**[company name]**

**Offering of up to [number of shares] Class C Shares**

**Confidential Private Placement Memorandum**

**NONE OF THE SECURITIES THAT ARE OFFERED HEREBY HAVE BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION OR ANY OTHER REGULATORY AUTHORITY. NONE OF THE FOREGOING AUTHORITIES HAVE PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING OR THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

**CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM**

**[company name]**

**Up to [number of shares] Class C Shares**

**$[price/share] per Share**

**Minimum Investment of $2,000**

**March 25th, 2013**

This Confidential Private Placement Memorandum (this “**Memorandum**”) describes a private placement offering (the “**Offering**”) of a minimum (the “**Minimum**”) of 1 Class B Share (the “**Shares**”) and a maximum (the “**Maximum**”) of up to 60 Shares by [company name], a Delaware C Type Corporation (the “**Company,**” “**we**,” or “**us**”). With the proceeds of this Offering, we intend to promote the development and distribution of a personal information management program. (the “**Company**”).

We are offering and selling the Shares in compliance with Rule 506 of Regulation D under the Securities Act of 1933, as amended (“**Regulation D**”). To purchase the Shares in this Offering you must meet the suitability requirements set forth under the caption “Investor Suitability Requirements,” on page 55 and in the subscription documents attached to this Memorandum. This Offering may be terminated or closed upon the earlier of (i) written notice of cancellation provided by the Company to you, or (ii) at our option upon receipt of acceptable subscriptions totaling at least $1,000. All subscriptions will be subject to our written acceptance. Subscription funds will be held by us in an interest bearing account at Capital One Bank until the closing or cancellation of the Offering.

**Investing in the Shares is speculative and involves a high degree of risk. Before purchasing Shares in this Offering, you should carefully review this entire Memorandum and the documents and information attached hereto as exhibits and especially the information contained in the section captioned “Risk Factors” beginning on page 13.**

**NONE OF THE SECURITIES THAT ARE OFFERED HEREBY HAVE BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION OR ANY OTHER REGULATORY AUTHORITY. nONE OF THE FOREGOING AUTHORITIES HAVE PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING OR THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Security | Number of Shares | Price Per Share | Total Proceeds | Estimated Net Proceeds[1] |
| Shares (minimum offering) | 1 | $2,000 | $2,000 | $2,000 |
| Shares (maximum offering) | 250 | $2,000 | $500,000 | $500,000 |

**Notice to Offerees**

This Memorandum does not constitute an offer to sell or the solicitation of an offer to buy the Shares in any jurisdiction in which such offer or solicitation would be unlawful.

No person has been authorized to give any information or to make any representations other than those contained in this Memorandum or in the definitive Subscription Agreement. If given or made, such information or representations must not be relied upon. The delivery of this Memorandum at any time does not imply that information herein is correct as of any time subsequent to the date hereof. We have not undertaken any obligation to update or supplement this Memorandum.

This Memorandum contains summaries or explanations of certain documents that govern or are otherwise related to the transaction described herein. Such summaries or explanations are believed to be accurate. However, reference is hereby made to the actual documents in their entirety (copies of which accompany this Memorandum or are available for inspection at our offices). All such summaries or explanations, and the other statements and information set forth in this Memorandum are qualified in their entirety by reference to such documents.

Before you purchase any Shares, you should conduct an independent investigation of the risks posed by an investment in the Shares. You and, as applicable, your representatives, may ask questions of our officers about any aspect of this Offering and may obtain from them, to the extent that they possess such information or can acquire it without unreasonable effort or expense, any additional information necessary to verify information set forth in this Memorandum.

You have the opportunity to ask questions and receive answers from us concerning the terms and conditions of this Offering, the Company and our business and to obtain any appropriate additional information necessary to verify the accuracy of the information contained in this Memorandum or for any other purpose relevant to a prospective investment in the Shares. All communications or inquiries relating to this Memorandum should be directed to:

|  |
| --- |
| [company name]  [company address]  [memorandum point of contact] [title of the person]  [phone number]  [e mail address] |

The Shares would be offered subject to (1) withdrawal, cancellation, or modification by us without notice; (2) the terms and conditions described in this Memorandum; (3) prior sale; and (4) our right to reject any subscription in whole or in part or to allot less than the number of Shares that have been subscribed for.

You could be unable to liquidate your investment in the Shares if you wished to do so, whether because of an emergency that befell you or for any other reason, due to the substantial restrictions on transfer imposed under federal and state securities laws and the Company’s Shareholders Agreement on resale of the Shares. The suitability standards and requirements established in this Memorandum and the subscription documents attached hereto are the minimum standards and requirements for qualification of investors in this Offering and the satisfaction of such standards does not necessarily mean that an investment in the Shares is a suitable investment for any particular investor.

Prospective investors who choose not to pursue this investment are asked to immediately return this Memorandum, together with any other materials relating to the Company, which the prospective investor may have received from us, or our representatives, to us at the address above.

Explanatory Notes

The information contained herein has been prepared to assist interested parties in making their own evaluation of us and does not purport to contain all the information that a prospective investor may desire. The information in this Memorandum is for background purposes only and is subject to change. In all cases interested parties should conduct their own investigation, analysis and evaluation of us and the data set forth in this Memorandum. The information in this Memorandum has not been independently verified and was provided by us and other sources deemed by us to be reliable. We have no legal commitment or obligation to any prospective investor reviewing this Memorandum or making an offer to invest in the Company, unless a written subscription agreement for the investment has been fully executed and delivered to us and approved and accepted in writing by us, and any conditions to our obligations thereunder have been satisfied or waived.

IMPORTANT INVESTOR NOTICES

THE SHARES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”) AND APPLICABLE STATE LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. YOU SHOULD BE AWARE THAT YOU MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

THIS OFFERING IS BEING MADE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT FOR AN OFFER AND SALE OF SECURITIES THAT DOES NOT INVOLVE A PUBLIC OFFERING. THIS MEMORANDUM IS PERSONAL TO YOU AND DOES NOT CONSTITUTE AN OFFER TO ANY OTHER PERSON OR TO THE PUBLIC GENERALLY TO SUBSCRIBE FOR OR OTHERWISE ACQUIRE THE SHARES.

NO PERSON IS AUTHORIZED, IN CONNECTION WITH THIS OFFERING, TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION NOT CONTAINED IN THIS MEMORANDUM AND, IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY US. THE INFORMATION CONTAINED HEREIN IS AS OF THE DATE OF DELIVERY TO YOU AND IS SUBJECT TO CHANGE, COMPLETION OR AMENDMENT WITHOUT NOTICE. NEITHER THE DELIVERY OF THIS MEMORANDUM AT ANY TIME NOR ANY COMMITMENT TO ENTER INTO ANY FINANCING SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE INFORMATION SET FORTH HEREIN OR IN THE AFFAIRS OF THE COMPANY SINCE THE DATE HEREOF. THIS MEMORANDUM SUPERSEDES ANY DOCUMENTS PREVIOUSLY SUPPLIED TO YOU CONCERNING THE COMPANY AND THE TERMS AND CONDITIONS OF THE OFFERING BEING MADE HEREBY.

THIS CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM HAS BEEN REPRODUCED IN LIMITED QUANTITIES AND MAY NOT BE REPRODUCED OR DELIVERED TO ANYONE OTHER THAN YOU OR YOUR ADVISORS, AND MUST BE TREATED AS CONFIDENTIAL INFORMATION BY YOU AND YOUR ADVISORS. THE INFORMATION CONTAINED HEREIN CONSTITUTES OUR PROPRIETARY INFORMATION. ANY OFFER EXTENDED HEREBY IS PERSONAL TO YOU AND MAY NOT BE ACCEPTED BY ANY OTHER PERSON.

IN MAKING AN INVESTMENT DECISION REGARDING THE SHARES OFFERED HEREBY, YOU MUST RELY ON YOUR OWN EXAMINATION OF THE COMPANY AND THE TERMS OF THIS OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE CONTENTS OF THIS MEMORANDUM ARE NOT TO BE CONSIDERED AS LEGAL, BUSINESS OR TAX ADVICE. YOU SHOULD CONSULT YOUR OWN COUNSEL, ACCOUNTANT AND OTHER ADVISORS AS TO LEGAL, TAX, BUSINESS, FINANCIAL AND RELATED ASPECTS OF A PURCHASE OF THE SHARES.

THE DISTRIBUTION OF THIS MEMORANDUM AND THE OFFER AND SALE OF THE SHARES MAY BE RESTRICTED BY LAW IN CERTAIN JURISDICTIONS. YOU MUST INFORM YOURSELF ABOUT, AND OBSERVE, ANY SUCH RESTRICTIONS. WE ARE NOT MAKING ANY REPRESENTATION TO YOU REGARDING THE LEGALITY OF ANY INVESTMENT IN THE COMPANY BY YOU UNDER APPLICABLE LEGAL INVESTMENT OR SIMILAR LAWS.

THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY OF THE SHARES TO YOU IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO MAKE SUCH AN OFFER OR SOLICITATION.

THIS MEMORANDUM CONTAINS SUMMARIES BELIEVED TO BE ACCURATE IN ALL MATERIAL RESPECTS WITH RESPECT TO CERTAIN TERMS OF CERTAIN DOCUMENTS, BUT REFERENCE IS MADE TO THE ACTUAL DOCUMENTS (COPIES OF WHICH WILL BE MADE AVAILABLE WITHOUT CHARGE TO THE POTENTIAL INVESTOR UPON REQUEST TO THE COMPANY) FOR COMPLETE INFORMATION WITH RESPECT THERETO, AND ALL SUCH SUMMARIES ARE QUALIFIED IN THEIR ENTIRETY BY SUCH REFERENCE.

WE RESERVE THE RIGHT, IN OUR SOLE DISCRETION AND FOR ANY REASON WHATSOEVER, TO MODIFY, AMEND OR WITHDRAW ALL OR ANY PORTION OF THIS OFFERING AND ACCEPT OR REJECT IN WHOLE OR IN PART ANY PROSPECTIVE INVESTMENT IN THE SHARES OR TO ALLOT LESS THAN THE NUMBER OF SHARES THAT YOU MAY PURCHASE. WE WILL HAVE NO LIABILITY WHATSOEVER TO YOU IF ANY OF THE FOREGOING SHALL OCCUR. WE MAY NOT SELL ANY SHARES OR ACCEPT ANY OFFER TO PURCHASE SHARES UNTIL WE HAVE DELIVERED TO YOU AND YOU HAVE EXECUTED THE SUBSCRIPTION AGREEMENT REFLECTING THE DEFINITIVE TERMS AND CONDITIONS OF THIS OFFERING. YOU SHOULD CAREFULLY REVIEW THE FULL TEXT OF THE SUBSCRIPTION AGREEMENT AND ALL OTHER DOCUMENTS AND AGREEMENTS PROVIDED TO YOU IN CONNECTION WITH THIS OFFERING PRIOR TO PURCHASING SHARES.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

NOTICE TO FLORIDA INVESTORS:

The Shares HAVE NOT been registered under the Florida Securities and Investor Protection Act. If you are a Florida resident and you subscribe for any Shares, you will have the right to withdraw your subscription and to receive a full refund of all monies paid within 3 business days after the subscription agreement is executed or payment for the Shares is made, whichever is later. A withdrawal will be without any further liability to you. To accomplish a withdrawal, you need only send a letter to us indicating your intention to withdraw. Such letter should be sent and postmarked prior to the end of the aforementioned third day. The letter should be mailed certified mail, return receipt requested, to ensure its receipt and to evidence the time of mailing.

NOTICE TO NEW HAMPSHIRE INVESTORS:

Neither the fact that a registration statement or an application for a license has been filed under Chapter 421-B of the New Hampshire Revised Statutes with the State of New Hampshire nor the fact that a security is effectively registered or a person is licensed in the State of New Hampshire constitutes a finding by the Secretary of State that any document filed under Chapter 421-B is true, complete and not misleading. Neither any such fact nor the fact that an exemption or exception is available for a security or a transaction means that the Secretary of State has passed in any way upon the merits or qualifications of, or recommended or given approval to, any person, security or transaction. It is unlawful to make, or cause to be made, to any prospective purchaser, customer, or client any representation inconsistent with the provisions of this paragraph.

NOTICE TO NON-UNITED STATES RESIDENTS:

IT IS YOUR RESPONSIBILITY TO SATISFY YOURSELF AS TO FULL OBSERVANCE OF THE LAWS OF ANY RELEVANT TERRITORY OR JURISDICTION OUTSIDE THE UNITED STATES IN CONNECTION WITH ANY PURCHASE OF THE SHARES, INCLUDING, WITHOUT LIMITATION, OBTAINING ANY REQUIRED GOVERNMENTAL OR OTHER CONSENTS OR OBSERVING ANY OTHER APPLICABLE REQUIREMENTS.

**Confidentiality**

By accepting delivery of this Memorandum, you acknowledge and agree that all of the information contained herein is of a confidential nature and has been furnished to you for the sole purpose of enabling you to consider and evaluate an investment in the Shares. You agree that you will treat such information in a confidential manner, will not use such information for any purpose other than evaluating an investment in the Shares, and will not, directly or indirectly, disclose or permit your agents, representatives or affiliates to disclose any of such information without our prior written consent. You also agree to make your agents, affiliates and representatives aware of the confidential nature of the information contained herein and the terms of this paragraph, including your agreement to not disclose such information and to be responsible for any disclosure or other improper use of such information by such agents, affiliates or representatives. Likewise, without our prior written consent, you agree that you will not, directly or indirectly, make any statements, public announcements or other release or provision of information in any form to any trade publication, to the press or to any other person or entity whose primary business is or includes the publication or dissemination of information related to the subject matter of this Memorandum. If you decide not to pursue further investigation of the Company or to not participate in the Offering, you agree to promptly return this Memorandum and any accompanying documentation (and all copies thereof) to us.

Notwithstanding the foregoing confidentiality agreement, the recipient of this Memorandum, each of our members, and their respective employees, representatives, and agents are authorized to disclose the tax treatment and tax structure of the transactions described herein to their respective advisors, without limitation of any kind. You may disclose information contained herein to the extent (but only to the extent) that it relates to the tax treatment or tax structure of the transactions described herein. This authorization is not intended to permit disclosure of any other information included herein or obtained by you in connection to this Offering to the extent not related to the tax treatment or the tax structure of such transactions including the identities or financial information of any kind of current, future or potential members of the Company.

**Cautionary Language Regarding Forward-Looking Statements and Industry Data**

This Memorandum contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainties, many of which are beyond our control. Our actual results could differ materially and adversely from those anticipated in such forward-looking statements as a result of certain factors, including those set forth below and elsewhere in this Memorandum. Important factors that may cause actual results to differ from the financial targets set forth herein include:

· the availability and adequacy of our cash flow to meet our requirements;

· economic, competitive, demographic, business and other conditions in our markets;

· changes in laws, regulations or taxes

· actions taken or not taken by third-parties, including our suppliers, partners and competitors, as well as legislative, regulatory, judicial and other governmental authorities;

· competition in the computer software industry and the development of more efficient technologies

· the loss of or failure to obtain any license or permit;

· the unavailability of additional capital to support capital improvements and development; and

· other factors discussed under the section entitled “Risk Factors” on page 13 or elsewhere in this Memorandum.

All statements, other than statements of historical facts, included in this Memorandum regarding our strategy, future operations, financial position, estimated revenue or losses, projected costs, prospects and plans and objectives of management are forward-looking statements. When used in this Memorandum, the words “will,” “may,” “believe,” “anticipate,” “intend,” “estimate,” “expect,” “project,” “plan” and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. All forward-looking statements speak only as of the date of this Memorandum. We do not undertake any obligation to update any forward-looking statements or other information contained herein. Potential investors should not place undue reliance on these forward-looking statements. Although we believe that our plans, intentions, and expectations reflected in or suggested by the forward-looking statements in this Memorandum are reasonable, we cannot assure potential investors that these plans, intentions or expectations will be achieved. We disclose important factors that could cause our actual results to differ materially from our expectations under “Risk Factors” and elsewhere in this Memorandum. These cautionary statements qualify all forward-looking statements attributable to us or persons acting on our behalf.

Information regarding market and industry statistics contained in this Memorandum is included based on information available to us that we believe is accurate. It is generally based on academic and other publications that are not produced for purposes of securities offerings or economic analysis. We have not reviewed or included data from all sources, and we cannot assure potential investors of the accuracy or completeness of the data included in this Memorandum. Forecasts and other forward-looking information obtained from these sources are subject to the same qualifications and the additional uncertainties accompanying any estimates of future market size, revenue and market acceptance of products and services. We have no obligation to update forward-looking information to reflect actual results or changes in assumptions or other factors that could affect those statements.

**[company name]**

**CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM**

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EXHIBITS:

Exhibit A: Form of Subscription Agreement

Exhibit B: Shareholders Agreement

**I.** **EXECUTIVE SUMMARY**

*The following summary is qualified in its entirety by the more detailed information and financial data appearing elsewhere in this Memorandum and the Exhibits hereto, including information under “Risk Factors” and under “Cautionary Language Regarding Forward-Looking Statements and Industry Data.”*

**[company name]**

**Executive Summary**

**Founding / Vision:**

.

**Executive Management of The Company / Team Roles:**

**[Name of person] – [Role of the person]**

[a paragraph explanation of the person and their role]

**Target Market:**

.

**Business Model:**

**Competition and [company name]’s Advantages:**

**Software Development Progress - Alpha, Beta and 1.0 Beyond:**

**II. SUMMARY OF OFFERING**

*We are privately offering Shares, to qualified investors on the proposed terms set forth herein. This summary of the proposed terms of the Offering is qualified in its entirety by more detailed information appearing elsewhere in this Memorandum and by reference to the Subscription Agreement attached as Exhibit A.*

|  |  |
| --- | --- |
| **The Issuer:** | [company name], a Delaware C Type Corporation. |
| **The Offering:** | We are offering a Minimum of 1 Share and a Maximum of up to 250 Shares, at a purchase price of $2,000 per Share, which must be tendered to us in U.S. currency upon executing and delivering the Subscription Agreement (attached hereto as Exhibit A). The minimum purchase is one (1) Share ($2,000), although subscriptions for lesser amounts may be accepted in our sole discretion. |
| **Offering Period:** | This Offering may be terminated or closed upon the earlier of (i) written notice of cancellation provided by the Company to you, or (ii) at our option upon receipt of acceptable subscriptions totaling at least $2,000. The proceeds of this Offering will be held in an interest bearing account at Capital One Bank and not used by us until at least one of the above conditions have been met, whereupon all subscription funds would be available for our use in the case of clause (ii) above or returned to you in the case of clause (i) above. All subscriptions will be subject to our written acceptance. |
| **Risk Factors and Suitability:** | An investment in the Shares is not liquid, involves a high degree of risk and is suitable only for persons who can afford the loss of their entire investment. *See “Risk Factors” on page 13 and “Investor Suitability Requirements” on page 55.* |
| **Gross Proceeds:** | $500,000, assuming the Maximum number of Shares are sold; or $2,000, assuming the Minimum number of Shares are sold. We expect to incur approximately $0 in offering expenses which we expect to pay from the proceeds of the Offering. |
| **Use of Proceeds:** | After the payment of fees and expenses incurred by us in connection with this Offering, we would use the remaining proceeds received in this Offering for research, development, pre-construction, start-up operations, salaries and other related construction and beginning operations for the Company. Pending such uses and following the closing of the Offering, we expect to hold such funds in an interest bearing account at a national bank or to invest such proceeds in short-term, investment grade, interest-bearing securities or to use such proceeds for working capital and general corporate purposes. *See “Use of Proceeds” on page 12.* |
| **Capitalization:** | The current ownership structure of the Company is:   |  |  |  | | --- | --- | --- | |  | Shares Held | Percentage of Total Membership Interest | | The Company Team (Class A) |  | % | | Development Investors (Class B) |  | % | | Development Investors (Class C) |  | % | | Advisors (Profit Interest Shares) | 0 | 0% |   Class A, Class B Class C and Advisory Shares in the Company have been issued. The Shares issued in this Offering are Class C Shares, which are identical to Class A Shares in fractional ownership, rights, and privileges, except that Class B Shares carry the right to elect 1 Board of Director member instead of 5 Board of Director member as Class A.  If the Minimum number of Shares are sold in this Offering, the ownership structure as of the close of the Offering would be:   |  |  |  | | --- | --- | --- | |  | Shares Held | Percentage of Total Membership Interest | | [company name] Team (Class A) |  | % | | Development Investors (Class B) |  | % | | Development Investors (Class C) |  | % | | Advisors (Profit Interest Shares) |  | % |   If the Maximum number of Shares are sold in the Offering, the ownership structure as of the close of the Offering would be:   |  |  |  | | --- | --- | --- | |  | Shares Held | Percentage of Total Membership Interest | | [company name] Team (Class A) |  | % | | Development Investors (Class B) |  | % | | Development Investors (Class C) |  | % | | Advisors (Profit Interest Shares) |  | % | |
| **Subscription Procedure:** | In order to subscribe in this Offering, a qualified subscriber should:  1. Complete, execute and return to us one copy of the Subscription Agreement which contains certain representations, covenants, warranties and undertakings, all of which should be carefully considered by the subscriber before execution, attached to this Memorandum as Exhibit A.  2. Deliver to us, at the address or routing location listed in the Subscription Agreement, immediately available funds via wire transfer or certified check in an amount equal to the number of Shares subscribed for multiplied by $2,000 per Share. |
|  |  |
|  |  |

**III.** **FINANCING SUMMARY**

Use of Proceeds

We expect to raise a minimum of $2,000 and a maximum of $500,000 net proceeds from this Offering. We expect to use these proceeds for development of an personal information management program along with the title and registration technology and for working capital and general corporate purposes.

The foregoing discussion represents our estimate of our allocation of the net proceeds of this Offering based upon our current plans and estimates regarding anticipated capital expenditures. Actual expenditures could vary substantially from these estimates, and we may find it necessary or advisable to reallocate the net proceeds within the above-described uses or for other purposes. We may seek additional equity financing and/or debt financing in order to complete construction of the Company and commence commercial operations, but can provide no assurance that such financing will be available on favorable terms or at all.

**The cost estimates are tentative and subject to change. We have not yet initiated negotiations concerning a number of items contained in the above summary, and therefore actual costs may deviate substantially from current projections.**

**IV.** **RISK FACTORS**

*An investment in the Shares is highly speculative and involves a high degree of risk. Only those investors who can bear the risk of loss of their entire investment should participate. In addition to the other information in this Memorandum, prospective investors should carefully consider the following risk factors in evaluating an investment in the Company, although these are not the only risk factors faced by the Company. The following risks, together with additional risks and uncertainties not currently known to the Company or that the Company may deem immaterial, currently or in the future, could impair its financial position and results of operations.*

Risks Related to our Business Plan

**Change in Business Plan**

Our business plan has been based on our current understanding of the economy and on the facts known to us as of the date of this Memorandum. We are at an early stage in the development process and do not have all of the information required to determine whether the personal information management program(s) can be successfully created and maintained. There can be no assurance that we would not substantially alter or materially change our commercialization activities to respond to internal and external changes that may become evident in the future.

**We are dependent upon our officers and advisors for management and direction, and the loss of any of these persons could adversely affect our contemplated operations and results.**

We are dependent upon our officers and advisors for their experience and expertise in legal, security, entrepreneurial, governance, and economic fields and for other purposes essential to the execution of our contemplated business. The loss of any of our officers could have a material adverse effect upon the results of our contemplated operations and financial position. We do not maintain “key person” life insurance for any of our officers. The loss of any of our officers could delay or impair our ability to generate revenues and cause you to lose all or part of your investment.

The large number of tasks that need to be accomplished for the development of the personal information management program increases the possibility that such personal information management program will incur costly delays.

In order to complete development, and begin operations, we need to a number of other technologies and software programs:

[list the important milestones here]

We can provide no assurances that these technologies and partners will be available or can be obtained in a timely manner or at all.

We have no operating history.

We were formed in January 2012 to promote personal information management programs for businesses and individuals interested in expanding their companies in a business friendly environment. We care deeply about providing opportunities for growth and prosperity to those in the area we provide our services. By enabling companies to expand their technology and services into these new regions, the residents of that area benefit greatly. The Company has no experience in the development of personal information management programs or the following governance tasks. Because the Company has no operating history and no experience in the formation of personal information management programs or governance we may never succeed in developing the personal information management program or be profitable.

One advantage of locating the personal information management program near Austin, TX is the economic climate that is one of the best in the country. Unexpected geographical and economic variations may have an adverse impact on our personal information management program. We may lose a majority of our businesses and individuals to a better business environment. These unforeseen could impair our ability to generate revenues and cause you to lose all or part of your investment.

To develop our business, we would use the business relationships of management in order to form strategic relationships. These relationships may take the form of joint ventures with other private parties or local government bodies, contractual arrangements with other companies, or minority investments from third parties. There can be no assurances that we would be able to establish these strategic relationships, or, if established, that the relationships would be maintained, particularly if officers leave our Company.

In addition, the dynamics of our relationships with strategic partners may require us to incur expenses or undertake activities we would not otherwise be inclined to incur or undertake in order to fulfill our obligations to these partners or maintain these relationships. If we do not successfully establish or maintain strategic relationships, we could delay or impair our ability to generate revenues and cause you to lose all or part of your investment.

**We may need to increase cost estimates for developing a personal information management program and relating operating costs, and such increase could result in devaluation of our Shares if development of our personal information management program requires more capital than anticipated.**

**Negotiation and milestone delays could result in devaluation of our Shares.**

Accordingly, we may not be able to implement our business strategy as planned or at all, which could delay or impair our ability to generate revenues and cause you to lose all or part of your investment.

Risks Related to the title Business

**The title market may not accept the approach the Company is taking, which could have a material adverse impact on our contemplated business plan and our results of operations.**

We would likely face market competition from new market entrants in our immediate geographic area.

The Company could be subject to numerous governmental regulations, which could harm our financial performance.

Our contemplated competitive position, financial position and results of operations may be adversely affected by technological advances.

**The U.S. title and personal information management program industry is highly dependent upon a myriad of federal and state legislation and regulation and any changes in legislation or regulation could materially and adversely affect our results of operations and financial position.**

We may be adversely affected by environmental, health and safety laws, regulations and liabilities. As we pursue our business plan, we will become subject to various federal, state and local laws and regulations. In addition, some of these laws and regulations require the Company to operate under permits that are subject to renewal or modification. These laws, regulations and permits could limit the number of hours that the Company is permitted to operate. A violation of these laws and regulations or permit conditions can result in substantial fines, criminal sanctions, permit revocations and/or Company shutdowns.

In addition, new interpretations of existing laws, increased governmental enforcement of laws, or other developments could require us to make additional significant expenditures. Present and future laws and regulations (and interpretations thereof) applicable to our operations, more vigorous enforcement policies and discovery of currently unknown conditions may require substantial expenditures that could delay or impair our ability to generate revenues and cause you to lose all or part of your investment.

Risks Related to Conflicts of Interest

**Our officers have other business and management responsibilities that may cause conflicts of interest in the allocation of their time and services to our Company.**

Our officers have other management responsibilities and business interests apart from the Company. Therefore, they may experience conflicts of interest in allocating their time and services between us and their other business responsibilities. In addition, conflicts of interest may arise if the officers, either individually or collectively, hold a substantial percentage of the Shares because of their position to influence substantially our business and management.

There is no provision in our Shareholders Agreement materially limiting or restricting us from entering into any agreement with a former or current managing member or officer of the Company. We may enter into additional agreements with parties related to us in the future.

**We may have conflicting financial interests with some of our officers.**

One or more of our management team members may be compensated to advise other companies on certain matters. Consequently, the terms and conditions of our agreements and understandings with officers would not be negotiated at arm’s length. Therefore, there is no assurance that our arrangements with such parties are as favorable to us as could have been if obtained from unaffiliated third parties.

**The Company and officers may have conflicting interests.**

The Company may be involved as owner, creditor, advisor, partner, marketers, and in other capacities with other personal information management program, real estate, title, registration businesses in the United States. We cannot require them to devote their full time or attention to our activities. As a result, they may have, or come to have, a conflict of interest in allocating time, materials and other resources to our company.

Risks Related to Our Membership Interests

**We may need additional funding and such funding may not be available. Even if such funding is available, it may not be offered to us on satisfactory terms.**

We will need additional capital in the future to sufficiently fund our development, construction and operations, and if needed, we may not be able to obtain additional capital on terms favorable to us. We expect to increase our operating expenses over the period of development and building of the Company.

Based upon our projected activities, we currently believe the net proceeds of $500,000 would be sufficient to support our current operating plan and general corporate overhead until construction is completed. However, if this plan changes or costs increase, we may require additional financing sooner. This financing may not be available on terms favorable to us or our investors, which would negatively affect the existing shareholders. If adequate funds are not available, we may not be successful in executing our business plan as anticipated.

We cannot assure investors that additional financing will not be needed beyond our current and projected needs or will be available when required and, if available, that it would be on terms satisfactory to the Company. Future financings may be dilutive to you. If the Company is unable to generate sufficient cash flow and is otherwise unable to obtain funds necessary to meet our projected funding requirements, this would have a material adverse effect on our business, financial results and results of operations.

**Employee indemnification could reduce our assets.**

Our Shareholders Agreement provides generally that our members, managers, officers and agents may be indemnified and held harmless by us under certain circumstances. *See Description of Indemnification Rights and Shareholders Agreement.* All amounts we pay by reason of the foregoing indemnification provisions would be paid out of our assets which could substantially reduce our assets available for development, construction and operations and reduce distributions to you.

**Our financial projections may differ materially from actual results and there can be no assurance that actual events correspond with the assumptions.**

Any financial projections provided with regard to our operations are based on estimates and may differ materially from actual results and may have been based upon assumptions made by us without the assistance of accounting and financial professionals. As such, there has been no independent review of any projections.

The assumptions upon which the projections may be based are subject to variations, many of which are beyond our control. There can be no assurance that actual events will correspond with any assumptions, and actual results for any given period may be materially adverse as compared to the results set forth in any projections. While any projections may represent our current estimates of future operating results based upon circumstances presently expected to exist and our own expected course of action, neither we nor any other person or entity makes any representation or warranty as to any projections or our future profitability. Actual results may vary substantially and adversely from the projections.

Investors should not anticipate receiving cash disbursements on the Shares in the near term. We have never declared or paid any cash distributions on our membership interests. We have, to date, generated no revenue. We do not contemplate generating any revenue for at least two years. During that time, we anticipate incurring substantial expenses relating to business operations and the planning, construction, and operation of the Company. We currently intend to retain any revenue as retained earnings to support operations and therefore do not anticipate paying any cash distributions on the Shares in the foreseeable future.

**We are not experienced in selling securities and no one has agreed to assist us or purchase any Shares that we cannot sell ourselves, which may result in the failure of this Offering.**

We are making this Offering on a “best efforts” basis, which means that we will not use an underwriter or placement agent. We have no firm commitment from any prospective buyer to purchase our Shares and there can be no assurance that the Offering will be successful. We plan to offer the Shares directly to investors. We plan to solicit only persons with whom we have a prior existing relationship, and do not plan to advertise in local media, by mailing or by holding informational meetings. This may limit our ability to raise the required investment amount.

Our officers have significant responsibilities in their primary occupations in addition to trying to raise capital. These individuals have no broker-dealer experience and have limited or no experience with offerings of securities. There can be no assurance that our officers will be successful in securing investors for the offering or in consummating future equity raises.

**Investors will not be allowed to withdraw their investments - which means that you should invest only if you are willing to have your investment unavailable to you for an indefinite period of time. The Shares are subject to substantial restrictions on transfer.**

You should only invest in us if you are willing to have your investment be unavailable for the foreseeable future. If our Offering succeeds, your investment will be denominated in our Shares. There are significant transfer restrictions on our Shares. You will not have a right to withdraw from the Company and demand a cash payment from us.

**There is no public market for our Shares.**

The Shares offered are being offered in a private placement and have not been registered with the Securities and Exchange Commission under the Securities Act of 1933 (or under any state securities laws), and may not be resold without registration with the SEC or the availability of an applicable exemption. As there can be no assurance as to the development or liquidity of any market for the Shares, you must treat an investment in the Shares as a long-term investment and expect to bear the economic risks of an investment in the Shares for an indefinite period.

**The Offering price of this Offering is not indicative of future market prices.**

Investors purchasing Shares in this Offering will pay a price that was not established in a competitive market or by an independent valuation. The pricing was established by the Managing Member based on financing needs and the amount of dilution that it was willing to suffer. Investors may not be able to sell their Shares at or above the Offering price, if at all. We did not obtain an independent appraisal opinion on the valuation of the Shares. The Shares may have a value significantly less than the Offering price and there is no guarantee that the Shares will ever obtain a value equal to or greater than the Offering price.

The value of the Shares may fluctuate significantly in response to factors, some of which are beyond our control, including the risk factors outlined in this Memorandum and:

· actual or anticipated variations in operating results;

· the limited number of holders of the Shares,

· changes in financial estimates and delays in construction and operation;

· changes in the economic performance and/or market valuations of other title companies;

· our announcement of significant acquisitions, strategic partnerships, joint ventures or capital commitments;

· additions or departures of key personnel; and

· sales or other transactions involving the Shares.

We may conduct future offerings of a large number of Shares, including Senior Shares, which could dilute the value of Shares issued in connection with this Offering. Additional equity financing will be needed to complete the Company. As a result, we may undertake additional offering(s) of shares subsequent to this Offering. The terms of such offerings may diminish the value of the Shares issued under the current Offering. The terms and pricing of the subsequent offerings may result in a dilution of book value of the Shares issued in the connection with the current Offering.

Our Articles of Organization authorize the Managing Member to issue Senior Shares, without the vote or consent of the members, that provide the holders of such Senior Shares with better or additional rights over the holders of other Shares, including the Shares that you are purchasing in this Offering. This preference could apply to cash disbursement, liquidation and other important rights and preferences, and may grant the holders of Senior Shares special voting and other rights, such as anti-dilution protection, or require the Company to redeem such Shares at certain times or upon the happening of certain events, or provide anti-dilution or other rights. The holders of these Senior Shares may have significant voting power and may take actions that may not be in the best interests of other members.

**The Shares sold in this Offering may suffer immediate and significant dilution.**

Our current capitalization level is minimal, and the new members purchasing membership Shares in this Offering will have as little as a 0.01% interest in the Company (which will be subject to further dilution). The value of your investment will be diluted by the officers, who will own as much as 99.99% of the Company as of the close of this Offering but will not contribute additional cash at the time of the Offering.

**We have broad discretion over the use of the net proceeds of this Offering. Our management will determine, but without the need for member approval, how to allocate a significant portion of these proceeds. If we do not wisely allocate the proceeds, our business plan could be materially and adversely affected.**

**Risks Related to Tax Issues**

**YOU SHOULD CONSULT YOUR OWN TAX ADVISOR CONCERNING THE IMPACT THAT YOUR PARTICIPATION IN THE COMPANY MAY HAVE ON YOUR FEDERAL INCOME TAX LIABILITY AND THE APPLICATION OF STATE AND LOCAL INCOME AND OTHER TAX LAWS TO YOUR PARTICIPATION IN THIS OFFERING.**

**IRS classification of us as a corporation rather than as a partnership would result in higher taxation and reduced profits, which could reduce the value of your investment in us.**

We are a Delaware C Type Corporation that has elected to be taxed as a partnership. For federal and state income tax purposes, the income, gain, loss, deduction and credit will be passed through to the holders of the Shares. However, if for any reason the IRS successfully determined that we should be taxed as a corporation rather than as a partnership, we would be taxed on our net income at rates of up to 35% for federal income tax purposes, and all items of our income, gain, loss, deduction and credit would be reflected only on our tax returns and would not be passed through to the holders of the Shares. If we were to be taxed as a corporation for any reason, distributions we make to investors would be treated as ordinary dividend income to the extent of our earnings and profits, and the payment of dividends would not be deductible by us, thus resulting in double taxation of our earnings and profits. *See “Discussion of Tax Consequences of the Investment” on page 46*. If we pay taxes as a corporation, we will have less cash to distribute as a distribution to our Shareholders.

**The IRS may classify your investment as passive activity income, resulting in your inability to deduct losses associated with your investment.**

If you are not involved in our operations on a regular, continuing and substantial basis, it is likely that the Internal Revenue Service will classify your interest in us as a passive activity. If an investor is either an individual or a closely held corporation, and if the investor’s interest is deemed “passive activity,” then the investor’s allocated share of any loss we incur will be deductible only against income or gains the investor has earned from other passive activities. Passive activity losses that are disallowed in any taxable year are suspended and may be carried forward and used as an offset against passive activity income in future years. These rules could restrict an investor’s ability to deduct currently any of our losses that are passed through to such investor.

**Income allocations assigned to an investor’s Shares may result in taxable income in excess of cash distributions, which means you may have to pay income tax on your investment with personal funds.**

Investors would pay tax on their allocated shares of our taxable income. An investor may receive allocations of taxable income that result in a tax liability that is in excess of any cash distributions we may make to the investor. Among other things, this result might occur due to accounting methodology, lending covenants that restrict our ability to pay cash distributions, or our decision to retain the cash generated by the business to fund our operating activities and obligations. We may not be able to make distributions of cash in order to cover your potential tax liability. Accordingly, investors may be required to pay some or all of the income tax on their allocated shares of our taxable income with personal funds.

**An IRS audit could result in adjustments to our allocations of income, gain, loss and deduction causing additional tax liability to our members.**

The IRS may audit our income tax returns and may challenge positions taken for tax purposes and allocations of income, gain, loss and deduction to investors. If the IRS were successful in challenging our allocations in a manner that reduces loss or increases income allocable to investors, you may have additional tax liabilities. In addition, such an audit could lead to separate audits of an investor’s tax returns, especially if adjustments are required, which could result in adjustments on your tax returns. Any of these events could result in additional tax liabilities, penalties and interest to you, and the cost of filing amended tax returns.

***Investors are not to construe this discussion or any other materials provided to him or her as constituting legal or tax advice. Before making any decision to invest in us, investors should read all materials provided and consult with their own investment legal, tax and other professional advisors.***

***An investor should be aware that we will assert that the investor consented to the risks and the conflicts of interest described or inherent herein if the investor brings a claim against us or any of our officers, managers, employees, advisors, agents or representatives.***

**If this discussion does not satisfy your requirements for information, contact us for further information.**

Each recipient of the subscription package is encouraged to take the opportunity to ask questions of, and receive answers from us concerning our business operations, the terms and conditions of this Offering, and to obtain additional information, to the extent that it is possessed or obtainable without unreasonable effort or expense, necessary to verify the accuracy of the information provided. Any prospective investors having any questions regarding this Offering or desiring any additional information or documents to verify or supplement the information contained herein, should contact [name of founder], [role in the company], [company name], [company address]

**VII.** **DESCRIPTION OF SECURITIES**

Membership Shares Issued and Outstanding Immediately after the consummation of the Offering there would be 1Shares of our Class C issued and outstanding assuming the sale of the Minimum amount in the Offering, and 250 Shares of our Class C issued and outstanding assuming the sale of the Maximum amount in the Offering.

Description of Class C Membership Shares rights and characteristics as the Class A Membership Interests currently held by The Company, except that the C Class Shares would elect one (1) Board of Directors member instead of five (5).

The following description of the rights and characteristics of the Shares is derived from various provisions of our Certificate of Formation and Shareholders Agreement as well as provisions of applicable law. This description is not intended to be complete and is qualified in its entirety by reference to the relevant provisions of our Certificate of Formation and Shareholders Agreement.

**Voting Rights**

Each Member has the right and power to vote, according to his or her Percentage Interests, on all matters requiring a vote or the consent and approval of Members under the Agreement or the non-waivable provisions of the Delaware C Type Corporation Act, or presented for a vote or consent by the Managing Member. The vote of the Members holding a majority of the Percentage Interests is required to approve or carry any action, except that a vote by 66 2/3%of the outstanding percentage interests is required to approve any amendment of the Company’s

· acquiring and disposing of Company assets,

· opening and maintaining bank and investment accounts for the Company,

· determining the amount and timing of distributions to the Members,

· incurring debt on the Company’s behalf, and

· issuing, classifying, and/or reissuing Shares, up to 20,000 shares of the Company in any class and with any preferential, distribution, liquidation, voting, redemption, or other rights.

Regular or annual meetings are held once per year, but if they are held, notice must be sent at least 10 and no more than 60 days in advance to each member entitled to vote. Any required member approval may be obtained in a meeting or over the telephone or similar conferencing communications equipment, so long as all members can hear each other. Action may also be taken without a meeting and without notice, if a written consent stating the action to be taken is signed by the holders of the minimum membership interest needed to approve the action. A vote by 66 2/3%of the outstanding percentage interests is required to approve certain extraordinary transaction, such as amendment of the Shareholders Agreement or certificate of formation or sale, merger, or dissolution of the Company.

**Right of First Offer**

Shares that may be transferred are subject to a right of first offer by the other members prior to any sale to any person who is not already a member. At any time that there is a controlling shareholder in the Company (as there would be at the close of this Offering), the shares held by the non-controlling shareholders would be subject to tag-along rights, which allow the non-controlling shareholders to require the controlling shareholder to sell the non-controlling shareholders’ shares on the same terms as the controlling shareholder’s shares in any change of control transaction, and drag-along rights, which allow the controlling shareholder to require the non-controlling shareholders to sell the non-controlling shareholders’ shares on the same terms as the controlling shareholder’s shares in any change of control transaction

**Disbursement Rights**

The holders of the Shares are entitled to share pro rata in all disbursements that the Manager, in its sole discretion, declares from legally available funds. In the event of liquidation, dissolution, or winding up, each outstanding Class A, Class B, or Class C Share entitles its holder to participate in accordance with its capital accountin all assets that remain after payment of liabilities, until each capital account balance is reduced to zero after which participation in the remaining assets would be pro rata in accordance with Share ownership.

**Preemptive Rights**

Members do not have preemptive rights.

**VIII. DESCRIPTION OF INDEMNIFICATION RIGHTS**

Indemnification; Limitation of Liability

We have chosen to indemnify our current and former managers, members and officers to the fullest extent permitted by Delaware law. Our Shareholders Agreement includes an indemnification provision under which we have committed to indemnify our managers (including our managing member), members and officers (including heirs and personal representatives) against all costs, charges and expenses actually and reasonably incurred, including an amount paid to settle an action or satisfy a judgment to which such person is made a party by reason of being or having been a manager, member or officer of the Company, in connection with any actions taken in good faith, in a manner such person reasonably believed to be in or not opposed to the best interest of the Company and, with respect to any criminal action or proceeding, provided that such person had no reason to believe his or her conduct was unlawful. However, no indemnification shall be made in respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable to the Company. Expenses may be paid to such person in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such person to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the Company.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted for our directors, officers and controlling persons pursuant to the foregoing provisions, or otherwise, we have been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable

All amounts we pay by reason of the foregoing indemnification provisions and limitation on liability would be paid out of our assets which could substantially reduce our assets available for operations and reduce distributions to the prospective investor. The Shareholders Agreement limits the liability of our managers (including our managing member), members, and officers with respect to any debt, obligation, or liability of the Company arising in contract, tort, or otherwise, for which such person is alleged to be obligated personally, solely by reason of being a manager, member, of officer of the Company. Our failure to observe any formalities or requirements relating to the exercise of our powers or the management of our business or affairs shall not be grounds for imposing personal liability on any of our managers, members or officers for our liabilities.

No manager, member or officer shall be liable to any other officer, the Company or any member for any loss suffered by the Company unless such loss is caused by such officer's, manager’s, or member’s gross negligence, willful misconduct, violation of law or material breach of the Shareholders Agreement. The officers, managers and members shall not be liable for errors in judgment or for any acts or omissions that do not constitute gross negligence, willful misconduct, violation of law or material breach of the Shareholders Agreement. Any officer, manager or member may consult with counsel and accountants in respect of Company affairs, and provided such officer, manager or member acts in good faith reliance upon the advice or opinion of such counsel or accountants, such officer, manager or member shall not be liable for any loss suffered by the Company in reliance thereon.

**IX. DESCRIPTION OF SHAREHOLDERS AGREEMENT**

The Shares would be subject to the Shareholders Agreement, attached as Exhibit B, which has been entered into by The Company as the current Managing Member. In order for you to receive any Shares purchased by you in this Offering you must agree to be bound by the terms of the Shareholders Agreement and must attest to such agreement by executing and delivering the Joinder Agreement attached thereto. Some of the material terms of the Shareholders Agreement are summarized below.

**Authority of Managing Member**

The Managing Member has the authority, power, and right to act for the Company on all matters not requiring a vote of the Members and has the sole right to manage the business and carry out the purposes of the Company, including the right to:

· acquire and dispose of Company assets,

· open and maintain bank and investment accounts for the Company,

· determine the amount and timing of distributions to the Members,

· incur debt on the Company’s behalf,

· and issue, classify, and/or reissue Shares, up to 20,000 Shares of the Company in any class and with any preferential, distribution, liquidation, voting, redemption, or other rights.

The Managing Member can be removed only for “Cause” and then only with the vote or consent of Members holding at least 66 2/3% of the Shares outstanding at the time of the vote or consent. “Cause” means fraud, bad faith, gross negligence or willful misconduct or an act or omission constituting an uncured material breach of the Shareholders Agreement by the Managing Member, which act, omission or breach directly causes material harm to the Company or the Members; but Cause does not include any matter cured by the Managing Member or any material breach effected in good faith and in a manner reasonably believed to be in the best interest of the Company, and which the Managing Member attempts to cure in good faith. Formation or the Shareholders Agreement or any sale of all or substantially all of the assets of the Company, or any merger or consolidation, liquidation or dissolution of the Company.

**Allocations and Distributions**

The allocation of profits and losses of the Company for tax purposes among the Members would be pro rata according to the number of shares held. Operating cash and other distributions would be distributed among the Members pro rata according to the number of shares held. Liquidating distributions will be made first to creditors, then to the Members according to the balances in their capital accounts until the capital account balances are reduced to zero, and then pro rata to the Members according to the number of shares held. Distributions can be withheld from any Member, at the discretion of the Managing Member, in the amount required to pay or reimburse the Company for any tax attributable to such Member, paid by the Company, or in any other amount owed to the Company.

**Term of Existence and Dissolution**

The Company will exist in perpetuity, or until dissolved, which will occur only in the event that (i) Members holding 2/3 of the outstanding Shares vote to dissolve the Company, (ii) the Company ceases to own any interest in the Company, (iii) a decree of judicial dissolution is ordered; or (iv) there have been no Members for at least 180 days.

**X. DISCUSSION OF TAX CONSEQUENCES OF THE INVESTMENT**

***THE PRIMARY BENEFIT EXPECTED TO BE ACHIEVED FROM AN INVESTMENT IN THE COMPANY IS CAPITAL APPRECIATION AND INCOME AND NOT TAX BENEFITS. THEREFORE, INVESTORS SHOULD NOT RELY ON THE REALIZATION OF TAX BENEFITS IN THEIR DETERMINATION OF WHETHER TO INVEST IN THE COMPANY.***

The following is a summary of some of the Federal income tax considerations relating to an investment in the Company, based upon the Internal Revenue Code of 1986, as amended (the “Code”), the regulations promulgated under the Code (Treasury Regulations), court decisions, and published IRS rulings that are in effect on the date of this Private Placement Memorandum, any of which could be changed at any time. Any such change could be retroactive and have a detrimental impact on the Members for prior, as well as future, Company transactions and tax years. Moreover, any such change may affect the accuracy of any statements in this discussion. A complete discussion of all of the Federal, as well as any state, local, foreign and other tax consequences of investing in the Company is beyond the scope of this summary. We do not make any representations regarding the tax consequences of the Company’s operations. Except as specifically indicated, the following general discussion assumes that each Member is an individual who is a U.S. citizen or resident that is not tax-exempt and that each Member holds its Shares as a capital asset and is the initial holder of such Shares. Except as specifically indicated, the following discussion does not deal with the consequences of the ownership of Shares by special classes of holders such as banks, thrifts, insurance companies, dealers, traders in securities that elect to mark their securities portfolios to market and other investors that do not own their Shares as capital assets.

Prospective Members should be aware that, although we intend to adopt positions we believe are in accord with current interpretations of the Federal income tax law, the IRS may not agree with the tax positions we take and that, if challenged by the IRS, our tax positions might not be sustained by the courts. An examination of our return could result in an audit of a Member’s personal return and a disallowance or challenge of the treatment thereon of other items not attributable to an investment in the Company.

This Memorandum will not discuss the potential tax consequences of any investment in, or by, the Company under any foreign or local jurisdiction. Shares are expected to be purchased by taxable individuals and entities. The summary contained herein is not intended as a substitute for careful tax planning, particularly because various income tax consequences of an investment in the Company will not be the same for all taxpayers. Accordingly, each prospective investor is strongly urged to consult his or her tax advisers regarding the specific consequences of an investment in the Company under applicable U.S. Federal, state, local, foreign and any other income tax laws as well as with respect to any specific gift, estate and inheritance tax issues. The following discussion relates generally to the Federal income tax consequences of an investment in the Company by Members who are non-foreign individuals.

Notwithstanding anything herein to the contrary, any recipient of this Memorandum (and any employee, representative, shareholder or other agent of such recipient) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the transactions contemplated herein and all materials of any kind (including opinions or other tax analyses) that are provided to it relating to such tax treatment and tax structure.

Company Status

The following discussion assumes that we will be classified as a Corporation for Federal income tax purposes (and not as an association taxable as a corporation) and, therefore, as an entity, will not be subject to any Federal income tax.

Taxation of Members

You would be required to report on your Federal income tax return your distributive share of Company income, gain, loss or deduction for each year. The character of an item of income or loss (*e.g.*, as capital or ordinary) usually will be the same for you as for us. You would be liable for individual taxes on your distributive share of Company income regardless of whether we have made any distributions to you. ***Thus, your income tax liability in a particular year attributable to Company income may exceed the cash we distribute to you****.*

The Shareholders Agreement provides for the manner in which income or loss is to be allocated Limitations on Your Ability to Deduct Company Losses and Expenses.

Your ability to receive a tax benefit from Company expenses and losses, if any, may be subject to various limitations.

1. Tax Basis of Shares. You only would be entitled to deduct your share of Company net loss on your personal income tax return to the extent it does not exceed the tax basis of your shares considered to be “at risk” as of the end of the Company’s taxable year in which such loss occurs.

2. Capital Losses. The excess of your capital losses over capital gains in any year is deductible against ordinary income, subject to a limitation of $3,000. Net capital losses which exceed this limitation may be carried forward to subsequent years and deducted against capital gains in that year plus $3,000 of ordinary income. As a result of this limitation, your share of our net capital losses, if any, will not materially reduce the amount of your Federal income tax on ordinary income.

3. Deduction of Fees. Your miscellaneous itemized expenses are deductible only to the extent the aggregate amount of these expenses exceeds 2% of your adjusted gross income. Moreover, there is a further limitation on your ability to claim otherwise allowable itemized deductions (other than medical expenses, casualty and theft losses and investment interest) which reduces those deductions by an amount equal to three percent (3%) of the amount of your adjusted gross income in excess of a threshold amount (but in no event reduced by more than 80%). The provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001 (the “Act”) provide that the limit on itemized deductions for high-income taxpayers will be phased out until it is fully repealed under the Act for taxable years beginning after December 31, 2009. The changes made by the Act shall not apply to any taxable year beginning after December 31, 2010. Both of these limitations will apply to your indirect deduction of Company expenses other than those incurred in a trade or business. deducted in computing adjusted gross income) are not allowed. Thus, you may not be able to deduct your share of our fees and expenses in determining your alternative minimum taxable income if they are recharacterized as non-trade or business expenses.

5. Interest Expenses. Interest expense incurred by you or by us to acquire or carry your Shares may be investment interest, deductible only to the extent of your net investment income for the year (*i.e*., the excess of non-trade or business income from interest, dividends and gains from the disposition of investment property over expenses incurred in earning such income). In computing net investment income, long-term capital gains are includable only if you elect to have such gains taxed at the same rate as your ordinary income. Excess investment interest expense may be carried over to and deducted in subsequent years to the extent it would be deductible if incurred in that year. This limitation, if applicable, will be computed separately by you and not by us.

In the case of a Member owning tax-exempt obligations such as municipal bonds, the IRS might take the position that any interest expense incurred by you to purchase or carry Shares should be viewed as incurred by you to continue carrying tax-exempt obligations and that you should not be allowed to deduct all or a portion of such interest expense.

6. Income and Losses from Passive Activities. Losses claimed by you from business activities in which you do not materially participate (“passive activities”) generally are only deductible to the extent of income from other passive activities. Income and losses derived by you from a C Type Corporation company typically are regarded as income and losses from a passive activity. However, portfolio income (such as dividends, interest, and gains from the sale of property which produces such income or is held for investment) is not treated as income from a passive activity and thus may not be offset by losses from passive activities.

**Tax Audits**

Informational returns we file are subject to audit by the IRS. While we intend to adopt positions we believe are in accord with then current provisions of the Federal income tax laws, our positions may be challenged by the IRS and ultimately may not be sustained in a court of law, either of which events may have a detrimental impact on you. For example, the IRS may disallow deductions of Company fees or expenses which, if successful, would increase your taxable income (or decrease your tax loss) with no associated increase in cash flow with which to pay any resulting increased tax liability. An audit of our tax return could lead to an audit of your tax return which may, in turn, lead to adjustments other than those relating to an investment in the Company.

**Company Audit Procedures, Interest and Penalties**

In general, the tax treatment of items of Company income and loss which are subject to an audit

**State and Local Taxes**

In addition to the Federal income tax consequences described above, we and you may be subject to various state and local taxes. States or jurisdictions in which we conduct business may require you to file a tax return and may impose a tax on your share of Company income derived from activities in such states or localities. The amount of such taxes may be significant.

You may be required to file returns and pay state and local tax on your share of Company income in the jurisdiction in which you are a resident and/or other jurisdictions in which we earn income. We may be required to withhold and remit payment of taxes to one or more state or local jurisdictions on your behalf. Any amount withheld will be treated as a distribution to you under the Shareholders Agreement. State and local taxes may be significant. However, you may be entitled to a deduction or credit against tax owed to your jurisdiction of residence for taxes paid to other state and local jurisdictions of which you are not a resident. In any case in which a tax, including, without limitation, a state or local tax, is levied on the Company, the amount of which is levied in whole or in part by your status or identity, we may allocate the expense and withhold from any distribution to you, your respective attributable share of such tax. You are advised to consult your own tax adviser regarding state and local taxes which may be payable in connection with an investment in the Company.

**Certain U.S. Tax Considerations for Foreign Investors**

The U.S. Federal income tax treatment of a nonresident alien, foreign corporation, foreign Company, foreign estate or foreign trust (a “Non-U.S. Member”) investing as a Member in the Company is complex and will vary depending on your and our circumstances and activities. You are urged to consult with your own tax advisor regarding the U.S. Federal, state, local and foreign income, estate and other tax consequences of an investment in the Company. The following discussion assumes that you are not subject to U.S. Federal income taxes as a result of the your presence or activities in the United States. If you are not otherwise subject to U.S. Federal income tax, you will generally be subject to Federal withholding taxes on your share of Company income from dividends, interest (other than interest which constitutes portfolio interest within the meaning of the Code) and certain other income at the rate of 30% (or such lower rate provided by an applicable tax treaty).

**Other Tax Issues**

THIS MEMORANDUM DOES NOT ADDRESS ALL OF THE UNITED STATES FEDERAL INCOME TAX CONSEQUENCES TO YOU OF AN INVESTMENT IN THE COMPANY, AND DOES NOT ADDRESS ANY OF THE STATE OR LOCAL TAX CONSEQUENCES OF SUCH AN INVESTMENT TO YOU, OR ALL OF THE UNITED STATES OR FOREIGN TAX CONSEQUENCES OF SUCH AN INVESTMENT TO YOU, IF YOU ARE NOT A UNITED STATES PERSON OR ENTITY. IN ADDITION, THE ABOVE DISCUSSION IS BASED ON CURRENT PROVISIONS OF THE CODE, TREASURY REGULATIONS, ADMINISTRATIVE RULINGS AND JUDICIAL DECISIONS, AND NO ASSURANCE CAN BE GIVEN THAT FUTURE LEGISLATIVE, JUDICIAL, OR ADMINISTRATIVE ACTION WILL NOT AFFECT THE ACCURACY OF ANY STATEMENT IN THIS DISCUSSION, POSSIBLY WITH RETROACTIVE EFFECT. YOU ARE ADVISED TO CONSULT YOUR OWN TAX COUNSEL AS TO THE FEDERAL INCOME TAX CONSEQUENCES OF AN INVESTMENT IN THE COMPANY AND AS TO APPLICABLE STATE, LOCAL AND FOREIGN TAXES. SPECIAL CONSIDERATIONS MAY APPLY TO YOU IF YOU ARE NOT A UNITED STATES PERSON OR ENTITY, AND IF SO, YOU ARE ADVISED TO CONSULT YOUR TAX ADVISORS WITH REGARD TO THE UNITED STATES, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES OF AN INVESTMENT IN THE COMPANY.

**XI.** **PLAN OF DISTRIBUTION**

Offering Period

We are offering to sell up to 250 Class C Shares at the offering price of $2,000 per Share pursuant to the terms of this Memorandum and the Subscription Agreement attached hereto as Exhibit A. The minimum purchase is 1 Shares ($2,000), although subscriptions for lesser amounts may be accepted in our sole discretion. Additional Shares may be purchased only in increments of 1 Share, although subscriptions for lesser increments may be accepted in our sole discretion.

This Offering will terminate if not closed on or before January 31st, 2013 at 5:00 p.m. Eastern Standard Time, unless extended for up to three 30-day periods by written notice at the Company’s sole discretion. The Offering will commence on the date of this Memorandum and may be terminated or closed upon the earlier of (i) written notice of cancellation provided by the Company to you or (ii) upon the receipt of acceptable subscriptions totaling at least $2,000. Our affiliates and the officers and Managing Member of the Company may purchase Shares in this Offering for their own accounts on the same terms as set forth herein.

If after careful review of this Memorandum, completion of your investigation of the Company, consideration of the risks involved in an investment in the Shares, satisfaction of all questions or concerns related to such an investment decision, and your determination that you meet the suitability requirements provided herein and in the subscription documents, you wish to subscribe for Shares, then review, complete and deliver the subscription documents and the purchase price as directed herein prior to the Offering Closing Date.

Subscription Procedure

To subscribe for the Shares offered herein:

1. Review, complete, execute and deliver to us (at the address provided in the Subscription Agreement) before the closing date for the Offering, the Subscription Agreement attached to this Memorandum as Exhibit A; and

2. Deliver to us, prior to the Offering closing date, the full purchase price for the Shares that you wish to purchase by certified check or wire transfer using the wire transfer instructions provided in the Subscription Agreement. If you retain the services of a purchaser representative to assist in evaluating the merits and risks associated with investing in the Shares, you must have your purchaser representative complete and deliver to us an acceptable purchaser representative certificate. We will thereafter review the qualifications of the proposed purchaser representative and will notify you if such purchaser representative is not acceptable to us as a purchaser representative. Your purchaser representative will be required to disclose to you any past, present or proposed future relationship between the purchaser representative or its affiliates and the Company or its

affiliates.

The subscription documents and the funds representing the purchase price will be held and not used by us until acceptance of the subscription and satisfaction of all closing conditions to this Offering. You may not withdraw funds deposited with us.

We may accept any subscription in whole or in part, reject any subscription in our sole discretion for any reason whatsoever and terminate this Offering at any time before acceptance of subscriptions. If your subscription is rejected or, if the conditions to closing this Offering are not satisfied or if this Offering is otherwise terminated or withdrawn, funds delivered by you to us will be returned to you without interest or deduction. On the closing date for the Offering, we will have immediate and unlimited access to subscription funds. Promptly following the closing date for the Offering, we will issue to you certificates representing the Shares purchased in this Offering.

**IX.** **INVESTOR SUITABILITY REQUIREMENTS**

The Shares are being offered for sale pursuant to Rule 506 of Regulation D of the Securities Act to an unlimited number of persons who meet the definition of “accredited investors” under Regulation D and up to 35 persons who do not meet the definition of “accredited investors” but who, personally or through a purchaser’s representative, have sufficient knowledge and experience in financial and business matters to make them capable of evaluating the merits and risks of the Offering.

An “accredited investor” under Regulation D includes any person who we reasonably believe comes within any of the following categories:

1. any natural person whose individual net worth, or joint net worth with that person’s spouse, at the time of purchase exceeds $1,000,000;

2. any natural person who had an income in excess of $200,000 in each of the two most recent years or joint income with that person’s spouse in excess of $300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year;

3. any trust with total assets in excess of $5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii) under the Securities Act;

4. a corporation, partnership, limited liability company, Massachusetts or similar business trust, or an organization described in Section 501(c)(3) of the Internal Revenue Code, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of $5,000,000;

5. an employee benefit plan (a) if the investment decision is made by a plan fiduciary, which is a bank, an insurance company, a savings and loan association, or a registered investment advisor, (b) which has assets in excess of $5,000,000, or (b) which is a self-directed plan (such as a self-directed IRA, Keogh, or SEP plan) with investment decisions made solely by persons that are accredited investors;

6. any bank or any savings and loan association whether acting in its individual or fiduciary capacity; any registered broker or dealer; any insurance company; any registered investment company; and business development company; and SBIC; and any government employee benefit plan with total assets in excess of $5,000,000; or

7. any entity in which all of the equity owners are accredited investors. If you are an entity that qualifies as an accredited investor only because all of your equity owners are accredited investors (as described in paragraph 7 above), each equity owner of the investing entity must represent to the Company that he or she is an accredited investor. Other representations are set forth in the subscription documents attached hereto. You must, prior to execution of the subscription documents, carefully review the same to ensure that the representations are in fact true and correct. If any of these representations are made falsely, the investor and the Company could be found to be in violation of federal and state securities laws.

**If you are not an accredited investor, we will not accept subscriptions from you unless you attest that you have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of the Offering. We reserve the right to evaluate your knowledge and experience and to accept or reject your subscription based on our evaluation.**

ADDITIONAL INFORMATION

Upon request of a potential investor, we will make available to such investor the opportunity to ask us questions and receive answers from us concerning the terms and conditions of this Offering. Further, we will, subject to confidentiality agreements and other considerations, obtain and make available additional information reasonably requested by such investor to the extent we possess such information and can acquire it without unreasonable effort or expense, necessary to verify the accuracy of any of the information concerning the terms and conditions of this Offering or any of the transactions referred to herein. Any prospective investors having any questions regarding this Offering or desiring any additional information or documents to verify or supplement the information contained herein, should contact [name of founder] ,[role] , at Phone number [xxx-xxx-xxxx], or email [e mail address] or at [company address]

The Shares issued in this Offering would be Class C Shares and would have the same rights and characteristics as the Class A Membership Interests currently held by [company name], except that the B Class Shares would elect one (1) Board of Directors member instead of five (5). The following description of the rights and characteristics of the Shares is derived from various provisions of our Certificate of Formation and Shareholders Agreement as well as provisions of applicable law. This description is not intended to be complete and is qualified in its entirety by reference to the relevant provisions of our Certificate of Formation and Shareholders Agreement.

**Voting Rights**

Each Member has the right and power to vote, according to his or her Percentage Interests, on all matters requiring a vote or the consent and approval of Members under the Agreement or the non-waivable provisions of the Delaware C Type Corporation Act, or presented for a vote or consent by the Managing Member. The vote of the Members holding a majority of the Percentage Interests is required to approve or carry any action, except that a vote by 66 2/3%of the outstanding percentage interests is required to approve any amendment of the Company’s Certificate of Formation or the Shareholders Agreement or any sale of all or substantially all of the assets of the Company, the removal of the managing member for cause, any authorization of additional shares, or any merger or consolidation, liquidation or dissolution of the Company. Actions in the ordinary course of business, including project development, construction and operations, may be taken by our Managing Member, without consulting with or obtaining the consent of any other member(s). Such actions that can be taken without the vote or consent of Members include:

· acquiring and disposing of Company assets,

· opening and maintaining bank and investment accounts for the Company,

· determining the amount and timing of distributions to the Members,

· incurring debt on the Company’s behalf, and

· issuing, classifying, and/or reissuing Shares, up to 20,000 shares of the Company in any class and with any preferential, distribution, liquidation, voting, redemption, or other rights.

Regular or annual meetings are held once per year, but if they are held, notice must be sent at least 10 and no more than 60 days in advance to each member entitled to vote. Any required member approval may be obtained in a meeting or over the telephone or similar conferencing communications equipment, so long as all members can hear each other. Action may also be taken without a meeting and without notice, if a written consent stating the action to be taken is signed by the holders of the minimum membership interest needed to approve the action. A vote by 66 2/3%of the outstanding percentage interests is required to approve certain extraordinary transaction, such as amendment of the Shareholders Agreement or certificate of formation or sale, merger, or dissolution of the Company.

**Right of First Offer**

Shares that may be transferred are subject to a right of first offer by the other members prior to any sale to any person who is not already a member. At any time that there is a controlling shareholder in the Company (as there would be at the close of this Offering), the shares held by the non-controlling shareholders would be subject to tag-along rights, which allow the non-controlling shareholders to require the controlling shareholder to sell the non-controlling shareholders’ shares on the same terms as the controlling shareholder’s shares in any change of control transaction, and drag-along rights, which allow the controlling shareholder to require the non-controlling shareholders to sell the non-controlling shareholders’ shares on the same terms as the controlling shareholder’s shares in any change of control transaction

**Disbursement Rights**

The holders of the Shares are entitled to share pro rata in all disbursements that the Manager, in its sole discretion, declares from legally available funds. In the event of liquidation, dissolution, or winding up, each outstanding Class A, Class B, or Class B Share entitles its holder to participate in accordance with its capital accountin all assets that remain after payment of liabilities, until each capital account balance is reduced to zero after which participation in the remaining assets would be pro rata in accordance with Share ownership.

**Preemptive Rights**

Members do not have preemptive rights.

**DESCRIPTION OF INDEMNIFICATION RIGHTS**

Indemnification; Limitation of Liability

We have chosen to indemnify our current and former managers, members and officers to the fullest extent permitted by Delaware law. Our Shareholders Agreement includes an indemnification provision under which we have committed to indemnify our managers (including our managing member), members and officers (including heirs and personal representatives) against all costs, charges and expenses actually and reasonably incurred, including an amount paid to settle an action or satisfy a judgment to which such person is made a party by reason of being or having been a manager, member or officer of the Company, in connection with any actions taken in good faith, in a manner such person reasonably believed to be in or not opposed to the best interest of the Company and, with respect to any criminal action or proceeding, provided that such person had no reason to believe his or her conduct was unlawful. However, no indemnification shall be made in respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable to the Company. Expenses may be paid to such person in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such person to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the Company.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted for our directors, officers and controlling persons pursuant to the foregoing provisions, or otherwise, we have been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable

All amounts we pay by reason of the foregoing indemnification provisions and limitation on liability would be paid out of our assets which could substantially reduce our assets available for operations and reduce distributions to the prospective investor.

The Shareholders Agreement limits the liability of our managers (including our managing member), members, and officers with respect to any debt, obligation, or liability of the Company arising in contract, tort, or otherwise, for which such person is alleged to be obligated personally, solely by reason of being a manager, member, of officer of the Company. Our failure to observe any formalities or requirements relating to the exercise of our powers or the management of our business or affairs shall not be grounds for imposing personal liability on any of our managers, members or officers for our liabilities.

No manager, member or officer shall be liable to any other officer, the Company or any member for any loss suffered by the Company unless such loss is caused by such officer's, manager’s, or member’s gross negligence, willful misconduct, violation of law or material breach of the Shareholders Agreement. The officers, managers and members shall not be liable for errors in judgment or for any acts or omissions that do not constitute gross negligence, willful misconduct, violation of law or material breach of the Shareholders Agreement. Any officer, manager or member may consult with counsel and accountants in respect of Company affairs, and provided such officer, manager or member acts in good faith reliance upon the advice or opinion of such counsel or accountants, such officer, manager or member shall not be liable for any loss suffered by the Company in reliance thereon.

**VII. DESCRIPTION OF Shareholders Agreement**

The Shares would be subject to the Shareholders Agreement, attached as Exhibit B, which has been entered into by [company name] as the current Managing Member. In order for you to receive any Shares purchased by you in this Offering you must agree to be bound by the terms of the Shareholders Agreement and must attest to such agreement by executing and delivering the Joinder Agreement attached thereto. Some of the material terms of the Shareholders Agreement are summarized below.

**Authority of Managing Member**

The Managing Member has the authority, power, and right to act for the Company on all matters not requiring a vote of the Members and has the sole right to manage the business and carry out the purposes of the Company, including the right to:

· acquire and dispose of Company assets,

· open and maintain bank and investment accounts for the Company,

· determine the amount and timing of distributions to the Members,

· incur debt on the Company’s behalf,

· and issue, classify, and/or reissue Shares, up to 20,000 Shares of the Company in any class and with any preferential, distribution, liquidation, voting, redemption, or other rights.

The Managing Member can be removed only for “Cause” and then only with the vote or consent of Members holding at least 66 2/3% of the Shares outstanding at the time of the vote or consent. “Cause” means fraud, bad faith, gross negligence or willful misconduct or an act or omission constituting an uncured material breach of the Shareholders Agreement by the Managing Member, which act, omission or breach directly causes material harm to the Company or the Members; but Cause does not include any matter cured by the Managing Member or any material breach effected in good faith and in a manner reasonably believed to be in the best interest of the Company, and which the Managing Member attempts to cure in good faith.

**Voting Rights**

Voting right for all Class A, Class B, and Class C Shares will be identical, and will be as described in the “Description of Securities” on page 43. A 2/3 majority vote will be required for certain extraordinary actions, including any amendment of the Company’s Certificate of Formation or the Shareholders Agreement or any sale of all or substantially all of the assets of the Company, or any merger or consolidation, liquidation or dissolution of the Company.

**Allocations and Distributions**

The allocation of profits and losses of the Company for tax purposes among the Members would be pro rata according to the number of shares held.

Operating cash and other distributions would be distributed among the Members pro rata according to the number of shares held. Liquidating distributions will be made first to creditors, then to the Members according to the balances in their capital accounts until the capital account balances are reduced to zero, and then pro rata to the Members according to the number of shares held. Distributions can be withheld from any Member, at the discretion of the Managing Member, in the amount required to pay or reimburse the Company for any tax attributable to such Member, paid by the Company, or in any other amount owed to the Company.

**Term of Existence and Dissolution**

The Company will exist in perpetuity, or until dissolved, which will occur only in the event that (i) Members holding 2/3 of the outstanding Shares vote to dissolve the Company, (ii) the Company ceases to own any interest in the Company, (iii) a decree of judicial dissolution is ordered; or (iv) there have been no Members for at least 180 days.

**DISCUSSION OF TAX CONSEQUENCES OF THE INVESTMENT**

***THE PRIMARY BENEFIT EXPECTED TO BE ACHIEVED FROM AN INVESTMENT IN THE COMPANY IS CAPITAL APPRECIATION AND INCOME AND NOT TAX BENEFITS. THEREFORE, INVESTORS SHOULD NOT RELY ON THE REALIZATION OF TAX BENEFITS IN THEIR DETERMINATION OF WHETHER TO INVEST IN THE COMPANY.***

The following is a summary of some of the Federal income tax considerations relating to an investment in the Company, based upon the Internal Revenue Code of 1986, as amended (the “Code”), the regulations promulgated under the Code (Treasury Regulations), court decisions, and published IRS rulings that are in effect on the date of this Private Placement Memorandum, any of which could be changed at any time. Any such change could be retroactive and have a detrimental impact on the Members for prior, as well as future, Company transactions and tax years. Moreover, any such change may affect the accuracy of any statements in this discussion. A complete discussion of all of the Federal, as well as any state, local, foreign and other tax consequences of investing in the Company is beyond the scope of this summary. We do not make any representations regarding the tax consequences of the Company’s operations. Except as specifically indicated, the following general discussion assumes that each Member is an individual who is a U.S. citizen or resident that is not tax-exempt and that each Member holds its Shares as a capital asset and is the initial holder of such Shares. Except as specifically indicated, the following discussion does not deal with the consequences of the ownership of Shares by special classes of holders such as banks, thrifts, insurance companies, dealers, traders in securities that elect to mark their securities portfolios to market and other investors that do not own their Shares as capital assets. Prospective Members should be aware that, although we intend to adopt positions we believe are in accord with current interpretations of the Federal income tax law, the IRS may not agree with the tax positions we take and that, if challenged by the IRS, our tax positions might not be sustained by the courts. An examination of our return could result in an audit of a Member’s personal return and a disallowance or challenge of the treatment thereon of other items not attributable to an investment in the Company. This Memorandum will not discuss the potential tax consequences of any investment in, or by, the Company under any foreign or local jurisdiction.

Shares are expected to be purchased by taxable individuals and entities. The summary contained herein is not intended as a substitute for careful tax planning, particularly because various income tax consequences of an investment in the Company will not be the same for all taxpayers. Accordingly, each prospective investor is strongly urged to consult his or her tax advisers regarding the specific consequences of an investment in the Company under applicable U.S. Federal, state, local, foreign and any other income tax laws as well as with respect to any specific gift, estate and inheritance tax issues. The following discussion relates generally to the Federal income tax consequences of an investment in the Company by Members who are non-foreign individuals.

Notwithstanding anything herein to the contrary, any recipient of this Memorandum (and any employee, representative, shareholder or other agent of such recipient) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the transactions contemplated herein and all materials of any kind (including opinions or other tax analyses) that are provided to it relating to such tax treatment and tax structure.

Company Status

The following discussion assumes that we will be classified as a partnership for Federal income tax purposes (and not as an association taxable as a corporation) and, therefore, as an entity, will not be subject to any Federal income tax.

Taxation of Members

You would be required to report on your Federal income tax return your distributive share of Company income, gain, loss or deduction for each year. The character of an item of income or loss (*e.g.*, as capital or ordinary) usually will be the same for you as for us. You would be liable for individual taxes on your distributive share of Company income regardless of whether we have made any distributions to you. ***Thus, your income tax liability in a particular year attributable to Company income may exceed the cash we distribute to you****.*

The Shareholders Agreement provides for the manner in which income or loss is to be allocated among the Members. While we believe that if examined these allocations will be respected, there is no assurance that applicable regulations could not be interpreted by the IRS in a manner materially adverse to you. [company name], as managing member, is authorized, without the consent of the Members, to amend the manner in which income and losses are allocated for income tax purposes if necessary to comply with applicable Code provisions. If the allocations provided by the Shareholders Agreement are not respected by the IRS or otherwise require amendment for Federal income tax purposes, the amount of taxable income allocated to you for Federal income tax purposes may be increased, without any corresponding increase in current distributions to pay the additional tax liability.

Limitations on Your Ability to Deduct Company Losses and Expenses

Your ability to receive a tax benefit from Company expenses and losses, if any, may be subject to various limitations.

1. Tax Basis of Shares. You only would be entitled to deduct your share of Company net loss on your personal income tax return to the extent it does not exceed the tax basis of your shares considered to be “at risk” as of the end of the Company’s taxable year in which such loss occurs.

2. Capital Losses. The excess of your capital losses over capital gains in any year is deductible against ordinary income, subject to a limitation of $3,000. Net capital losses which exceed this limitation may be carried forward to subsequent years and deducted against capital gains in that year plus $3,000 of ordinary income. As a result of this limitation, your share of our net capital losses, if any, will not materially reduce the amount of your Federal income tax on ordinary income.

3. Deduction of Fees. Your miscellaneous itemized expenses are deductible only to the extent the aggregate amount of these expenses exceeds 2% of your adjusted gross income. Moreover, there is a further limitation on your ability to claim otherwise allowable itemized deductions (other than medical expenses, casualty and theft losses and investment interest) which reduces those deductions by an amount equal to three percent (3%) of the amount of your adjusted gross income in excess of a threshold amount (but in no event reduced by more than 80%). The provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001 (the “Act”) provide that the limit on itemized deductions for high-income taxpayers will be phased out until it is fully repealed under the Act for taxable years beginning after December 31, 2009. The changes made by the Act shall not apply to any taxable year beginning after December 31, 2010. Both of these limitations will apply to your indirect deduction of Company expenses other than those incurred in a trade or business.

4. Alternative Minimum Tax. Non-corporate taxpayers are subject to the alternative minimum tax to the extent it exceeds the amount of their regular tax. Taxpayers liable for the alternative minimum tax are required to make estimated tax payments. Corporate taxpayers are also subject to the alternative minimum tax. In computing your alternative minimum taxable income, deductions for state and local income taxes and miscellaneous itemized deductions (except if deducted in computing adjusted gross income) are not allowed. Thus, you may not be able to deduct your share of our fees and expenses in determining your alternative minimum taxable income if they are recharacterized as non-trade or business expenses.

5. Interest Expenses. Interest expense incurred by you or by us to acquire or carry your Shares may be investment interest, deductible only to the extent of your net investment income for the year (*i.e*., the excess of non-trade or business income from interest, dividends and gains from the disposition of investment property over expenses incurred in earning such income). In computing net investment income, long-term capital gains are includable only if you elect to have such gains taxed at the same rate as your ordinary income.

Excess investment interest expense may be carried over to and deducted in subsequent years to the extent it would be deductible if incurred in that year. This limitation, if applicable, will be computed separately by you and not by us.

In the case of a Member owning tax-exempt obligations such as municipal bonds, the IRS might take the position that any interest expense incurred by you to purchase or carry Shares should be viewed as incurred by you to continue carrying tax-exempt obligations and that you should not be allowed to deduct all or a portion of such interest expense.

6. Income and Losses from Passive Activities. Losses claimed by you from business activities in which you do not materially participate (“passive activities”) generally are only deductible to the extent of income from other passive activities. Income and losses derived by you from a C Type Corporation company typically are regarded as income and losses from a passive activity. However, portfolio income (such as dividends, interest, and gains from the sale of property which produces such income or is held for investment) is not treated as income from a passive activity and thus may not be offset by losses from passive activities.

**Tax Audits**

Informational returns we file are subject to audit by the IRS. While we intend to adopt positions we believe are in accord with then current provisions of the Federal income tax laws, our positions may be challenged by the IRS and ultimately may not be sustained in a court of law, either of which events may have a detrimental impact on you. For example, the IRS may disallow deductions of Company fees or expenses which, if successful, would increase your taxable income (or decrease your tax loss) with no associated increase in cash flow with which to pay any resulting increased tax liability. An audit of our tax return could lead to an audit of your tax return which may, in turn, lead to adjustments other than those relating to an investment in the Company.

**Company Audit Procedures, Interest and Penalties**

In general, the tax treatment of items of Company income and loss which are subject to an audit will be determined at the Company level in a unified Company proceeding rather than in separate proceedings with the Members. Company audit procedures include provisions relating to notice, litigation and settlement of Company and Member audits as well as other compliance and procedural aspects. In general, the IRS must send notices to the “Tax Matters Partner” (“TMP”) who is a Member so designated under the Shareholders Agreement. [company name], as Managing Member, is so designated and as the TMM it may act on your behalf; however, you may participate in administrative proceedings. If you desire not to be bound by any settlement reached by the TMP, you may file a statement within a period to be prescribed by regulations stating that the TMP does not have authority to enter into a settlement on your behalf. The TMP also is authorized to litigate matters on our behalf. Interest and penalties may be asserted and imposed on tax deficiencies as the result of an audit.

**State and Local Taxes**

In addition to the Federal income tax consequences described above, we and you may be subject to various state and local taxes. States or jurisdictions in which we conduct business may require you to file a tax return and may impose a tax on your share of Company income derived from activities in such states or localities. The amount of such taxes may be significant.

You may be required to file returns and pay state and local tax on your share of Company income in the jurisdiction in which you are a resident and/or other jurisdictions in which we earn income. We may be required to withhold and remit payment of taxes to one or more state or local jurisdictions on your behalf. Any amount withheld will be treated as a distribution to you under the Shareholders Agreement. State and local taxes may be significant. However, you may be entitled to a deduction or credit against tax owed to your jurisdiction of residence for taxes paid to other state and local jurisdictions of which you are not a resident. In any case in which a tax, including, without limitation, a state or local tax, is levied on the Company, the amount of which is levied in whole or in part by your status or identity, we may allocate the expense and withhold from any distribution to you, your respective attributable share of such tax.

You are advised to consult your own tax adviser regarding state and local taxes which may be payable in connection with an investment in the Company.

**Certain U.S. Tax Considerations for Foreign Investors**

The U.S. Federal income tax treatment of a nonresident alien, foreign corporation, foreign Company, foreign estate or foreign trust (a “Non-U.S. Member”) investing as a Member in the Company is complex and will vary depending on your and our circumstances and activities. You are urged to consult with your own tax advisor regarding the U.S. Federal, state, local and foreign income, estate and other tax consequences of an investment in the Company. The following discussion assumes that you are not subject to U.S. Federal income taxes as a result of the your presence or activities in the United States.

If you are not otherwise subject to U.S. Federal income tax, you will generally be subject to Federal withholding taxes on your share of Company income from dividends, interest (other than interest which constitutes portfolio interest within the meaning of the Code) and certain other income at the rate of 30% (or such lower rate provided by an applicable tax treaty).

**Other Tax Issues**

THIS MEMORANDUM DOES NOT ADDRESS ALL OF THE UNITED STATES FEDERAL INCOME TAX CONSEQUENCES TO YOU OF AN INVESTMENT IN THE COMPANY, AND DOES NOT ADDRESS ANY OF THE STATE OR LOCAL TAX CONSEQUENCES OF SUCH AN INVESTMENT TO YOU, OR ALL OF THE UNITED STATES OR FOREIGN TAX CONSEQUENCES OF SUCH AN INVESTMENT TO YOU, IF YOU ARE NOT A UNITED STATES PERSON OR ENTITY. IN ADDITION, THE ABOVE DISCUSSION IS BASED ON CURRENT PROVISIONS OF THE CODE, TREASURY REGULATIONS, ADMINISTRATIVE RULINGS AND JUDICIAL DECISIONS, AND NO ASSURANCE CAN BE GIVEN THAT FUTURE LEGISLATIVE, JUDICIAL, OR ADMINISTRATIVE ACTION WILL NOT AFFECT THE ACCURACY OF ANY STATEMENT IN THIS DISCUSSION, POSSIBLY WITH RETROACTIVE EFFECT. YOU ARE ADVISED TO CONSULT YOUR OWN TAX COUNSEL AS TO THE FEDERAL INCOME TAX CONSEQUENCES OF AN INVESTMENT IN THE COMPANY AND AS TO APPLICABLE STATE, LOCAL AND FOREIGN TAXES. SPECIAL CONSIDERATIONS MAY APPLY TO YOU IF YOU ARE NOT A UNITED STATES PERSON OR ENTITY, AND IF SO, YOU ARE ADVISED TO CONSULT YOUR TAX ADVISORS WITH REGARD TO THE UNITED STATES, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES OF AN INVESTMENT IN THE COMPANY.

**VIII.** **PLAN OF DISTRIBUTION**

Offering Period

We are offering to sell up to 250 Class C Shares at the offering price of $2,000 per Share pursuant to the terms of this Memorandum and the Subscription Agreement attached hereto as Exhibit A. The minimum purchase is 1 Shares ($2,000), although subscriptions for lesser amounts may be accepted in our sole discretion. Additional Shares may be purchased only in increments of 1 Share, although subscriptions for lesser increments may be accepted in our sole discretion.

This Offering will terminate if not closed on or before April 25th, 2013 at 5:00 p.m. Eastern Standard Time, unless extended for up to three 30-day periods by written notice at the Company’s sole discretion. The Offering will commence on the date of this Memorandum and may be terminated or closed upon the earlier of (i) written notice of cancellation provided by the Company to you or (ii) upon the receipt of acceptable subscriptions totaling at least $2,000.

Our affiliates and the officers and Managing Member of the Company may purchase Shares in this Offering for their own accounts on the same terms as set forth herein.

If after careful review of this Memorandum, completion of your investigation of the Company, consideration of the risks involved in an investment in the Shares, satisfaction of all questions or concerns related to such an investment decision, and your determination that you meet the suitability requirements provided herein and in the subscription documents, you wish to subscribe for Shares, then review, complete and deliver the subscription documents and the purchase price as directed herein prior to the Offering Closing Date.

Subscription Procedure

To subscribe for the Shares offered herein:

1. Review, complete, execute and deliver to us (at the address provided in the Subscription Agreement) before the closing date for the Offering, the Subscription Agreement attached to this Memorandum as Exhibit A; and

2. Deliver to us, prior to the Offering closing date, the full purchase price for the Shares that you wish to purchase by certified check or wire transfer using the wire transfer instructions provided in the Subscription Agreement.

If you retain the services of a purchaser representative to assist in evaluating the merits and risks associated with investing in the Shares, you must have your purchaser representative complete and deliver to us an acceptable purchaser representative certificate. We will thereafter review the qualifications of the proposed purchaser representative and will notify you if such purchaser representative is not acceptable to us as a purchaser representative. Your purchaser representative will be required to disclose to you any past, present or proposed future relationship between the purchaser representative or its affiliates and the Company or its affiliates.

The subscription documents and the funds representing the purchase price will be held and not used by us until acceptance of the subscription and satisfaction of all closing conditions to this Offering. You may not withdraw funds deposited with us.

We may accept any subscription in whole or in part, reject any subscription in our sole discretion for any reason whatsoever and terminate this Offering at any time before acceptance of subscriptions. If your subscription is rejected or, if the conditions to closing this Offering are not satisfied or if this Offering is otherwise terminated or withdrawn, funds delivered by you to us will be returned to you without interest or deduction.

On the closing date for the Offering, we will have immediate and unlimited access to subscription funds. Promptly following the closing date for the Offering, we will issue to you certificates representing the Shares purchased in this Offering.

**IX.** **INVESTOR SUITABILITY REQUIREMENTS**

The Shares are being offered for sale pursuant to Rule 506 of Regulation D of the Securities Act to an unlimited number of persons who meet the definition of “accredited investors” under Regulation D and up to 35 persons who do not meet the definition of “accredited investors” but who, personally or through a purchaser’s representative, have sufficient knowledge and experience in financial and business matters to make them capable of evaluating the merits and risks of the Offering.

An “accredited investor” under Regulation D includes any person who we reasonably believe comes within any of the following categories:

1. any natural person whose individual net worth, or joint net worth with that person’s spouse, at the time of purchase exceeds $1,000,000;

2. any natural person who had an income in excess of $200,000 in each of the two most recent years or joint income with that person’s spouse in excess of $300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year;

3. any trust with total assets in excess of $5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii) under the Securities Act;

4. a corporation, partnership, limited liability company, Massachusetts or similar business trust, or an organization described in Section 501(c)(3) of the Internal Revenue Code, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of $5,000,000;

5. an employee benefit plan (a) if the investment decision is made by a plan fiduciary, which is a bank, an insurance company, a savings and loan association, or a registered investment advisor, (b) which has assets in excess of $5,000,000, or (b) which is a self-directed plan (such as a self-directed IRA, Keogh, or SEP plan) with investment decisions made solely by persons that are accredited investors;

6. any bank or any savings and loan association whether acting in its individual or fiduciary capacity; any registered broker or dealer; any insurance company; any registered investment company; and business development company; and SBIC; and any government employee benefit plan with total assets in excess of $5,000,000; or

7. any entity in which all of the equity owners are accredited investors.

If you are an entity that qualifies as an accredited investor only because all of your equity owners are accredited investors (as described in paragraph 7 above), each equity owner of the investing entity must represent to the Company that he or she is an accredited investor.

Other representations are set forth in the subscription documents attached hereto. You must, prior to execution of the subscription documents, carefully review the same to ensure that the representations are in fact true and correct. If any of these representations are made falsely, the investor and the Company could be found to be in violation of federal and state securities laws. **If you are not an accredited investor, we will not accept subscriptions from you unless you attest that you have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of the Offering. We reserve the right to evaluate your knowledge and experience and to accept or reject your subscription based on our evaluation.**

ADDITIONAL INFORMATION

Upon request of a potential investor, we will make available to such investor the opportsharey to ask us questions and receive answers from us concerning the terms and conditions of this Offering. Further, we will, subject to confidentiality agreements and other considerations, obtain and make available additional information reasonably requested by such investor to the extent we possess such information and can acquire it without unreasonable effort or expense, necessary to verify the accuracy of any of the information concerning the terms and conditions of this Offering or any of the transactions referred to herein. Any prospective investors having any questions regarding this Offering or desiring any additional information or documents to verify or supplement the information contained herein, should contact [name of founder], [role in the company],at Phone number [xxx-xxx-xxxx], or email [email address] or at [company name], [company address].