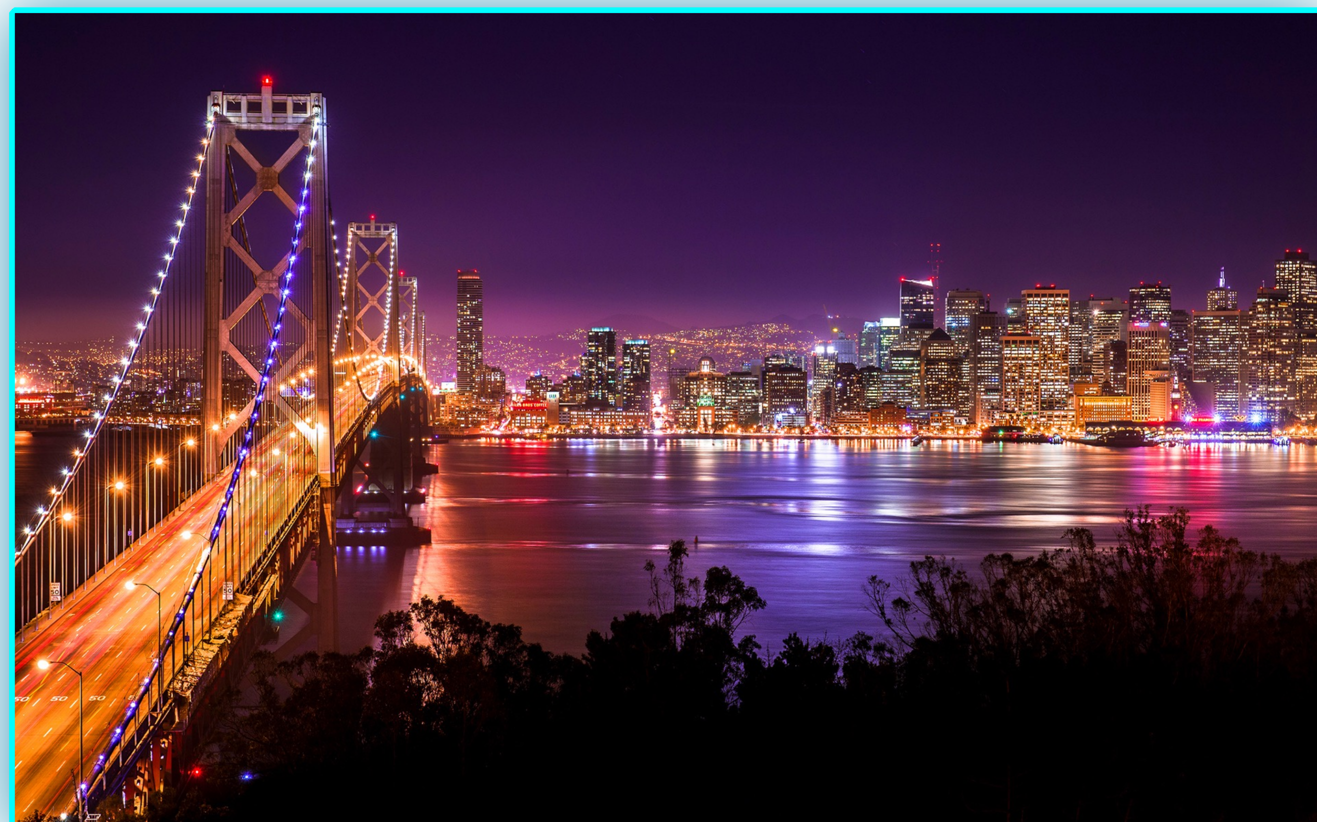
Investor's Guide for Equity CrowdFunding Under Regulation CrowdFunding (Title III)



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Introduction

As recent history shows, crowdfunding can be an incredible tool for companies to bring their product or service to market. In the past few years, we've seen hundreds of innovative solutions to customer needs that otherwise may have never been possible.

Today, more and more companies are considering equity crowdfunding as a way to fuel their business in addition to, or as an alternative to, more commonly known options such as bank debt, angel financing, or Venture Capital funding. Regulation Crowdfunding was implemented on May 16, 2016, allowing full access to capital through equity crowdfunding platforms such as DreamFunded.com. These legislation changes are ground-breaking and allow over 240 million Americans to invest in private companies for the first time in over 80-years. Regulation CrowdFunding enables faster innovation and growth for businesses of all sizes, especially for smaller, early stage companies.

Issuers that are posted on the DreamFunded website can sell securities to investors who register on the site, and are able to create a campaign page viewable by the public that includes required material such as the Form C led with the SEC (described below) and videos and communications among investors about the offering.

Pursuant to Rule 302(b) of Securities and Exchange Commission ("SEC") Regulation Crowdfunding under the Securities Act of 1933 (Title III of the JOBS Act), as amended (the "Securities Act"), all potential investors who open an account on DreamFunded.com and/or commit to purchasing securities are required to receive and acknowledge certain educational information from DreamFunded related to the posting of securities offerings on DreamFunded, including: (i) how securities on DreamFunded are offered and purchased; (ii) the types of securities offered and any resale restrictions on such securities; (iii) the risks of investing in such securities; (iv) investment limits for certain investors; (v) the disclosure generally required to be made available by issuers offering securities on DreamFunded ("Issuer"); and (vi) the relationship between DreamFunded, posted Issuers and investors. Please review the important information below before you begin to register on DreamFunded and before you make any investment commitment.

Recent Law Changes (JOBS Act, Title III)

You may have read about the SEC's implementation of Title III of the JOBS Act and Regulation Crowdfunding in the news. Under the recently adopted rules, companies can use crowdfunding to offer and sell securities to the investing public, and anyone can invest in a crowdfunding securities offering. Starting May 16th, 2016, the general public will have the opportunity to participate in the early capital raising activities of start-up and early- stage companies and businesses.

Because of Title III, companies will be allowed to raise up to $1,000,000 from the public through equity crowdfunding within a 12-month period using registered funding portals like DreamFunded.

About DreamFunded

DreamFunded is a funding portal designed to connect issuing companies with investors through equity crowdfunding. In order to provide these opportunities, DreamFunded has registered with the SEC and become a member of the Financial Industry Regulatory Authority, Inc. ("FINRA"). If you're interested in learning more about FINRA and their Broker Check, click here.

As a registered funding portal, DreamFunded cannot and will not:

- offer investment advice or make recommendations; solicit purchases, sales or offers to buy securities; compensating promoters and other persons for solicitations or based on the sale of securities; and hold, possess, or handle investor funds or securities.
- allow companies to list securities on our platform that we have a reasonable basis for believing have the potential for fraud or raise other investor protection concerns.
- not have a financial interest in a company that is offering or selling securities on our platform under Regulation Crowdfunding outside of financial interest paid as compensation for the services.
- not compensate any person for providing us with personally identifiable information of any investor or potential investor.

Types of Securities Offered

The most common forms of securities, an issuer can offer are equity or debt. Equity securities include the following:

Common Stock: Conveys a portion of the ownership interest in the company to the holder of the security. Stockholders are usually entitled to receive dividends when and if declared, vote on corporate matters, and receive information about the company, including financial statements.

Preferred Stock: Stock that has priority over common stock as to dividend payments and/or the distribution of the assets of the company. Preferred stock can have the characteristics of either common stock or debt securities.

Debt Securities: Securities in which the seller must repay the investor's original investment amount at maturity plus interest.

Investment opportunities posted on DreamFunded currently include equity securities (common or preferred stock) as well as debt and convertible securities. For more information on securities, Click Here.

Please be sure to read the "Investment Considerations and Risks" section below very carefully. To understand the specific risks involved in making an investment in a particular Issuer's offering, please be sure to carefully review each Issuer's offering materials before making an investment.

Submission and Posting of Form C

Prior to launching a Title III equity crowdfunding campaign, the issuer is required to complete and submit Form C to the SEC together with required attachments. Companies that file a Form C are required to disclose certain information to the public which can be used to understand an investment and that help determine whether a particular investment is appropriate for a specific person. This includes general information about the issuer, its officers and directors, a description of the business, the planned use for the money raised from the offering, often called the use of proceeds, the target offering amount, the deadline for the offering, related-party transactions, risks specific to the issuer or its business, and financial information about the issuer.

Required Disclosures

The required type of financial disclosure depends on the amount of money that was raised by the issuer within the prior 12 months plus the target amount for the current crowdfunding offering (up to a maximum of $1,000,000 in any rolling 12 month period):

< **$100,000**: If current offer plus previous raises amounts to $100,000 or less, the issuer provides information from its tax returns (but not the tax returns themselves) certified by the principal executive officer. If financial statements are available they must be provided too, and again certified by the principal executive officer.

$100,000.01 to $500,000: If the current offering plus previous raises is between $100,000 and $500,000, financial statements are required and must be reviewed by a CPA. If audited financial statements are available, they must be provided.

$500,000.01 to $1 million If current offer plus previous raises amounts to $500,000 or more, the required financial statements must be audited by a CPA. However, if the issuer has not previously sold securities under Regulation Crowdfunding, the financial statements will only be required to be reviewed by a CPA*.

* Note: An audit provides a level of scrutiny by the accountant that is higher than a review. The required information is led with the SEC and posted at the start of the offering on DreamFunded and available to the public throughout the offering on the DreamFunded and SEC sites. It is available to the general public on both websites throughout the offering period – which must be a minimum of 21 days.

Annual Filing Obligations of Issuers

Each Issuer that successfully completes a Title III Regulation Crowdfunding securities offering is required to annually file with the SEC a Form C-AR and financial statements. This must be done no later than 120 days after the end of the Issuer's fiscal year covered by such filing. Each Issuer must also post its Form C-AR and financial statements to its own website; and that link must be provided along with the date by which such report will be available on the issuer's website.

The Form C-AR contains updated disclosure substantially similar to that provided in the Issuer's initial Form C, including information on the Issuer's size, location, principals and employees, business, plan of operations and the risks of investment in the Issuer's securities; however, offering-specific disclosure is not required to be disclosed in the Form C-AR.

Investors should be aware that an Issuer may no longer be required to continue its annual reporting obligations under any of the following circumstances:

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

In the event that an Issuer ceases to make annual filings, investors may no longer have current financial information about the Issuer available to them.

Investment Considerations & Risks

Prior to registering on DreamFunded and again before making an investment commitment, you must consider the risks of investing in crowdfunded securities offerings and determine whether such an investment is appropriate for you. DreamFunded and its employees are prohibited from offering advice about any offering posted on DreamFunded and from recommending any investment.

This means the decision to invest must be based solely on your own individualized consideration and analysis of the risks involved in a particular investment opportunity posted on the DreamFunded, which is made at your own risk.

Potential investors acknowledge and agree that they are solely responsible for determining their own suitability for an investment or strategy on DreamFunded and must accept the risks associated with such decisions, which include the risk of losing the entire amount of their principal. *Investors must be able to accord to lose their entire investment.*

DreamFunded has no special relationship with or fiduciary duty to potential investors and investors' use of the funding portal does not create such a relationship. Potential investors agree and acknowledge that they are responsible for conducting their own legal, accounting and other due diligence review of the investment opportunities posted on DreamFunded.

Each investor is strongly advised to consult legal, tax, investment, accounting and/or other professionals before investing and to carefully review all the specific risk disclosures provided as part of any offering materials and to post any questions in the issuer's comment section of their campaign page prior to making an investment.

Some things to keep mind before making a crowdfunding investment:

- Investment in small, especially start-up and early stage, companies is speculative and involves a high degree of risk. While promised or targeted returns on the amount invested should reflect the perceived level of risk in the investment, such returns may never be realized and/or may not be adequate to compensate an Investor for risks taken. Loss of an Investor's entire investment is very possible and can easily occur. Even the timing of any payment of a return on an investment is highly speculative.

- Unlike listed companies that are valued publicly through market-driven stock prices, the valuation of startups can be difficult to determine and is often subjective. You may risk overpaying for the equity stake you receive.

- There may be additional classes of equity or derivatives with rights that are superior to the class of equity being sold through crowdfunding. Additionally, investments are subject to dilution, which is when early investors see a reduction in ownership percentage as new stock is issued.

- A regulation crowdfunding investment may actually need to be held for an indefinite period of time. Unlike investing in companies listed on a stock exchange where you can quickly and easily trade securities on a market, you may have to locate an interested buyer privately when you seek to resell your crowdfunded investment even after the one-year restriction expires. There is no assurance these securities will ever be publicly tradable.

- An early-stage company may be able to provide only limited information about their business plan and operations because they do not have fully developed operations or a long history to provide more disclosure.

- Publicly listed companies generally are required to disclose information about their performance at least on a quarterly and annual basis and on a more frequent basis about material events that affect the issuer. In contrast, crowdfunding companies are only required to disclose their results of operations and financial statements annually. Therefore you may have only limited continuing disclosure about your crowdfunding investment.

- Investment opportunities posted on DreamFunded, the adequacy of the disclosures, or the Fairness of the terms of any such investment opportunity have not been reviewed or approved by a state or federal agency.

- The Issuer in all likelihood will not have an internal control infrastructure and there can be no assurance of no significant deficiencies or material weaknesses in the quality of the Issuer's financial and disclosure controls and procedures. Indeed, if it were necessary to implement such financial and disclosure controls and procedures, the cost to the Issuer might even have a material adverse effect on the Issuer's results of operations.

- A portion of your investment may fund the compensation of the issuer's employees, including its founders and management. Due to inexperience, management may not be able to execute on its business plan. Additionally, unless the issuer has agreed to a specific use of the proceeds from the offering, the Issuer's management will usually have considerable discretion over how to use the capital raised. You may not have any assurance the Issuer will use the proceeds appropriately. You should pay close attention to what the issuer says about how offering proceeds are to be used.

- Because the Issuer's founders, directors and executive officers may be among its largest stockholders, they may be able to exert significant control or influence over the Issuer's business and affairs and may even have actual or potential interests that diverge from those of other Investors. This may worsen as time goes on if the holdings of the issuer's directors and executive officers increase upon vesting or other maturation of exercise rights under options or warrants they may hold, or in the future be granted. In addition to holding or controlling board seats and offices, these persons may well have significant influence over and control of corporate actions requiring shareholder approval, separate from how the Issuer's other stockholders, including Investors, may vote in a given offering.

- The issuing company may have serious risks specific to its industry or its business model. Demand for a product or service may be seasonal or be impacted by the overall economy. Small businesses, in particular, often depend heavily upon a single customer, supplier, or upon one or a small number of employee(s). It may have difficulty competing against larger companies who can negotiate for better prices from suppliers, produce goods and services on a large scale more economically, or take advantage of bigger marketing budgets.

- In light of the relative ease with which early-stage companies can raise funds through crowdfunding, it may be the case that certain opportunities turn out to be money- losing fraudulent schemes. As with other investments, there is no guarantee that crowdfunding investments will be immune from fraud. Even with the SEC's thorough investigation of companies and their executive teams, there is a risk of fraudulent activity.

- Many successful companies partially attribute their early success to the guidance of professional early-stage investors (e.g., angel investors and venture capital firms). These investors often negotiate for seats on the issuer's board of directors and play an important role through their resources, contacts and experience in assisting early- stage companies in executing on their business plans. An early-stage company primarily financed through crowdfunding may not have the benefit of such professional investors.

- Audited financial statements are not required for regulation crowdfunding offerings under $500,000.00. The issuer is not required to provide you with annual audited financial statements or quarterly unaudited financial statements, except as explained above. The Issuer may not even have its financial statements audited, or even reviewed by outside auditors. Your decision to make an investment in the Issuer will be based upon the information the Issuer provides in its offering materials, which may not completely or even accurately represent the financial condition of the issuer.

- As explained above, an Investor may not be able to obtain the information it wants regarding a particular Issuer on a timely basis, or at all. It is possible that the investor may not be aware of material adverse changes that have occurred at the Issuer. An Investor may not be able to get accurate information about an Issuer's current value at any given time.

- Federal securities law requires securities sold in the United States to be registered with the U.S. Securities and Exchange Commission ("SEC"), unless the sale qualifies for an exemption. The securities offered on DreamFunded have not been registered under the Securities Act, and are offered in reliance on the crowdfunding exempt provisions of Section 4(a) (6) of the Securities Act (and/or Regulation S promulgated thereunder). Securities sold on DreamFunded are restricted and not publicly traded, and are therefore illiquid. No assurance can be given that any investment opportunity will continue to qualify under one or more of such exempt provisions of the Securities Act due to, among other things, the adequacy of disclosure and the manner of distribution, the existence of similar offerings in the past or in the future, or a change of any securities law or regulation that has retroactive effect.

The risks highlighted above are non-exhaustive and you should only invest an amount of money you can afford to lose without impacting your lifestyle.

Investment Limitations

Due to the risks involved with this type of investing, you are limited in how much you can invest during any 12-month period in these transactions. The limitation on how much you can invest depends on your net worth and annual income.

If either your annual income or your net worth is less than $100,000, then during any 12-month period, you can invest up to the greater of either $2,000 or 5% of the lesser of your annual income or net worth.

If both your annual income and your net worth are equal to or more than $100,000, then during any 12-month period, you can invest up to 10% of annual income or net worth, whichever is less, but not to exceed $100,000 or all crowdfunding offerings in any 12-month period.

Calculating Net Worth

Calculating net worth involves adding up all your assets and subtracting all your liabilities. The resulting sum is your net worth. For purposes of crowdfunding, the value of your primary residence is not included in your net worth calculation.

The SEC's Investor Bulletin Crowdfunding for Investors contains detailed and useful information about how to perform these calculations, click here.

Cancellations

As an investor, you will have up to 48 hours prior to the end of the offering period to change your mind and cancel your investment commitment for any reason.

- If you do not cancel an investment commitment 48 hours prior to the offering deadline, the funds will be released to the Issuer by the escrow agent upon closing of the offering and you will then receive securities in exchange for your investment.

- If you do cancel an investment commitment before the 48-hour deadline, DreamFunded will direct the return of any funds that have been committed by you in the offering.

However, once the offering period is within 48 hours of ending, you will not be able to cancel for any reason, even if you make your commitment during this period.

Material Changes

If the issuer makes a material change to the offering terms or other information disclosed to you, including a change to the offering deadline, you will be given five business days to reconfirm your investment commitment. If you don't reconfirm, your investment will be cancelled and the funds will be returned to you.

Restrictions On Resale

The securities offered on DreamFunded are only suitable for potential investors who are familiar with and willing to accept the high risks associated with high risk and illiquid private investments. Securities sold through DreamFunded are restricted and not publicly traded and, therefore, cannot be sold unless registered with the SEC or an exemption from registration is available.

You are generally restricted from reselling your shares for a one-year period after they were issued, unless the shares are transferred:

- to the company that issued the securities;
- to an accredited investor;
- to a family member (defined as a child, stepchild, grandchild, parent, stepparent, grandparent, spouse or spousal equivalent, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including adoptive relationships.)
- in connection with your death or divorce or other similar circumstance;
- to a trust controlled by you or a trust created for the benefit of a family member;
- as part of an offering registered with the SEC.

Frequently Asked Questions

Can I Buy Title III Regulation Crowdfunding Securities Directly From A Company?

No. Companies may not offer crowdfunding investments to you directly. They must use a crowdfunding intermediary, such as a funding portal like DreamFunded or a broker-dealer Each must be registered with the Securities Exchange Commission and a member of the Financial Industry Regulatory Authority (FINRA).

Do I Pay Any Fees?

No. Investors do not pay a fee to DreamFunded or any third party for investing via ACH or wire transfer. This is subject to change at any time.

How Does DreamFunded Make Money?

DreamFunded makes money by earning a small percentage of each investment made by individual investors (5%) to cover operational costs associated with the DreamFunded funding portal. DreamFunded does not charge issuer's to raise capital through the DreamFunded platform. We believe charging fees to issuers turns away many exciting companies. This gives more companies the ability to raise money through the platform and gives investors a greater selection of companies to choose from. The fee earned is removed immediately upon investment. As an example, if an investor invests $1,000 into a company, $50 is immediately removed by DreamFunded as a fee and $950 is invested in the issuing company.

What Ways Can I Invest?

On DreamFunded you can invest in four ways: Individually; as a self-directed IRA; as a Trust, or as an entity like a Corporation or Limited Liability Company (LLC). If you are interested in learning more about self-directed IRAs, click here.

What Is My Proof of Ownership?

Electronic records will be held with the issuing company's transfer agent. Once your purchase of stock is complete, you will receive a confirmation email with details of your investment. You will not receive a paper stock certificate.

What If The Issuing Company Reaches Its Target Investment Goal Early?

DreamFunded will notify investors by email when the target offering amount has been met. If the issuing company hits its goal early, tit can create a new target deadline at least 5 business days out. Investors will be notified of the new target deadline via email and will then have the opportunity to cancel up to 48-hours before new deadline.

DreamFunded Investment Process:

In order to invest, to commit to an investment or to communicate on our platform, you must open an account which entails providing certain personal and non-personal information to DreamFunded and its affiliates and/or service providers, including information related to your income and net worth, and other investments. This information is used to verify you as a potential investor who is qualified to invest in investment opportunities posted on DreamFunded. For further information on investment limitations, please see "Investment Limitations" above and for information on handling your personal information, please see our Privacy Policy.

After opening an account, you will be able to search for various investment opportunities on DreamFunded by categories such as: Issuer name, Issuer business or industry/date/ security type; review all campaign and investment materials; and communicate about a specific offering on the funding platform with the issuer and its agents, as well as with other investors.

* Note: All investor funds are held in Merrill Lynch escrow accounts and are maintained by a separate qualified escrow agent with a depositary such as a bank. After completion of the campaign, the escrow agent will release the aggregate funds contributed from all investors and the issuer will issue securities to all investors through its transfer agent. If the offering is not successful, investors will receive a full refund of investments held in escrow. DreamFunded does not and cannot hold funds.

Investors that participate in an offering on DreamFunded should be aware that once an offering has completed, and an investor has received securities from the Issuer, there may or may not be any ongoing relationship between the Issuer and the DreamFunded. Any questions or concerns related to such Issuer's securities and continued disclosure provided in such Issuer's annual reports on Form C-AR must be forwarded directly to such Issuer once an offering on DreamFunded is completed. DreamFunded assumes no liability or responsibility, directly or indirectly, for any damage or loss caused or alleged to be caused by or related to the use of or reliance on any disclosures made or services provided by the Issuer once the Issuer's offering on DreamFunded is completed.

If you have any questions or concerns regarding the funding platform, please don't hesitate to reach out to our client support team by emailing us at info@DreamFunded.com or by clicking the Chat Box at any time.

Additional Resources:

DreamFunded is required by the SEC to post educational materials on our site. While those educational materials are a great start to educate yourself and understand the risks of making crowdfunding investments. You can visit our educational section at any time by visiting www.DreamFunded.com/education. Be sure to investigate the issuing company and to participate in our online forum where you can interact with other investors, weigh in on the pros and cons of an opportunity, and ask the issuing company questions.

- To learn more about crowdfunding, see the adopting release and complete text of Regulation Crowdfunding.

- To read the February 16, 2016 SEC Investor Bulletin Crowdfunding for Investors, click here.

- For additional investor educational information, see the SEC's website for individual investors by clicking here.

DreamFunded has provided this information as a service to our investors. It is neither a legal interpretation nor a statement of SEC policy. If you have questions concerning the meaning or application of a particular law or rule, please consult with an attorney who specializes in securities law.