

## Private Placements

Offerings are highly speculative in nature, involves a high degree of risk and should be purchased only by persons who can afford to lose their entire investment. The risks are described in detail in the applicable Memorandum or Offering Circular. All prospective investors should carefully review the Risk Factors section of the applicable Memorandum or Offering Circular before purchasing membership interests in a series of a Company. Risks include, but are not limited to illiquidity, lack of diversification, complete loss of capital. Information provided may include forward-looking statements. Such forward-looking statements may include, but are not limited to, statements regarding: development plans of an issuer; strategies and business outlook; market sector; and other areas. Any forward-looking statements contained in a communication will be based on current expectations and beliefs concerning future developments, which are difficult to predict. Neither Watchdog Capital, nor any issuer, can guarantee future performance, or that future developments affecting the offering will be as anticipated. These forward-looking statements involved a number of risks, uncertainties and/or assumptions that may cause actual results or performance to be materially different from those expressed or implied by such forward-looking statements. Prospective investors should carefully review the risks located in the respective offering materials for a more comprehensive discussion of risks. You should speak with your financial advisor, accountant and/or attorney when evaluating any offering.

## Reg CF

Investing in offerings offered under Regulation CF (“Reg CF”) generally follows the process below:

1. Review the potential investment opportunities posted through the Watchdog Capital portal.
2. If you are interest in an offering, review the information posted to the offering campaign page, including the terms of the offering, the offering materials, the Form C filed with the Securities and Exchange Commission and any other presentation. Check out the community comments section. You will have an opportunity to review the investment documents again during the funding process.
3. You must first create an account and complete the necessary forms and verifications to ask a question in the comment section or to make an investment.
4. Once you decide to make an investment in a particular offering, you can invest by clicking on the Invest button.
5. Follow the steps shown to complete your investment.
6. Before you will be permitted to complete your investment, you will be required to confirm that you have reviewed Watchdog Capital’s educational materials, understand that the entire investment may be lost, and that you are in a financial condition to bear the loss. You will also need to acknowledge that you understand the restrictions on investment cancellations, potential challenges for resales, and the inherent investment risks.
7. After you confirm your investment, your funds will be transferred to an escrow account until the fundraising is closed.

8. Once the fundraising round closes, you will receive confirmation of success and acceptance of your investment.
9. In the case of an unsuccessful campaign or if you cancel an investment, the escrow agent will return the funds from the escrow back into your bank account.

**Risks:** Investments in these issuers are illiquid and highly speculative. Only invest funds you can afford to lose entirely without changing your lifestyle. Be aware you may not be treated equally to other investors. There are inherent risks common to all startup investments. Rapidly changing technology; scarcity of management; more experienced or larger competitors; and changing economic conditions all present risks to new companies.

Invest for the long term - Set realistic expectations: there is no way to know how long an investment could take to become valuable or salable.

Diversify - Spread your investments across multiple companies and asset classes to diversify financial risk.

Do your own research

- All companies that raise capital must provide investment documents to the U.S. Securities and Exchange Commission (“SEC”). You can always find more information about each company, including voluntary amendments to their Form C if you follow the Form C link available in the Watchdog Capital portal.
- Review risk disclosures in the Risks section of each company’s offering.
- Review comments and questions, and other information provided for each company you are interested in.
- Pay close attention to any disclosed dealings between the company and its investors, officers, directors, employees or founders.
- Do your own independent analysis of the marketplace where the company will be operating, and any intrinsic risks and/ or competitors in their space.

The majority of Reg CF offerings are common stock, but some companies raise capital through debt, convertible debt, and revenue sharing. Please thoroughly review each individual offering to ensure that you understand the investment instrument prior to purchase.

There is no established market to re-sell your shares. Investors are generally restricted from reselling or transferring their Reg CF exempt shares, even privately, 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 Securities Exchange Commission.

An issuer that has offered and sold securities through Reg CF must post on their website their annual report along with the financial statements of the issuer. These are also filed with the SEC. The annual report will have additional disclosures as required by regulation. Annual reports are typically required by April 30<sup>th</sup> each year, but may vary depending on the issuer's fiscal year end.

Under certain circumstances an issuer may cease to publish annual reports and, therefore, you may not continually have current financial information about the issuer.

The amount of funding you can invest depends on your status as an investor, the governing regulation and limits the issuer has chosen to place. When you begin your investment, you will be shown both the maximum and minimum investment limits depending on the investment, issuer, regulations and your situation. Investment limits for Reg CF offerings are based on two types of investors as defined by the SEC: Accredited and Non-Accredited investors.

Most people will fall into the non-accredited investor category so please see below. Accredited investors have no investment limit imposed on them. If you believe you may be an accredited investor see the definition which follows further below.

#### I. NON-ACCREDITED INVESTORS

The following limits are imposed by the SEC and cover a 12 month period and applies to all Reg CF offerings you invest in within a 12 month period.

- (a) If your annual income or net-worth is less than \$107,000 you can invest the greater of: \$2,200 or 5 percent of the greater of your annual income or net worth.
- (b) If your annual income and net worth are equal to or more than \$107,000 you can invest: 10 percent of the greater of your annual income or net worth, not to exceed \$107,000.

#### II. ACCREDITED INVESTORS

For accredited investors there is no limit as to how much you can invest in Reg CF offerings. The following is a brief description of an accredited investor as defined by the SEC.

An accredited investor includes anyone who: Earned income that exceeded \$200,000 (or \$300,000 together with a spouse) in each of the prior two years, and reasonably expects the same for the current year, OR has a net worth over \$1 million, either alone or together with a spouse (excluding the value of your primary residence). Additional information on how to calculate net worth, and additional ways to qualify as an accredited investor can be found on the [SEC's website](#).

During the investment process, you may be required to affirm that you are an accredited investor. Different offerings may require different levels of proof, and may have different methods to provide that proof. Review instructions carefully while you go through the investment process. Watchdog Capital can verify investors provided they meet our criteria and provide information to us.

The minimum amount you can invest in a company will depend on the specifics of a given company's campaign. You can cancel your investment up to the closure of a round of funding. Once the funding round has closed, you will not be able to cancel your investment for any reason. If you've already submitted payment, you should expect a refund within 10 business days. The issuer or portal may also cancel your investment as long as your funds are still in escrow or haven't yet been received. Once the funding round has closed, your investment cannot be cancelled.

Consider whether investing in a Reg CF is right for you before you invest. Investing in Reg CF startups allows you to support startups and early-stage growth companies that you are passionate about. Invest in startups because you love them, but not just for potential profit. Investing is high-risk and you could lose your entire investment.

Following completion of an offering conducted through Watchdog Capital, there is no ongoing relationship between the issuer and Watchdog Capital.