

# CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

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CompanyName

(a YourState Corporation)

## **US\$3,000,000 Class 'A' Preferred Common Share Units Representing 30% of the Common Shares in CompanyName or 100 Units Each Unit consists of a .25% Interest in CompanyName**

This is a private offering of Preferred Common Share Units of CompanyName, a YourState corporation (the "Company"). The Company is offering to a limited number of accredited investors and up to 35 non-accredited investors a Preferred Common Share Units ("Units") in a private offering exempt from registration under federal securities laws upon the terms and conditions set forth in this memorandum ("Memorandum"). The minimum investment in the Units is \$30,000, although the Company may accept an investment of a lesser amount. The Company will use all of the proceeds of this offering to develop, manufacture, and distribute its consumer brand product CompanyName<sup>®</sup>. In certain contexts in this Memorandum, "CompanyName" also refers in general terms to the business of owning the consumer brand, product and other assets relating to the business as currently and historically operated under the CompanyName<sup>®</sup> name.

The Company's Preferred Common Share Units in CompanyName will be entitled to periodic distributions based on a percentage of excess cash flow as determined by the Board of Directors. In the event of a qualified public offering by The Company's Preferred Common Share Units will be exchanged for shares of the issuer's common stock. The Company's Preferred Common Share Units will be evidenced by the issuance of membership Units in CompanyName, which are referred to as "the Company's Class 'A' Preferred Common Share Units" throughout this Memorandum.

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**AN INVESTMENT IN THE UNITS IS SPECULATIVE AND INVOLVES A HIGH DEGREE OF RISK. SEE "RISK FACTORS" FOR A DISCUSSION OF CERTAIN FACTORS THAT SHOULD BE CONSIDERED IN CONNECTION WITH ANY PURCHASE OF THE UNITS. THERE IS NO PUBLIC MARKET FOR ANY OF THE COMPANY'S SECURITIES AND NO SUCH MARKET IS EXPECTED TO DEVELOP FOLLOWING THE PLACEMENT OF THE UNITS. SIGNIFICANT RESTRICTIONS ON TRANSFER WILL APPLY. YOU SHOULD BE PREPARED TO BEAR THE ECONOMIC RISK OF YOUR INVESTMENT FOR AN INDEFINITE PERIOD OF TIME AND BE ABLE TO WITHSTAND A TOTAL LOSS OF YOUR INVESTMENT.**

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**NEITHER THE UNITS NOR THE OFFERING OF THE UNITS HAS BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR UNDER ANY STATE OR OTHER SECURITIES LAW, AND NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE OR OTHER REGULATORY AUTHORITY HAS PASSED UPON THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM OR APPROVED OR ENDORSED THE TERMS OR MERITS OF THE UNITS OR THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

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The Company will act as the placement agent in connection with the offering of the Units. Please direct all inquiries regarding the Company and the offering of the Units to:

CompanyName

Attn: ContactName

CompanyAddress, CityStateZip

tel CompanyPhone | email CompanyEmail

November 2015

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## NOTICE TO PROSPECTIVE INVESTORS

This Memorandum is being furnished solely for the purpose of enabling prospective investors to determine whether they wish to proceed with further investigation of the Company and making an investment in the Units. This Memorandum is not intended to form the basis of any investment decision and does not attempt to present all the information that prospective investors may require for purposes of making an investment decision. The Company anticipates providing prospective investors with the opportunity to ask questions, receive answers, obtain additional information and complete their own due diligence review concerning the Company and the offering of the Units prior to entering into any agreement to purchase Units.

By accepting delivery of this Memorandum, you agree to undertake and rely on your own independent investigation and analysis and consult with your own attorneys, accountants and other professional advisors regarding the Company and the merits and risks of an investment in the Units, including all related legal, investment, tax and other matters.

All information included in this Memorandum and otherwise furnished in connection with this offering is submitted to you on a strictly and permanently confidential basis, except as indicated below or otherwise expressly agreed in writing by the Company. Any reproduction or further distribution of this Memorandum or any such information is prohibited. By accepting delivery of this Memorandum, you agree that neither you nor any of your employees, agents or advisors will use this Memorandum or any such information for any purpose other than evaluating the Company and the offering of the Units. Except as indicated below or otherwise expressly agreed by the Company, you also agree not to disclose to any person the fact that you have received this Memorandum or any such information or any terms, conditions or other information with respect to the Company. If you decide not to participate in this offering, or if the Company so requests, you agree to promptly return this Memorandum and all other materials received in connection therewith without retaining any copies thereof.

Neither the Company nor any of their respective affiliates shall have any liability for any information included in this Memorandum or otherwise made available in connection with this offering, except for liabilities expressly assumed by the Company in the definitive subscription agreement, the form of which is attached as *Exhibit B* to this Memorandum, and related documentation for each purchase of Units. Without limitation of the foregoing, the Company makes no representation or warranty as to the accuracy or completeness of any information included in this Memorandum or any other information, written or oral, or any document made available in connection with this offering.

Until the execution of definitive purchase documentation for the purchase of the Units, the Company reserves the right, in its sole discretion and for any reason, to modify or amend the terms of the Units, to approve or disapprove any prospective investor, to

accept or reject, in whole or in part, any subscription, to allot to any investor fewer Units than the number sought by such investor and to withdraw from any further discussions, negotiations or transactions. Neither the Company nor any of their respective affiliates will have any liability or obligation whatsoever to any prospective investor in the event of any of the foregoing.

This Memorandum speaks as of the date hereof. Neither the delivery of this Memorandum nor any eventual sale of the Units shall, under any circumstances, imply that the information contained herein is correct as of any future date or that there has been no change in the Company's affairs after the date hereof. Nothing contained herein is, or should be relied upon as, a promise or representation as to future performance. Neither the Company nor any of their affiliates undertake any obligation to update or revise the Memorandum.

This Memorandum is intended solely for the use of the prospective investor to whom this Memorandum is initially provided. This Memorandum does not constitute an offer to sell to or solicitation of an offer to purchase from any investor or in any jurisdiction in which such an offer or solicitation is not authorized or would be unlawful. Each investor must comply with all legal requirements in each jurisdiction in which it purchases, offers or sells the Units or possesses this Memorandum, and must obtain any consent, approval or permission required by it in connection with the Units or the offering. Neither the Company nor any of their respective affiliates make any representation or warranty regarding, or shall have any responsibility for, the legality of an investment in the Units under any securities or similar laws. Prospective investors are not to construe the contents of this Memorandum as investment, legal, business or tax advice of any kind.

This Memorandum may contain descriptions of the Units and certain other documents relevant to this offering that do not set forth all the information that is included in or may be derived from those documents. You should read the complete text of the documents carefully and in their entirety prior to making any investment decision. You may request copies of the documents from the Company.

Any financial projections and other statements of anticipated future performance that are included in this Memorandum or otherwise furnished in connection with the offering are for illustrative purposes only and are based on assumptions by the Company's management that are subject to significant risks and uncertainties and may prove to be incomplete or inaccurate. Actual results achieved may vary from the projections and the variations may be material. Variations in the assumptions underlying the projections may also significantly affect projected results. The projections contained in this Memorandum were not prepared with a view toward compliance with published guidelines of the American Institute of Certified Public Accountants or generally accepted accounting principles and have not been examined, reviewed or compiled by the Company's independent certified accountants.

## OFFERING MEMORANDUM SUMMARY

### The Company

The Company has recently been formed for the purpose of conducting this offering and using the proceeds of this offering to acquire \$3 million of Company Preferred Common Share Units. The Company does not expect to own any assets other than the Company Preferred Common Share Units. Company will reimburse all legal, accounting, and directors' and officers' insurance costs and expenses reasonably incurred by the Company. Accordingly, the Company expects to distribute to holders of units all proceeds received on account of the Company Preferred Common Share Units.

### Investment Highlights

**Significant Market Opportunity.** CompanyName believes that certain demographic trends will fuel substantial growth and demand for its services and products in the coming years. According to the United States Department of Health & Human Services, \_\_\_\_\_ is increasing at the rate of 25% per year. In addition, Real Demographics LLC cites sources that forecast an almost 50% increase in \_\_\_\_\_ over the next three years. Company believes that these trends provide it with a unique opportunity to transform Company from its current position as a market leader in the \_\_\_\_\_ industry to a leading \_\_\_\_\_ company that provides a comprehensive array of \_\_\_\_\_ services and products.

**Substantial Growth Opportunities.** Currently, Company derives most of its revenue from its \_\_\_\_\_ and its \_\_\_\_\_. Although it expects these businesses to continue to grow in the near term, Company believes that its Company \_\_\_\_\_ will be the primary growth driver of its business over the next five to ten years. Company believes that there is an untapped market for \_\_\_\_\_ based upon market research and the strong demand and premium prices that the Company \_\_\_\_\_ has commanded. Company believes that it can generate significant revenue from these \_\_\_\_\_ with limited use of its own capital. Once the Company \_\_\_\_\_ project is developed, Company expects to generate ongoing revenue by charging a management fee for managing the \_\_\_\_\_ and \_\_\_\_\_. Company plans to replicate its Company \_\_\_\_\_ business model in its general form to develop additional Company \_\_\_\_\_ in select major metropolitan areas. Company also believes that it can grow its Company products division. Currently, it has sold Company \_\_\_\_\_ products only at its Company properties. Company is exploring alternative distribution channels to distribute its products beyond the confines of its properties. Company believes these alternative channels could generate substantial additional revenue.

### Favorable Projected Credit Statistics.

The following table shows certain projected credit statistics based upon Company's current business plan and assuming that the transactions contemplated by this Memorandum have been completed:

Credit Statistic	Projected Year Ending December 31,					
	2011	2012	2015	2014	2015	2016
Projected EBITDA/Total Interest + Total Preferred Membership Distributions(1).....	1.9x	2.5x	4.0x	8.6x	8.1x	4.7x
Total Senior Debt + Total Preferred Common Share Units/Projected EBITDA(2).....	7.4x	5.5x	3.4x	1.6x	1.7x	2.9x
Net Senior Debt + Total Preferred Common Share Units/Projected EBITDA(3) .....	5.5x	3.9x	2.1x	0.6x	0.1x	NM

- (1)
- (2)
- (3)

### Competitive Advantages

Company believes it has significant advantages over its competitors, including the following:

**Distinguished Brand.** Company believes the "Company" brand name is recognized worldwide and is synonymous with quality and superior service. The Company brand name ranks as one of the most highly recognized brands among affluent consumers according to a study by \_\_\_\_\_. Company is recognized as a leader in the \_\_\_\_\_ industries. Since its inception, Company has routinely won numerous national awards given by trade or consumer publications, such as \_\_\_\_\_, as well as awards from the \_\_\_\_\_. These awards

**EXHIBIT B - SUBSCRIPTION AGREEMENT FORM**

[Logo here]

CompanyName  
(a **YourState** Corporation)

Subscription Documents  
For Preferred Units of Common Shares  
in CompanyName

These subscription documents do not constitute an offer to sell or a solicitation of an offer to buy any security. The subscription documents may only be used in conjunction with, and such offers and solicitations may only be made by means of **CompanyName**'s Private Offering Memorandum dated November 1, 2015. **CompanyName**, a **YourState** Corporation (the "Company" or "**CompanyName**"), is offering securities in the form of Preferred Units of Common Shares consisting of one quarter (1/4) of one Common Shares in **CompanyName**:

[ ] 100 Units of Class "A" Preferred Common Share with each Unit consisting of one quarter percent (.25%) equity ownership in the **CompanyName**, a **YourState** Corporation. The total offering represents 30% equity of the Company priced at \$30,000.00 per Unit for a maximum of \$3,000,000.

The securities of the Company ("Interest") referred to herein have not been registered under the United States Securities Act of 1933, as amended (the "Act"), the **YourState** Uniform Securities Act or the securities laws of any other State. These Units of Common Shares may be acquired for investment purposes only and not with a view to distribution or resale, and may not be sold, mortgaged, pledged, hypothecated or otherwise transferred without an effective registration statement for such Units under the Act, unless exempt under the Act and applicable State securities laws.

**CompanyName** requires an opinion of counsel, satisfactory to counsel for the Company that any such transfer shall not violate any federal or State securities laws.

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## **ARTICLE I: OFFICES**

Section 1.01 REGISTERED OFFICE. The registered office of **COMPANY NAME** (the "Corporation"), in the State of **Delaware** is **2711 Centerville Road, Dover, DE 19901** and its registered agent at such address is Corporation Service Company.

Section 1.02 PRINCIPAL OFFICE. The principal office for the transaction of the business of the Corporation shall be at such location, within or without the State of **Delaware**, as shall be designated by the Board of Directors of the Corporation (the "Board").

Section 1.03 OTHER OFFICES. The Corporation may also have an office or offices at such other place or places, either within or without the State of **Delaware**, as the Board may from time to time determine or as the business of the Corporation may require.

## **ARTICLE II: MEETINGS OF STOCKHOLDERS**

Section 2.01 ANNUAL MEETINGS. Annual meetings of the stockholders of the Corporation for the purpose of electing directors and for the transaction of such other proper business as may come before such meetings may be held at such time, date and place as the Board shall determine by resolution.

Section 2.02 SPECIAL MEETINGS. Special meetings of the stockholders of the Corporation for any purpose or purposes may be called at any time by the Board, or the Chairman of the Board, the Chief Executive Officer, the President or the Secretary of the Corporation or by a committee of the Board which, has been duly designated by the Board and whose powers and authority, as provided in a resolution of the Board or in these Bylaws, include the power to call such meetings, or by the holder or holders of greater than 50% of the then outstanding voting securities of the Corporation.

Section 2.03 PLACE OF MEETINGS. All meetings of the stockholders shall be held at such places, within or without the State of **Delaware**, as may from time to time be designated by the person or persons calling the respective meetings and specified in the respective notices or waivers of notice thereof.

Section 2.04 NOTICE OF MEETINGS. Except as otherwise required by law, notice of each meeting of the stockholders, whether annual or special, shall be given not less than 10 nor more than 60 days before the date of the meeting to each stockholder of record entitled to vote at such meeting by delivering a typewritten or printed notice thereof to him personally, or by depositing such notice in the United States mail or overnight delivery service, in a postage prepaid envelope, or by-hand delivery service, charges prepaid, directed to him at his address furnished by him to the Secretary of the Corporation for such purpose or, if he shall not have furnished to the Secretary his address for such purpose, then at his address last known to the Secretary, or by