking statements can be identified by the use of forward-looking *Partial Paragraph*

RISK FACTORS

NOTE: The “Risk Factor” sections commonly run eight to twelve pages and the following are brief examples of some of the categories. Each PPM is a custom document and requires risk factors specific to the type and structure of the individual business. Full Disclosure is the guide for determining the content of this section.

(General note on this “Risk Factors” section: Risk factors must be included in all PPMs. These are for disclosure purposes and are in place to assist you from frivolous law suits. In the following section, you will have to make many choices and add some descriptive information as applies to your particular project. The selection is very large and diversified to assure your ability to choose the most appropriate set of risk factors to fit your particular project. It is to your benefit to error on the side of too much information and to make full disclosure of all pertinent facts and information.)

You should carefully consider the risk factors described below together with the information contained in the Subscription Agreement before making an investment decision to invest in our Securities. While we believe these risks and uncertainties are the most important for you to consider, they are not the only ones facing the Company. If any of the following risks actually occurs, our business, financial condition or results of operations may be negatively affected. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations. Under such circumstances, the value of our Securities could decline, and you may lose all or any part of your investment.

*An investment in the shares of Common Stock is a speculative investment and involves significant risks, and should be made only by persons or entities that can afford the loss of their entire investment. The following considerations do not constitute a complete discussion of the risks relating to the company. An accurate appraisal of the risks of an investment in the shares of **Common/Preferred** Stock can only be gained through an investor’s own due diligence.*

(Chose and or modify among the following risks related to your business.)

Risks Related to Our Business

(Early Stage company)

We are an Early-stage Company and this makes it Difficult to Evaluate our Business and Future Prospects. We have only a limited operating history upon which to base an evaluation of our business and future prospects. For financial accounting purposes, our Company is in its early stage of development -- the development stage, *Partial Paragraph*

OR

Our Company has only recently become operational. The revenue and income potential of our business model and the related market is unproven. A market for our **products and services** may never develop. We have not engaged an independent market ***Partial Paragraph***

We have Limited (No) Revenues to Date. Our Company has generated **(no)** limited revenues to date. Most of the time of our management, and most of our ***Partial Paragraph***

OR alternate title

We have a Limited Operating History, a net Loss from Operations and an Accumulated Deficit to Date. We will need *Partial Paragraph*

We have Incurred Substantial Losses Since our Inception, and Expect to Continue to Incur Future Losses and may Never be Profitable. We have incurred operating losses since our inception in **(Month, year)**. As of **(Month, date, year)**, our accumulated ***Partial Paragraph***

We may need (We will need) Subsequent Financing, however there is No Assurance that we will Obtain it. Although we anticipate that upon realization and completion of the full amount of this Offering, we will be able to internally generate sufficient profits to ***Partial Paragraph***

OR

(Alternate paragraph) We Require Additional Capital to Continue Development of our products and services and to Fund day-to-day Operations; Without it, we will Not be able to Complete our Business Plan. We currently anticipate that our available cash resources combined with the net proceeds from this Offering will be ***Partial Paragraph***

(Loan outside) We Require Additional Financing. We will need additional financing to begin operation of our business. We anticipate that this financing will be ***Partial Paragraph***

We may Face Significant Competition from Companies Serving our Industry. We face competition from other companies that offer similar **products/services**, ranging from local suppliers to large multinational companies. Some of our potential ***Partial Paragraph***

Consider -

Although we believe that our products/services do, or will, provide competitive advantages, there can be no assurance that we will be able to compete successfully. ***Partial Paragraph***

We currently Rely, and will Continue to Rely, on other Parties for several Key Aspects of our Business and Operations. We rely on other parties for ***Partial Paragraph***

If our Sales Team does Not Grow Significantly, the Company will Not meet its Sales Projections. The Company's business plan relies significantly upon the productivity of its sales force **(of independent sales consultants)**. Management has ***Partial Paragraph***.

We Expect to Derive a Substantial Portion of our Revenues from relatively Few Product groups. We expect to derive a substantial portion of our revenues ***Partial Paragraph***

DO YOU HAVE OR MAINTAIN ANY INTELLECTUAL PROPERTY, PATENTS, COPYRIGHTS, TRADEMARKS, or other INTELLECTUAL PROPERTY? This section is extensive

Choose carefully and/or modify among the following for the one/s that best apply.

We Depend Upon Copyright and Other Intellectual Property Protection. Our Company's success will in part depend on our ability to obtain and *Partial Paragraph*

We will Rely on our Intellectual Property Rights, and if we are Unable to Protect these Rights we may Face increased Competition and our Business may be Materially Adversely Affected. We regard our intellectual property as critical to *Partial Paragraph*

We have Patent/s and/or Trade Secret Protection. The Company has pending patent protection on certain aspects of its product/s lines. Additionally, it possesses *Partial Paragraph*

OR Consider

We will Need Additional Patent Protection. Certain officers of our Company have filed with the United States Patent Office a Provisional Patent Application that broadly covers the key features of the (describe brief features of the patent/s). Upon funding, *Partial Paragraph*

Consider

Costly Litigation may be necessary to Protect our Intellectual Property Rights and we may be subject to Claims alleging the Violation of the Intellectual Property Rights of others. We may face significant expense and liability as a result *Partial Paragraph*

No Assurances of Protection for Proprietary Rights; Reliance on Trade Secrets.

In certain cases, the Company may rely on trade secrets to protect proprietary technology and processes which the Company has developed or *Partial Paragraph*

The Failure to Obtain or Maintain Patents, Licensing Agreements and other Intellectual Property could materially Impact our ability to Compete Effectively. To compete effectively, we need to develop and maintain a proprietary *Partial Paragraph*

We intend to file for Patents, Copyrights, Trademark and other IP Protection, but there is No Guarantee that these will be Granted. The Company *Partial Paragraph*

Consider

We Intend to File for Foreign Patent Protection. The Company plans to file and attempt to obtain patent protection for its Product/s in most of the foreign countries. *Partial Paragraph*

(For "Discovery" companies)

Our Discovery and Potential Product/s are Untested and Unproven. The discovery and the proposed product/s have not yet been evaluated or *Partial Paragraph*

There is No Assurance of Production or Commercial Feasibility with respect to our Products. Even if the product/s are successfully developed, there is no *Partial Paragraph*

We Are Dependent On Continuing Research and Development. While our Company believes that it has completed the development of a full product line for the (name of industry) industry, we anticipate that it will be necessary to continue *Partial Paragraph*

(If Applicable)

Software in our Products may Contain Defects, which will make it More Difficult for us to Establish and Maintain Customers. Despite extensive testing *Partial Paragraph*

We do Not have any Agreements to Purchase or Distribute Product.

The Acceptance of our Products/Service is Uncertain. Our product/s services have been successfully tested and we believe that they respond to significant needs in the marketplace. Our product/s services have been successfully sold in the United States *Partial Paragraph*

Does the following apply to your project?

Our Product/s Services Sales Cycle is Long. A customer's decision to purchase our product/s services often involves a lengthy evaluation and product/services *Partial Paragraph*

We have not had a Formal Market Survey. No independent marketing survey has been performed to determine the potential demand for our Company's product/s services. We have conducted only limited marketing studies, which indicate that *Partial Paragraph*.

We will need the Marketing and Distribution Expertise of Third Parties: Achieving market success will require substantial marketing efforts and the expenditure *Partial Paragraph*

We do Not have Agreements to Purchase or Distribute our Product/s Services. While our Company intends to utilize a Company directed marketing network to *Partial Paragraph*

We Are Subject to Obsolescence and Technological Change. The Company's business is susceptible to changing technology and the Company's *Partial Paragraph*

Chose among the following

Governmental and Environmental Regulations. We are not aware of any government or environmental regulations with which we should comply. However, *Partial Paragraph*

OR

Government Regulation. (Any government regulations that you feel you must comply with?) FDA – OSHA – etc. Some of our Company's products and many of our services are the subject of federal, state and local government regulation. *Partial Paragraph*

OR

We are Subject to Government Regulation. Our Company's project/services is the subject of federal, state and local government regulation including; (name them *Partial Paragraph*

Environmental Regulations. . (Any environmental regulations that you feel you must comply with?) The large majority of our Company's products/services are subject to existing and continuing changing regulations pertaining to the environment. *Partial Paragraph*

Chose among the following

We have Product Liability Exposure. (Do you feel you have any product/service liabilities?) Our Company faces an inherent business risk of exposure to *Partial Paragraph*

OR

We may incur Product Warranty Expense. (Do you feel you have any product warranty expense – are you warranting any products?) If successful in marketing our products, our Company anticipates that in order to be competitive with other *Partial Paragraph*

OR??

Product Warranty Expense. Our Company believes that in order to be competitive with other companies in the industry, it is necessary to offer a limited warranty *Partial Paragraph*

(Combination clause)

Product Liability and Warranty Expense Our Company faces an inherent business risk of exposure to third part product or service liability claims. A successful *Partial Paragraph*

Chose among the following if applicable

Do you directly export any products? Risk Associated with Sales of our Product/s Services Outside of the United States. We expect that international sales will account for a significant portion of our net sales in the future to the extent that the Company's. *Partial Paragraph*

Do you directly import any products? Risk Associated with Importing Our Products to the United States: All of our products are imported from (name countries). Payment of our products is in United States dollars converted to the (type of currency Example=Euro). *Partial Paragraph*

We have a Dependence on our Current Management. We will be substantially dependent upon our officers, specifically, Mr./Ms.(add name/s of key officers), *Partial Paragraph*

The Time Devoted by Our Management. It is anticipated that the Company's key officers will devote substantially all of their time to the business of the Company. (TRUE?) *Partial Paragraph*

We are Dependent upon Highly Qualified Personnel, and the Loss of such Personnel is a Risk to our Success. We are highly dependent upon the efforts of, *Partial Paragraph*

(Chose)

We may have Conflicts of Interest and have Engaged in Transactions with our Officers and Directors and have Entered into Several Agreements that were Not Negotiated at Arms length. We have engaged and may in the future engage in *Partial Paragraph*

OR

Light Version

We may have Conflicts of Interest and have Engaged in Transactions with our Officers and Directors and have Entered into Several Agreements that were Not Negotiated at Arms length. Our Company has engaged and may in the *Partial Paragraph*

(Chose and or modify among the following risks related to your industry)

Industry Specific Risk Factors

If we Fail to Accurately Predict, Respond or Adapt to Rapid Change in our industry, our Products and Services may become Obsolete. Our business is characterized by rapid change. The introduction of product/s and services embodying new technologies *Partial Paragraph*

We face intense Competition in our Industry and we May Not be able to Successfully Compete in our industry. Competition in our industry is intense, *Partial Paragraph*

We Lack of Our Product and Service Development. Our Company has not completed the development of a full product and service line and further, we *Partial Paragraph*

Our Inability to Manage Growth May Have a Material Adverse Effect on Our Company. We believe that upon closing of this Offering, we will be entering *Partial Paragraph*

(Chose from the following if an acquisition is applicable)

The Acquisition of (name acquisition) involves other Risks, including the Risks that the Assets may prove to be Less Valuable than expected and we may Assume Unknown or Unexpected Liabilities. Our closing of the acquisition of XXX involves *Partial Paragraph*

The Acquisition of (name acquisition) may not be Consummated. The acquisition of XXX (“xx”) is subject to a number of conditions. If these conditions *Partial Paragraph*

Any Acquisitions we Undertake could Limit our Ability to Manage and Maintain our Business, Result in Adverse Accounting treatment and be Difficult to Integrate into our Business. We may acquire other companies and acquire and/or *Partial Paragraph*

We have a Significant Growth Factor. We believe that upon closing of this Offering, we will be entering a period of significant growth, although there can be no *Partial Paragraph*

We Depend Upon Certain Customers. The success of our Company will depend on our ability to develop contractual service agreements with our customers. Our target. *Partial Paragraph*

The Success of our Business Depends on the Continuing Widespread Adoption of the Internet by Business and Consumers for E-commerce and Communications. Because our business is based

on providing services to the (business or consumers) industry over the Internet, the Internet must continue to be widely adopted, in a timely security concerns including the potential for fraud or theft of stored data and *Partial Paragraph*

(Chose and or modify among the following three clauses as applicable to your project)

We have a Broad Range of Proposed Activities. As discussed in this Offering Memorandum, management of the Company proposes to undertake an *Partial Paragraph*

We have a Narrow Proposed Product Line, which results in a Lack of Company Diversification. The Company does not intend to engage in any *Partial Paragraph*

We have No Control over General Economic Conditions. The financial success of our Company may be sensitive to adverse changes in general, *Partial Paragraph*

(Chose and or modify among the following risks related to the particulars of your offering)

Risks Related to This Offering

This Offering does not have a Minimum Offering Size. The shares are being offered on a “best efforts, no minimum” basis, without escrow or refund provisions. *Partial Paragraph*

If you intend to use an Escrow account We have a Formal Escrow of Minimum Proceeds. Our Company intends to place all proceeds from this private placement in a separate trust account until proceeds of at least \$amount are received. Once the *Partial Paragraph*

Our Use of Proceeds is Not Certain. In some categories, our Company has only generally allocated the proceeds of this offering. Thus, the specific use of investors' funds will depend upon the business judgment of our management, upon which *Partial Paragraph*

We have Arbitrarily Established the Offering Price. There has been no prior market for the securities of our Company. The offering price of the Shares has been. *Partial Paragraph*

There is No Commitment to Purchase Our Securities. No one has made a commitment to purchase any of the Shares of common/preferred stock being offered *Partial Paragraph*

There is no Prior Market for our Capital Stock, and it is Possible no Market may ever Develop. There has been no market for our capital stock and it is possible *Partial Paragraph*

Investors in this Offering will Suffer Immediate Dilution. This Offering involves an immediate dilution of a purchaser's investment from \$(figure from dilution table) X.XX per share to approximately \$(figure from dilution table) X.XX per *Partial Paragraph*

We do not Anticipate the Payment of Dividends. Payment of dividends on the common/preferred stock offered hereby rests with the discretion of our *Partial Paragraph*

Use following if applicable

We have Authorized the Issuance of Preferred Stock with Preferences The Company's Board of Directors is authorized to issue up to (number of shares) shares of (\$Par value) par value Preferred stock. The Board of Directors has the power to *Partial Paragraph*

OR

We are considering the Authorized of Preferred Stock with Preferences. The Company's Board of Directors is considering the authorization to issue Preferred stock. *Partial Paragraph*

Regarding Our Estimates of Future Results. Furnished as "Exhibit C" to this memorandum is our Company's Summary Business Plan, which includes estimates *Partial Paragraph*

It is Difficult to Predict our Financial Performance and it May Fluctuate. We have not yet generated revenues and we may never do so. If we do, our quarterly results of *Partial Paragraph*

- the acceptance by the (name of) industry of the products/services we offer;
- the acceptance by *Partial Paragraph*

Our Financial Statements and Financial Information have Not been Audited by Independent Certified Public Accountants, and therefore may Not all be Accurate. We have not had our financial statements or other financial information of the. *Partial Paragraph*

Because we do Not have an Audit or Compensation Committee, Shareholders will have to rely on the Entire Board of Directors, all/some of which are Not Independent, to Perform these Functions. We do not have an audit or compensation committee *Partial Paragraph*

Our Executive Officers and Directors will Retain Voting Control after the Offering, which will allow them Substantial Influence over major Corporate decisions. We anticipate that our executive officers and directors will, in the aggregate, beneficially *Partial Paragraph*

Our Management may apply the Proceeds of this Offering to Uses that Do Not Increase our Sales or our Value. In some categories, we have only generally allocated the proceeds of this offering. We intend to use the proceeds of this Offering for general *Partial Paragraph*

There are Restrictions on the Resale of our Securities. The securities offered hereby are "restricted securities" as that term is defined in Rule 144 under the Securities Act of 1933, as amended. Subject to various conditions, including approval of the *Partial Paragraph*

We do Not Maintain Indemnification Insurance. The Company has limited capital and, therefore, does not currently have a policy of insurance against liabilities arising out of the negligence of its officers and directors and/or deficiencies in any of its *Partial Paragraph*

A Failure of Our Business Plan. While our management has developed a business plan (See Exhibit C - "Summary Business Plan,") there can be no assurance that *Partial Paragraph*

Unforeseen Risks. Management's ability to identify all potential future risks is limited. An investor should recognize that additional and, as yet, *Partial Paragraph*

FOR ALL OF THE AFORESAID REASONS, AND OTHERS SET FORTH HEREIN, THESE SECURITIES INVOLVE A HIGH DEGREE OF RISK. ANY *Partial Paragraph*

(The following are miscellaneous Risk Factors Choose the ones that may apply to your project – IF ANY.

When you own or intend to purchase Real Estate

RE* There are General Risks of Real Estate Ownership. The Company will be subject to the risks generally incident to the ownership of real property, including (i) the uncertainty of cash flow to meet fixed obligations, such as debt service payments, *Partial Paragraph*

Use as an additional risk factor if you use Time/Task Chart anywhere in the PPM:

*Note: After reviewing the above Task/Time Chart, potential investors should consider whether achievement of each step within the estimated time frame is realistic. Potential investors should also assess the consequences to the issuer of any delay . *Partial Paragraph**

The “Risk Factor” sections commonly run eight to twelve pages and the above are brief examples of some of the categories. Each PPM is a custom document and requires risk factors specific to the type and structure of the individual business. Full Disclosure is the guide for determining the content of this section.

USE OF PROCEEDS

NOTE: The Use of Proceeds section varies depending upon the corporate structure and the particular use of the funds by each individual company. Care needs to be used to comply with proper disclosure.

If all shares offered are sold, the gross proceeds from the sale of the shares of our Common/Preferred Stock are expected to be approximately \$(insert gross amount) before deducting estimated offering expenses payable by us.

Chose

(At lower levels of financing, we have adopted a business model to perform **Partial Paragraph**

OR

At lower levels of financing, **Partial Paragraph**

Use the following if you show a minimum/maximum use of proceeds

As an example, we also show how we would use proceeds if we raise a minimum of \$(insert minimum amount) from the sale of shares.

We intend to use the net proceeds primarily for general corporate purposes, including the funding of working capital requirements, (add brief use of proceeds narrative **Partial Paragraph**

Note: use only general categories on this page – details should be in your business plan.

Delete “Minimum” column if not a mini/max offering

	<u>\$Minimum</u>	<u>All Sold</u>
Specify use	\$xxx,000	\$xxx
2 nd Specific use	\$xxx,000	\$xxx
3 rd Specific use	\$xxx,000	\$xxx
Sales & Marketing	\$xxx,000	\$xxx
General & Administrative	<u>\$xx0,000</u>	<u>\$XXX</u>
Total	\$minimum	\$maximum

The foregoing represents our best estimate as to the application of the proceeds if all Shares offered are sold. We may also use part of the proceeds for payments of up to 10% of the gross proceeds to one or more sales agents who are registered with **Partial Paragraph**

Use if you are making any acquisitions.

We may also use a portion of the remaining net proceeds for acquisitions of complementary products, technologies or businesses. However, no plans or agreements ***Partial Paragraph***

RESTRICTIONS ON RESALE

The shares are being offered in a private placement, exempt from registration with the SEC. In order for this Offering to qualify for exemption from registration ***Partial Paragraph***

- make reasonable inquiry to confirm that each Investor is acquiring the shares of Common Stock for its own account and not on behalf of other persons;
- specifically advise each Investor that the shares purchased shall be deemed to have the same status as if they had been acquired in a transaction pursuant ***Partial Paragraph***
- place a legend on the certificates evidencing the shares stating that they have not been registered under the Securities Act and cannot be resold without ***Partial Paragraph***
- obtain from each Investor a signed written agreement that these shares will not be sold without such registration under the Securities Act or an exemption therefrom.

The shares of Common Stock are "restricted securities" as ***Partial Paragraph***

CAPITALIZATION

NOTE: Capitalization depends upon the structure of each Company and is adjusted per that individual Company and for debt or equity – LLC or corporate.

The following table shows our capitalization as of (month, date, year) on an actual basis and as adjusted to reflect the sale of shares of Common Stock in this Offering. You should read this table in conjunction with the financial information contained elsewhere **Partial Paragraph**.

There is no minimum size for the Offering and the Company has the right to increase or decrease the number of shares offered. Therefore, the as-adjusted information **Partial Paragraph**.

To complete the following table, you must have your current financial balance sheet. This also applies to new start ups, as you will have some type of assets, liabilities and stockholders equity. You will need to deduct your par values from your total capital for all categories. You will need to state your earnings or deficits to arrive at Total Capitalization

Delete “Minimum” column if you are not doing a mini/max offering

	Month, Date, Year		
	Actual (prior to offering)	As adjusted for \$Minimum proceeds	As adjusted for \$Maximum proceeds
Stockholders’ equity:			
Preferred Stock, \$0.00X(insert your par value) par value; XX,XXX,XXX (Insert total number of share authorized) shares authorized; none issued and outstanding	\$ “A”	\$ “A”	\$ “A”
Common stock, , \$0.00X(insert your par value) par value; XX,XXX,XXX (Insert total number of share authorized) shares authorized; xx,xxx,xxx (Insert number of shares issued) issued and outstanding*	\$ “A”	\$ “A”	\$ “A”
Additional paid-in capital	\$ “B”	\$ “B”	\$ “B”
Accumulated Earnings (Deficit)	(\$xx,xxx)	(\$xxx,xxx)	(\$xxx,xxx)
Total stockholders’ equity	\$xxx,xxx	\$xxx,xxx	\$xxx,xxx
Total capitalization	<u>\$xxx,xxx</u>	<u>\$xxx,xxx</u>	<u>\$xxx,xxx</u>

“A” - insert par value times number of shares to be outstanding

“B” – Total paid in capital minus “A” and “B”

Below if you have a Stock Option plan in place

DILUTION

NOTE: Dilution Tables vary and depend upon the structure of each Company and is adjusted per that individual Company and for debt or equity – LLC or corporate.

The net tangible book value (deficit) of the company as of XXX xx, 200X was \$XXX,xxx, or \$500 per share.

The following chart, which assumes the successful completion of the Offering described herein, illustrates the per share dilution (1) and percentage of **Partial Paragraph**

Offering price per share	\$0.X0
Average cash cost per share to present shareholders	\$0.0X
<u>Partial Chart</u>	\$0.0X
	\$0.0X
	\$0.X
	X%
	XX%

(1) Dilution represents the difference between the offering price per share and the net tangible book value of the common stock immediately following the completion **Partial Paragraph**

BUSINESS

The “Business Section” of an Offering Memorandum commonly contains an abbreviated version of the Company’s business plan. You will find that the following outline will give you a good overview of the sub- sections that should be in the business section of your PPM.

NOTE: Your task in this section is to describe your business. Experience has proven that the best way to gain funding is to furnish prospective investors with a “Financial Marketing Package.”

This package should include three primary items:

“Business Plan” (your primary selling document)

“PPM” (this Disclosure document)

“Subscription” Agreement (where they sign up – “SUBSCRIPTION AGREEMENT and INVESTOR QUESTIONNAIRE DOCUMENT PACKAGE”)

The business plan is where you really get into detailed descriptions about your business. You can use flamboyant language to describe how great your project is and about how much promise it has, how well it is going to do and lots of adjectives in your written communication.

HOWEVER, for the PPM purposes, you need to be cautious. You should use condensed portions of the various sections of the plan inserted under the appropriate areas of the PPM business section. You can use noted references to the business plan as an “exhibit” for additional information on as many subtopics as you need. But the primary purpose of the PPM Business section is to overview your company’s business, not provide gobs of details.

The following sub-topic headings should be followed and adapted according to your particular company’s need.

General – (chose from the following as applicable)

The Company was conceived by (founder/s name/s) in (month, year).

The company was organized under the laws of the state of (state) on (month, date, year).

The company was originally organized as a (State) Limited Liability Company (or what ever type of entity it was) founded on (month, date, year) and was changed to ***Partial Paragraph***

As a result of the reincorporation on (date), (Company name) was ***Partial Paragraph***

We are in the process of reincorporating (Company name) as a (name of state) corporation, a process that should be complete ***Partial Paragraph***

To date, our Company has been engaged in finalizing our Business Plan, researching and developing our product line (operating plan), trademark filing, ***Partial Paragraph***

History

The first several paragraphs should briefly describe the product or service, to whom it is sold, the current status of your industry, and where your company fits in. ***Partial Paragraph***

Product or Service

To succeed as an entrepreneurial company, you must know your product or service; to succeed in obtaining capital, you have to be able to clearly describe your product ***Partial Paragraph***

(See Exhibit C – “Summary Business Plan” for additional product/service description)

Market Description and Analysis

This section profiles three key areas: customers, industry, and competition. Basically, it is a overview of you market growing at xxx rate. Says who? And who else?

Prepare a Customer Profile

Describe what customers form your market, where they can be found, why they purchase your product or service rather than another, and whether it ***Partial Paragraph***

Prepare an Industry Profile

Discuss pertinent trends, past, present, and future. Offer available statistical data on sales and units. Use charts, graphs, and tables if they can make the presentation ***Partial Paragraph***

Prepare a Competitive Profile

You do have competition!! Think about it, a little red wagon competes with an airplane in the transportation industry. Stress your advantages of ***Partial Paragraph***

(See Exhibit C – “Summary Business Plan” for additional Market information)

Marketing Strategy

This is a critical section that should clearly specify the company's marketing goals, **HOW** they are to be achieved, and **WHO** will have the responsibility for ***Partial Paragraph***.

(See Exhibit C – “Summary Business Plan” for additional Marketing information)

Operations Plan

This section is primarily oriented toward facilities, manufacturing capability, and equipment. Disclose all present capabilities as to equipment and facilities, ***Partial Paragraph***

Research and Development - (Optional Sub-section)

The length of this section depends on whether you're a service or product company and--if you're a product company—on how technical your product is. The object ***Partial Paragraph***

Schedule - (Optional Sub-section)

Describe the timing and sequential steps that will be taken to bring the company up to full speed. Graphs or charts help indicate the timing and interrelationships of the ***Partial Paragraph***

Patents – (Optional Section)

Give patent application or granted information

We cannot give any assurances, however, that any of the patents for which (company name) has applied will be granted or that the scope of any patents that may be ***Partial Paragraph***

IP License Agreement

Under the IP license Agreement, (name of grantee) grants the Company an exclusive, world-wide licenses to use the specified intellectual property in connection ***Partial Paragraph***

MANAGEMENT

Directors and Executive Officers

The directors and executive officers of the company, their positions and ages are as follows:

<u>Name</u>	<u>Age</u>	<u>Position</u>
Use full name, state age, insert position including.: founder (co-founder) Chairman of the Board of Directors, Chief Executive Officer (Operating, Financial, Information, etc.) or Vice-president Manufacturing (Operations, Sales, Marketing, Procurement, etc.) denote which are "Directors," specify who is Secretary, Treasurer.		
Full Name	XX	?? Founder, President, Chairman of the Board of Directors, CEO ?
XXXX	XX	Director
XXXX	xx	Director
XXXX	XX	Director
XXXXX	XX	?? Senior Vice President - Sales and Marketing
XXXXXX	XX	?? Vice President of Sales
XXXX	XX	Director

We have a provision in our Articles of Incorporation and our by-laws to limit the liability of directors of the company to the fullest extent allowed by (State of incorporation) Partial Paragraph

Except as otherwise noted below, all organizations by which each officer and director has been previously employed are nonaffiliates of the company. Set forth below are brief descriptions of the recent employment and business experience of the officers and directors of our company.

TRUE? There are no family relationships among our officers and directors.

OR

Mr./Ms. _____ and Mr./Ms. _____ are (state related relationship)

Set forth below are brief descriptions of the recent employment and business experience of our officers and directors:

Officers and Directors

Note: Resumes should be presented in an official, factual, format. Cite titles and company names of employment. Do not use grandiose statements of accomplishments (these can go in your business plan). Use simple, factual information including schooling and degrees or special awards, accomplishments, civic or work related affiliations of note, (no hobbies).

XXX, President, Chairman of the Board of Directors & Chief Executive Officer
(Insert condensed Bio/Resume)

XXX, Senior Vice President, Marketing
(Insert condensed Bio/Resume)

XXX, Vice President, Sales
(Insert condensed Bio/Resume)

XXX, Vice President, Business Development
(Insert condensed Bio/Resume)

XXX (titles as needed)

Secretary – Treasure (Who fills these positions?)
(Insert condensed Bio/Resume)

Key Personnel

Any other Key personnel currently working for Company? (As needed)

Any Key employees to be hired?

XXX Following the completion of this private placement, the Company intends to retain the following key employees:

(Does this apply?) The Company has entered into agreements with a Key Person regarding their furnishing of various consulting commitments to the Company. Each of these Key Persons has entered into written agreements with the Company as described below:

XXX, Chief Financial Officer (Temporary)

XXX, Internal Counsel, Director of Operations

XXX, Marketing Manager

Board of Advisors

Do you have or intend to assemble a Board of Advisors?

The Company is in the process of assembling a group of individuals to assist management in evaluating, recommending and monitoring various aspects of our Company and its operations. Advisory Board members are neither elected nor are they employees of the ***Partial Paragraph***

XXX Advisor Name – present company affiliation
(Two or three line bio)

XXX, Advisor Name – present company affiliation
(Two or three line bio)

More as needed

Consultants

Add key consultants other professionals: bankers, attorneys, accountants, I P consultants, other specialty consultants. Use company affiliation and two or three lines of information.

Our Company has assembled a group of professional consultants to work with the Company in their respective industry areas of expertise.

XXX Consultant name – present company affiliation- type of consulting

XXX Consultant name – present company affiliation- type of consulting

NOTE: *After reviewing the background of the Company's Officers, Directors and key persons, potential investors should consider whether or not these persons have adequate background and experience to develop and operate this Company. In this regard, the experience and ability of management are often considered the most significant factors in the success of the business.*

Compensation of Directors and Officers

There is no accrued compensation that is due any member of Management. (True?) No executive officer is expected to receive cash compensation in excess of \$100,000 in the company's current fiscal year which commenced on (Month, date, year). Does the following Partial Paragraph

PRINCIPAL SHAREHOLDERS

The following table sets forth the information, as of the date of this Memorandum, with respect to the beneficial ownership of the company's capital stock by each person known to the Company to be the beneficial owner of 5% or more of the outstanding *Partial Paragraph* Beneficial Ownership of the Common Stock of (COMPANY name)

In the following chart. Insert the names of all Officers, Directors, and each shareholder who will own five percent or more of the stock after completion of the gross proceeds of the offering. Cite the number of shares for each and convert the percentages. If stock is held in a family trust or by a separate entity which is partially owned or controlled by one of these individual, this must be footnoted below the chart.

Beneficial Owners	Shares of Common Stock Owned	Percent of Class
XXX	XX,X00,000	XX.xx%
XXX	X,X00,000	X.x%
XXX	X,000,000	X.x%
XXX	X00,000	X.x%
XXX	xxx,xxx	X.x%
XXX	<u>xxx,xxx</u>	<u>X.x%</u>
Total owned by officers, directors, and 5% shareholders as a group	XX,xxx,xxx	XX.xx%

Use the following chart if you are doing a minimum/maximum offering.

Beneficial Owners	Shares of Common Stock Owned	Percent of Class Prior to Offering	Percent of Class after Minimum Offering	Percent of Class after Maximum Offering
xx	x,000	x%	x%	x%
xx	x,000	x%	x%	x%
Total owned by officers, directors, and 5% shareholders as a group	x,000	x%	x%	x%

Note: Mr. XX, a director (officer) is a controlling shareholder of XXX partnership and will be responsible for the control of the above noted shares registered in the XXX partnership name.

OR:

The XXX Family trust, which has been established by Ms. XXX and is directly controlled by Ms. XXX

Or:

Whatever language may be appropriate to sufficiently disclose voting control of the stock held/controlled by such person.

If you have outstanding options issued, you must footnote those here.

Options and restricted stock are issuable as follows: **XXX,xxx** shares issued under an agreement with XXX Mr. which vest ratably over a **(number)** month/year period at ***Partial Paragraph***

Additional Shareholders (This may apply if you have additional shareholders who do not own 5% or more. Maybe they just own ½ % or 1 or 2%. Total the number of shareholders and the percentage.)

Number (xx) additional shareholders collectively own a total of xxx shares.

CERTAIN RELATED-PARTY TRANSACTIONS

In addition to the stockholdings and transactions noted under “PRINCIPAL SHAREHOLDERS,” the Company is party to the following transactions ***Partial Paragraph***

This is a critical section as regards disclosure. The following are various samples that may be applicable for your particular project. You also may have to create a disclosure note specifically for your project.

On incorporation in (month, date, year), the company issued number of) shares of its common/preferred stock to (founder/s name/s) for ***Partial Paragraph***
AND/OR

On (month, year), the Company issued (number of shares) shares of its common/preferred stock to its Directors, Officers and Key Employees for consideration of \$(price per share) per share for a total of \$(total amount of dollars).

(For use when former company was acquired or integrated into new entity). On (month, date, year) the Company purchased all of the assets, ***Partial Paragraph***
AND/OR

Upon the successful completion of the financing discussed herein, the Company intends to issue an aggregate of XXX,XXX shares of Common stock at an exercise price ***Partial Paragraph***
AND/OR ***Partial Paragraph***

Upon the successful completion of the financing discussed herein, the Company intends to issue an aggregate of XXX,XXX shares of ***Partial Paragraph***

ADDITIONALLY: In this section is where you describe any type of transaction between officers, directors or 5% or more shareholders and the Company. These transactions vary significantly and can include such areas as:

If the company rents or leases anything (tools, machinery, office or warehouse space, cars or trucks).

If the company has a license or use of patent agreement, royalty agreement (with whom and brief description).

(Section closing statement) The Company believes that all of the transactions set forth above were made on terms no less favorable to the Company than could ***Partial Paragraph***.

(If applicable) Since inception, the Company has been party to various loans from its officers and directors. These loans, some of which have been repaid, some of ***Partial Paragraph***

DESCRIPTION OF SECURITIES

NOTE: The “Description of Securities” section varies depending upon the type of company structure (LLC-Corporation) and the type of financing involved (equity, Debt, combinations).

Capital Stock

In the lead of this section, you need to factually state the corporate structure of the company,

The Company's authorized capital stock consists of (number) shares of Common Stock, par value \$.00X, and (number) shares of \$0.00X par value preferred stock.

Sample of complicated capital Stock

The company's authorized capital stock consists of multiple classes of Common Stock and one Class of Preferred Stock divided as follows:

an unlimited number of Class A voting shares;

an unlimited number of *Partial Paragraph*

The Holders of Class A and Class B voting shares are entitled to receive notice of, to attend, and to vote at all meetings of the shareholders

(Confirm the following statements before using these paragraphs)

Common Stock The holders of Common Stock are entitled to one vote for each share held of record on all matters submitted to a vote of stockholders. Subject to *Partial Paragraph*

Dividends. Holders of the Common Stock are entitled to receive such dividends when and as declared by the board of directors. The Company has not paid any *Partial Paragraph*

Restrictions and Limitations. In addition to any vote required by law, the consent of at least 51% (or a majority) of the holders of the then-outstanding shares of Common *Partial Paragraph*.

Preemptive Rights. Holders of the Common Stock do not have preemptive rights. No shareholder of the Company shall have a preemptive right because of his/her shareholdings to have first offered to him/her any part of the *Partial Paragraph*

Voting/Board of Directors Composition. Each share of Common Stock is entitled to one vote per share in all votes that come before a vote of the shareholders. *Partial Paragraph*.

Resale of the shares of Common Stock.

The shares of Common Stock offered herein are not registered with the Securities and Exchange Commission, have not been qualified under the laws of any state, and are *Partial Paragraph*

Additional Series of Preferred Stock

Shares of preferred stock may be issued from time to time in one or more series as may be determined by the board of directors. The voting powers and preferences *Partial Paragraph*

Preferred Stock – If they have pre-determined conversation rights

Conversion Price. Each share of Preferred Stock shall be convertible into such number of fully paid and nonassessable shares of common stock as is determined by *Partial Paragraph*

Conversion Events. Each share of Common Stock is convertible at the holder's option at any time after (month, date, year). Additionally, each share of Common *Partial Paragraph*

Limitations on Deductions

The Company and its stockholders will not file an "S" election. Therefore, if the Company has losses, stockholders will not be eligible to deduct their share of such losses *Partial Paragraph*

Stock Option Plan – (Use as appropriate regarding a Stock Option Plan)

To provide incentive compensation to officers, employees and *Partial Paragraph*
OR

To provide incentive compensation to officers and employees, the Company has an Incentive Stock Option plan (the "Plan"). The Plan provides for the granting, *Partial Paragraph*

Transfer Agent

The Company plans to function as its own transfer Agent and Registrar for the Company's common and preferred stock until such time, if ever, as it completes *Partial Paragraph*

Reports to Shareholders

Do You plan on Providing? - unaudited quarterly reports and unaudited annual. The Company intends to provide reports to shareholders containing *Partial Paragraph*.

((OR))

The Company intends to provide quarterly reports to shareholders and audited annual reports containing financial statements *Partial Paragraph*

TERMS OF THE OFFERING

NOTE: The "Terms Section" varies depending upon the type of coporate structure and if a debt or equity offering

Purchase of the securities involves a number of significant risks and is a suitable investment only for certain investors. See "Risk Factors."

Only persons of adequate financial means who have no need for present liquidity with respect to this investment should consider purchasing the Securities offered *Partial Paragraph*

The company is offering (insert total number of shares being offered) shares of its \$0.00X par value Common/Preferred Stock pursuant to the exemptions from registration *Partial Paragraph*

All subscriptions shall be irrevocable. No minimum subscriptions must be reached and no other events or contingency must occur before the proceeds of any subscription are *Partial Paragraph*

If you are using an “escrow account,” use this paragraph.

Escrow of Subscription Funds

Commencing on the date of this Memorandum all funds received by the Company in full payment of subscriptions for Shares will be deposited in an escrow *Partial Paragraph*

The Offering will be made by directors and officers of the Company and/or by federally registered and state-licensed broker-dealers, which are members of the Financial Industry Regulatory Authority (FINRA). Any broker-dealer engaged as a *Partial Paragraph*

Prior to acceptance of any subscription by the Company, each prospective purchaser must represent in writing to the Company certain matters as more *Partial Paragraph*

- (a) they have the capacity to protect their own interests in connection with the offer and sale of the securities; (b) they understand that they must bear the economic risk *Partial Paragraph*
- (b) that they are acquiring the securities for investment solely for their own account and without any intention of reselling or distributing them; and

- 1. that they have had access to all materials and relevant information necessary to enable them to make an informed *Partial Paragraph*

2. Determination of Offering Price

The offering price of the Common Stock being offered hereunder was determined arbitrarily by the Company. In determining the offering price, the company *Partial Paragraph*

Plan of Placement

The Shares are offered directly by officers and directors of the Company on the terms and conditions set forth in this Memorandum. Federally registered *Partial Paragraph*

LITIGATION

Choose from below

The Company is not a party, nor is its property subject, to any pending legal proceedings. To the knowledge of the Company, no legal proceedings are *Partial Paragraph*

There are no known outstanding legal proceedings pending against any of the officers of the Company at this time. No officer has faced personal insolvency *Partial Paragraph*

INDEMNIFICATION

The Company's Articles of Incorporation, By-Laws and other contracts provide for indemnification of its officers, directors, agents, fiduciaries and employees. *Partial Paragraph*

LEGAL

If you are not using Legal council, this “Legal” section is removed.

(Use If Appropriate and you have legal counsel review this document) You need counsel's consent to state their name

(Name of attorney) has acted as counsel for the Company in connection with this offering.

The Company has obtained an opinion of (Name of attorney), to the effect *Partial Paragraph*
EXPERTS

If you are not using an accountant the following is applicable.

The Company has prepared the unaudited financial statements of the Company, as of Month, date, 200X, included in this offering memorandum.

The Company can give no assurance that, upon audit by an independent Certified Public Accounting firm, other adjustments will not be *Partial Paragraph*

OR You need Accountant's consent to state their name

If appropriate and you have certified accountants review or opinion your financial statements)

The financial statements of the Company, as of *Partial Paragraph*

Optional

CERTAIN MATERIAL TAX CONSEQUENCES

Prospective investors consequences to them of purchasing Shares in the Company. Foreign investors should consult their own advisors with regard to the U.S. and foreign tax consequences of an investment in the Shares.

Prospective investors should not view the following analysis as a substitute for careful tax planning, particularly since the U.S. federal income tax consequences of, *Partial Paragraph*

investors should be aware that new legislative, administrative or judicial action could significantly change the tax aspects of the Company. Furthermore, *Partial Paragraph*

There is uncertainty concerning certain of the tax aspects discussed herein, and there can be no assurance that some of the deductions claimed or positions taken by the *Partial Paragraph*

ADDITIONAL INFORMATION

We have agreed to make available to each prospective Investor, prior to the sale of any security, the opportunity to ask questions of, and receive answers from, officers concerning the terms and conditions of the offering and to obtain any additional information, to ***Partial Paragraph***

City State 8XXXX
(XXX) xxx-xxxx - fax: (XXX) xxx-xxxx

e-mail: Pres@COMPANY.com

Our Web site can be found at -

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EXHIBIT A

FINANCIAL INFORMATION

NOTE: in PPMs, the only financial information that should be provided are a current Balance Sheet and operating income statement (even for start-up deals). For liability purposes, future Pro-Forma Projections should be displayed in the Company's Business Plan.

NOTE – Financial Statements should be dated within Ninety (90) days of the date of the memorandum.

Unaudited **audited/reviewed** Balance Sheet as of **(month, date, year)** Exhibit A-1

Unaudited **audited/reviewed** Statement of Operations
for the period since inception until **(month, date, year)** Exhibit A-2

THE FOLLOWING FINANCIAL INFORMATION IS AN INTEGRAL PART OF THIS PRIVATE PLACEMENT MEMORANDUM FOR COMPANY, INC. AND IS TO BE READ IN CONJUNCTION WITH THE MEMORANDUM.

Note – Delete the following if an accountant has audited or reviewed the financial statements. Insert their accountants letter as a replacement.

Balance Sheet and Profit and Loss Statements from inception to **(Date)** are Unaudited and were prepared by management for discussion and ***Partial Paragraph***

Exhibit A-1

(Insert your (month, date, year) Balance Sheet for this page)

Exhibit A-2

(Insert your (month, date, year) Profit and Loss Statement for this page)

EXHIBIT B

SUBSCRIPTION DOCUMENT PACKAGE

1. Subscription Agreement
2. Confidential Investor Questionnaire for Individuals
 2. Confidential Investor Questionnaire for Organizations

Exhibit C – (Company Name) Summary Business Plan – (month, year)
Separate Attachment

**Partial Paragraph SUBSCRIPTION AGREEMENT
PRIVATE PLACEMENT OF STOCK**

Name of Company
Address
State – Zip Code

Gentlemen:

This Subscription Agreement (this “*Agreement*”) has been executed by the undersigned in connection with the private placement of shares of **Common** Stock (the “*Shares*”) of **(Company name)**, a **(state of incorporation)** corporation (the “*Company*”). **Partial Paragraph**

1. Agreement to Subscribe; Payment; Subscription Irrevocable

The undersigned hereby subscribes for _____ shares (the “*Shares*”) of **Common** Stock at a price of **\$XX.xx** per Share payable to the Company. The undersigned understands that, except as expressly provided herein, this Agreement, **Partial Paragraph**

2. Qualifications of Investor

(a) **Accredited Investor Status.** The undersigned hereby represents and warrants to the Company that the Investor is an accredited investor **Partial Paragraph.**

- () A broker or dealer registered pursuant to the Securities Exchange Act of 1934.
- () An insurance company, as defined in the Securities Act, as amended.
- () An investment company registered under the

Partial Page

(b) **Sophisticated Investor Status.** The undersigned hereby represents and warrants to the Company that:

(Please check if applicable)

() Alone, or with his purchaser representative, if any, the Investor has such knowledge and experience in financial and business **Partial Page**

:

i) The undersigned has not been formed, reformed or recapitalized for the specific purpose of purchasing the Shares;

ii) The undersigned has been duly formed and is validly existing in good standing under the laws of the jurisdiction of its formation, with **Partial Paragraph**

iii) This Agreement has been duly and validly authorized, executed, and delivered by the undersigned and when executed

3. Access to Information; Independent Investigation

(a) Private Placement Memorandum. The undersigned has received a Private Placement Memorandum, but has made an independent investigation ***Partial Paragraph***

(b) Independent Investigation; Access. The undersigned, in making the decision to purchase the Shares subscribed for, has relied upon independent ***Partial Paragraph***

(c) Adequacy of Investigation. The undersigned acknowledges that the undersigned is subscribing for the Shares after what the undersigned deems to be adequate investigation of the business, finances and prospects of the Company by ***Partial***

(d) No Governmental Recommendation or Approval. The undersigned understands that no federal, state or other United States agency has made any recommendations or endorsement of the Shares.

4. Investment Representations

(a) Shares Not Registered; Indefinite Holding. The Undersigned has been advised by the Company, and understands, that the undersigned must bear the economic ***Partial Paragraph***

(b) Purchase for Own Account. The undersigned represents that the Shares are being acquired solely for the undersigned's own account for investment (***Partial Paragraph***)

(c) No Disposition of Shares Without Securities Law Compliance. The undersigned agrees not to subdivide the Shares or to offer, sell, pledge, hypothecate or e ***Partial Paragraph***

THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, ***Partial Paragraph***

(d) "Private Offering" Exemption; Reliance on Representations. The undersigned further understands that the shares sold in this offering are sold without ***Partial Paragraph***

The undersigned further understand that other investors are making their investment in reliance on the representations, warranties, ***Partial Paragraph***

5. Indemnification

The undersigned agrees to indemnify and hold the Company, its officers, directors and stockholders or any other person who may be deemed to control the ***Partial Paragraph***

6. Closing Date

The date of the closing of the sale if the Shares (the "Closing Date") shall be the date specified in the Private placement Memorandum. The Closing shall take place at the ***Partial Paragraph***

7. Conditions of the Company's Obligation to Sell

Investor understands that the Company's obligation to sell the Stock is conditioned upon:

- (a) the receipt and acceptance by the Company of a Partial Paragraph
- (b) the offering not being sooner terminated by the Company pursuant to Section 9 hereof.

8. Conditions to Investor's Obligation to Purchase

Investor's obligation to purchase the Stock in accordance with Partial Paragraph 9.
Termination of the Offering

Investor acknowledges that the offering of the Stock can be terminated at any time by the Company prior to the Closing regardless of whether Partial Paragraph

10. Governing Law

This Agreement shall be governed by and interpreted in accordance with the laws of the state of (state of incorporation).

IN WITNESS WHEREOF, this Subscription Agreement was duly executed on the ____th day of _____, 20XX.

SIGNATURE: _____

PRINTED NAME: _____

TITLE: _____

TAX IDENTIFICATION NUMBER: _____

BUSINESS ADDRESS: _____

RESIDENCE ADDRESS: _____

ACCEPTED as of the day and year first written above

(Company Name)

Company Name

CONFIDENTIAL PURCHASER QUESTIONNAIRE FOR INDIVIDUALS

Purpose of this Questionnaire

Certain securities (the “Securities”) of **Company Name** (the “Company”), are being offered for sale to certain qualified investors without registration under the Securities Act of 1933, as amended (the “Act”) in reliance on the private offering exemptions contained in Sections 3(b), 4(2) and/or 4(6) of the Act, and in Regulation D of *Partial Paragraph*

THE COMPANY WILL NOT DISCUSS THE OFFER OR RESALE OF ANY SECURITIES TO ANY INVESTOR WHO HAS NOT DULY COMPLETED A *Partial Paragraph*
Instructions

One (1) copy of this Questionnaire should be completed, signed, dated and delivered to

Company Name – address - and our telephone number is (7XXX) xxx-xxxx, our fax is: (XXX) xxx-xxxx. Our web site can be found at [www.web url.com](http://www.web.url.com)

Please contact (name)– Email : (XXX via Phone (XXX) if you have any questions with respect to the Questionnaire.

PLEASE ANSWER ALL QUESTIONS. If the appropriate answer is “None” or “Not Applicable,” please so state. Please print or type your answers to all questions. Attach additional sheets if necessary to complete your answers to any item.

Your answers will be kept strictly confidential at all times. However, the Company may present this Questionnaire to such parties as it deems appropriate in order to *Partial Paragraph*

1. Name and Address. Please provide the following personal information:

Name _____ Age _____

Residence Address
(including Zip Code) _____

Business Address
(including Zip Code) _____

Telephone: Res.: _____

Bus.: _____

Preferred Mailing Address: ___ Residence ___ Business

Email address - _____

2. Accredited Investor Status. ALL ACCREDITED INVESTORS MUST INITIAL THE FOLLOWING LINE: _____ I understand that the representations contained in this Section 2 are made for the purpose of qualifying me as an “Accredited Investor” as that term is defined by the Securities and Exchange Commission for the purpose ***Partial Paragraph***

(i) Did your individual annual income during each of the last two years exceed \$200,000 and do you expect your annual income¹ during ***Partial Paragraph***

Yes No

(ii) If the answer to the preceding question was “No,” does your individual or joint (together with your spouse) net worth exceed \$1,000,000?

Yes No

(iii) If your answer to Questions 2(i) and 2(ii) was “No,” are you an executive officer or director of the Company?

Yes No

3. Citizenship. If you are not a citizen of the United States of America, please indicate your citizenship: _____.

4. NASD Affiliation (Please include the firm name and address of each NASD member firm, if any, with which you are affiliated or associated, and the nature of your affiliation or association or, if none, please so indicate):

¹For this purpose, a person’s income is the amount of his individual adjusted gross income (as reported on a federal income tax return), increased by the following amounts:
(a) any deduction for depletion (Section 611 et seq. of the Internal ***Partial Paragraph***

5. By signing this Questionnaire I hereby confirm the following statements:(i)
I am aware that the offering of securities comprising the Securities will involve “Restricted Securities,” as said term is defined in Rule 144 of the Rules and Regulations promulgated under the Act, and that they, ***Partial Paragraph***

(ii) I acknowledge that any delivery to me of offering materials relating to the Securities prior to the determination by the Company of my ***Partial Paragraph***

(iii) My answers to the foregoing questions are true and complete to the best of my information and belief and I will promptly notify the Company of any changes in the information I have provided.

(Printed Name)

Signature

Date and Place Executed:

Company Name

CONFIDENTIAL PURCHASER QUESTIONNAIRE FOR ORGANIZATIONS

A full Questionnaire For Organizations is also Included

Certain securities (the “Securities”) of **Company Name** (the “Company”), are being offered for resale to certain qualified investors without registration under the Securities Act of 1933, as amended (the “Act”), in reliance on the private offering exemptions contained in Sections 3(b), 4(2) and/or 4(6) of the Act and in Regulation D of the ***Partial Paragraph***