Name of Offeree: _____ **Copy No.:** _____

PRIVATE PLACEMENT MEMORANDUM

MEDTAINER, INC.

8.00% ASSET-BACKED NOTES DUE 2023

Extendable for Up to Four One-Year Terms by Company
Secured by Certain Company Intellectual Property, Inventory and Equipment

$200,000 Minimum Offering Amount
$2,000,000 Maximum Offering Amount

Minimum Purchase: 25 Notes ($25,000)

Medtainer, Inc., a Florida corporation (the "Company"), has its headquarters at 1620 Commerce Street, Corona, CA 92880. The offering described in this Private Placement Memorandum is (the "Offering") is a private offering of its 8.00% Asset-Backed Notes due 2023 (subject to extension at the option of the Company (the "Notes")). The Company may offer, but is not required to offer, Noteholders the opportunity to exchange their Notes for shares of the into Common Stock of the Company ("Common Stock"). See ("Exchange Offer.") The Company has been in the business of selling proprietary containers made from medical-grade polypropylene resin under the registered trademark "Medtainer®" since 2014 and its predecessor since 2012. The Medtainer® is the first FDA-approved container for pharmaceuticals, herbs, teas and other solids or liquids, which can be carried whole or be ground or shredded with a self-contained grinder. The Company also sells humidity control inserts, hydroponic towers and other products. The Company is also in the business of private labeling and branding for purchasers of Medtainers® and other products

The Notes are being offered solely to Accredited Investors under the exemption from registration under the Securities Act of 1933 (the "Securities Act") afforded by Rule 506(c) promulgated thereunder who meet certain suitability standards (see "Suitability Standards"). Medtainer, Inc. is the Sponsor of this Offering.

The Company intends to sell the Notes until it reaches the maximum offering amount of $2,000,000 principal amount (the "Maximum Offering Amount"), but reserves the right to raise this amount to not more than $2,200,000 without notice to investors; provided, however, that if the Company does not sell at least $200,000 principal amount of Notes by June 30, 2020, the funds paid by subscribers will be returned to them without interest. The Company may waive the Minimum Offering Amount.

The principal amount of each Note will be $1,000 or an integral multiple thereof will be issued in accordance with other terms and conditions summarized below. See the form of Note attached to this Memorandum as Exhibit B. The Notes will be secured senior obligations of the Company. The Notes will mature on the 36 months after the issue date of the last of the Notes to be issued, subject to extension by the Company for up to four additional one-year extensions (with any extensions, the "Maturity Date"). The Company may voluntarily prepay all or, on a pari passu basis, a portion of the Notes at any time, without premium or penalty.

The Notes will bear interest at the rate of 8% per annum, paid quarterly in arrears to the extent of available funds, compounding quarterly if not paid. Each Note will bear interest from the date of its issuance. **The Company will not be required to, and does not expect to, make any interest payments on the Notes on the first two quarterly interest payment dates after the termination of the Offering. However, interest will accrue, and the arrearage will be paid with the first quarterly interest payment payable thereafter.** See "Summary of the Notes and Note Administration Agreement" and "Form of Note" attached as Exhibit B. The Company has covenanted to maintain in escrow cash, marketable securities or other liquid assets in an amount sufficient to pay six months of interest.

The net proceeds of the Notes will be used by the Company to establish production capacity and expand marketing outreach for its medical-grade containers primarily for the Cannabis, Cannabidiol ("CBD") (a non-intoxicating ingredient from the hemp plant) and bio/pharmaceutical markets, as well as for its other products (see "Use of Proceeds").

Proceeds will primarily be used for:

- Purchasing high-tech equipment to support anticipated expanded sales and reduce the cost of the Company's Medtainer® products by manufacturing a portion of them itself.
- Hiring Marketing personnel to increase market penetration in the Cannabis, CBD and bio/pharmaceutical sectors;
- Significantly increasing advertising and promotion, especially internationally.

See "Use of Proceeds."

	Price to Investors	Selling Commissions, Due Diligence Reimbursements and Marketing and Wholesaling Expenses[1]	Proceeds to Company[2]
Per Note	$ 1,000	$ 70	$ 930
Minimum Offering [3]	$ 200,000	$ 14,000	$ 186,000
Maximum Offering [3]	$ 2,000,000	$ 140,000	$ 1,860,000

(Front Page Continued on Next Page)

The information in this preliminary Private Placement Memorandum is not complete and may be changed. This document and any subsequent final Private Placement Memorandum or Supplement or Amendment will be related to an offering under Regulation D – Section 506(c) filed with the State of California This document is not an offer to sell the Notes and is not a solicitation of an offer to buy the Notes in any jurisdiction where or to any person to whom such offer or sale is not permitted. The date of this notice is January 27, 2020.

The date of this Memorandum is January __, 2020

(Continued from Front Page)

(1) Offers and sales of Notes will most likely not be made on a "best efforts" basis by broker-dealers ("Broker-Dealers," collectively the "Selling Group") who are members of the Financial Industry Regulatory Authority. ("FINRA"). Such sales, if any, by the Selling Group members will receive commissions ("Selling Commissions") of up to 6% of the gross proceeds of their sales (the "Offering Proceeds"). In addition, a non-accountable expense reimbursement of up to 1% of the Offering Proceeds may be paid in each case to reimburse such parties for due diligence and marketing expenses, travel costs, legal and accounting fees and other out-of-pocket expenses incurred in connection with the sale of the Notes, and certain due diligence costs will be paid to various other parties performing due diligence on behalf of the Selling Group members that are likely to approximate an additional 0.50% (collectively, the "Due Diligence Reimbursements"). Further, certain Broker-Dealers, including Affiliates of the Company, will receive compensation and reimbursement for marketing and wholesaling services rendered in conjunction with the Offering in an amount equal to up to 1% of the Offering Proceeds ("Marketing and Wholesaling Expenses"). The total aggregate amount of Selling Commissions, Due Diligence could approach 8.00% of the Offering Proceeds if the Maximum Offering Amount is sold. The Company reserve the right, in its sole discretion, to pay reduced Selling Commissions and/or Due Diligence Reimbursements and/or Marketing and Wholesaling Expenses or waive such sums with respect to the Notes purchased by certain Affiliates and other persons. See "Plan of Distribution" and "Use of Proceeds." Finally, the Note Administrator, will receive an initial servicing fee equal to 0.50% of the outstanding principal balance of the Notes at closing and an annual note servicing fee equal to 0.25% of the outstanding principal balance of the Notes. See "Terms of the Offering." However, it is expected that the majority of the Notes will be sold by members of Company management without the expense of broker-dealer commissions or due diligence fees. Therefore, the net proceeds to investors is estimated to be only 7.00%.

(2) Amounts shown are proceeds after deducting Selling Commissions, Due Diligence Reimbursements and Marketing and Wholesaling Expenses, but before deducting organization and offering expenses and fees which are estimated to be 1%. See "Use of Proceeds."

(3) The minimum purchase is 25 Notes for a total purchase price of $25,000. The Company has the right, in its sole discretion, to waive the minimum purchase requirement for the Notes and without notice to investors, to increase the Maximum Offering Amount to not more than $2,200,000.

Notes. The Company is offering the Notes at $1,000 per Note. The Notes will be secured by the Company's intellectual property, inventory and equipment. The Notes will mature three (3) years from their date of issuance, subject to being extended by the Company for up to four additional one-year extensions (with such extensions, the "Maturity Date"). The Company will issue Notes on a weekly basis for subscriptions received and accepted during such week. The Notes will bear interest at 8.00% per annum, paid quarterly in arrears and if not paid, compounding quarterly, accruing to the Maturity Date. (as such date may be extended as described below). **The Company will not be required to, and does not expect to, make any interest payments on the Notes on the first two quarterly interest payment dates after the termination of the Offering. However, interest will accrue, and the arrearage will be paid with the first quarterly interest payment payable thereafter.** See "Summary of the Notes and Note Administration Agreement" and "Form of Note" attached as Exhibit B.

Maximum Offering Amount. The Maximum Offering Amount is $2,000,000 from the aggregate sale of the Notes, although the Company reserves the right to raise the Maximum Offering Amount to not more than $2,200,000 without prior notice to investors. (See "Summary of the Offering" and "Use of Proceeds.")

Minimum Offering Amount. The Minimum Offering amount is $200,000. The Company will return all of the investors' funds to them, without interest if subscriptions fail to reach that amount. (See "Summary of the Offering" and "Use of Proceeds.")

Use of Proceeds. See "Use of Proceeds" for information as to how the Company will utilize the net proceeds from the Maximum Offering Amount and the Minimum Offering Amount.

THE NOTES ARE SPECULATIVE AND ARE SUBJECT TO A HIGH DEGREE OF RISK. SEE "RISK FACTORS," BELOW.

BEFORE MAKING AN INVESTMENT DECISION, AN INVESTOR SHOULD REVIEW AND CONSIDER THE COMPANY'S FINANCIAL STATEMENTS THAT ARE ATTACHED HERETO AS EXHIBIT D.

The Offering is made only to Accredited Investors who also meet the suitability standards described below. See "Terms of the Offering – Suitability Standards." An investor must purchase a minimum of 25 Notes ($25,000). However, the Company reserves the right, in its sole discretion, to waive the minimum purchase requirement.

Except for the information set forth herein, no person acting in any capacity whatsoever with respect to this Offering has authority to give information or to make any representations or warranties, either express or implied, and, if given or made, such information, representations, or warranties must not be relied upon as having been authorized by the Company. Any written or oral representations or statements that do not conform to this Memorandum are unauthorized and must be disregarded.

To assure that the Offering complies with the conditions of the appropriate securities exemptions and that investors are properly qualified to invest in the Notes, each investor will be required to make representations to the effect that, among other things, the investor is an Accredited Investor and that he satisfies the investor suitability standards set forth in this Memorandum and to agree to indemnify the Company if such representations are inaccurate. (See "Terms of the Offering - Suitability Standards). Notes will not be sold to any investor unless and until he has received this Memorandum, has completed and delivered the accompanying Subscription Agreement, and the Company, in its sole discretion, has accepted his subscription. (See "How to Subscribe.")

This Offering is made only to investors who have the financial means and expertise to investigate as to all matters they deem relevant in making an investment decision in addition to the matters summarized herein. Offerees and their advisors are urged to ask questions of the Company management and to review and copy available documents concerning the Offering, the Company or any other matter they deem material to their evaluation of an investment in the Notes. A Company representative will answer any questions prospective investors and their advisors may have and will provide access to documents that the Company has or can obtain without unreasonable expense or effort.

Subscriptions received in this Offering will be subject to rejection or allotment in whole or in part at any time by the Company, in its sole discretion. The Offering will terminate on June 30, 2020, unless the Maximum Offering of Notes is sold earlier or extended by the Company

This Memorandum and any other information provided by the Company in connection with this Offering should not be construed as legal, tax, accounting, investment, or other expert advice to prospective investors. Each investor is urged to consult with his own professional advisor(s) before investing in the Notes.

The Offering is made solely by means of this Memorandum. This Memorandum does not constitute an offer to sell, or the solicitation of an offer to buy, the Notes to any person to whom it is unlawful to make such an offer or solicitation or to any person receiving a copy hereof from anyone other than the Company or authorized representatives of the Company. The Notes are being offered subject to prior sale, withdrawal, cancellation, or modification of the offer without notice, and to the further conditions referred to herein.

This Memorandum is intended for the confidential, private use of qualified offerees and their authorized advisors. Each offeree and the offeree's advisor, by accepting delivery of this Memorandum, agree as follows: (i) to keep this Memorandum and all other information provided by the Company in the strictest confidence, (ii) not to duplicate, reproduce, or deliver this Memorandum or such information in whole or in part (except to the offeree's advisors) and (iii) not to divulge any of the contents of this Memorandum or such other information to any person (other than any such advisors), without the prior written consent of the Company.

READ THIS MEMORANDUM CAREFULLY BEFORE MAKING ANY INVESTMENT DECISION, ESPECIALLY THE SECTION ENTITLED "RISK FACTORS."

This Memorandum provides certain information regarding the Company and this Offering but is by no means exhaustive. A prospective investor should conduct his own independent investigation and request such additional information from the Company as they and their advisors deem prudent.

This Memorandum contains summaries of certain provisions of the documents that will govern this investment. The summaries do not purport to be complete and are qualified in their entirety by the full text of the original documents. Copies of these documents have been included in this Memorandum as Exhibits or are available from the Company upon request. Investors must not rely upon any representations or information other than as expressly set forth in this Memorandum and in documents furnished by the Company upon request.

Prospective investors and their advisors are invited to ask questions of, and request additional information from, the Company concerning the Offering, the Company, the Company and any other information they consider pertinent, including, but not limited to, additional information to verify the accuracy of information in this Memorandum. The Company will provide such additional information to the extent it possesses such additional information or can acquire

it without unreasonable effort or expense. Such additional information may be obtained by contacting the Company as indicated below.

THIS OFFERING WILL NOT BE REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION (THE "SEC") OR WITH ANY STATE SECURITIES REGULATORY AGENCIES IN RELIANCE UPON CERTAIN EXEMPTIONS FROM THE REQUIREMENTS OF SUCH REGISTRATION. AS A RESULT, THE TERMS OF THIS OFFERING AND THIS MEMORANDUM WILL NOT BE REVIEWED OR APPROVED BY THE SEC OR SUCH STATE AGENCIES. IT IS POSSIBLE THAT IF THE TERMS OF THIS OFFERING AND THIS MEMORANDUM WERE SO REVIEWED, THEY WOULD NOT BE APPROVED WITHOUT MATERIAL CHANGES.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN INDEPENDENT INVESTIGATION OF THE NOTES, THE COMPANY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE NOTES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY, AND SUCH AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE NOTES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE, THE NOTE, THE SUBSCRIPTION AGREEMENT, THE SECURITIES ACT OF 1933, AS AMENDED ("SECURITIES ACT") AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME, THAT THE NOTES SHOULD BE REGARDED AS AN ILLIQUID, LONG-TERM INVESTMENT AND THAT THERE IS NO PUBLIC MARKET FOR THE NOTES AND THAT NONE IS LIKELY TO DEVELOP.

THE FINANCIAL FORECAST SET FORTH IN EXHIBIT E SHOULD NOT BE CONSTRUED AS CONTAINING PREDICTIONS OF THE ACTUAL OPERATING RESULTS OF THE COMPANY OR THE ACTUAL RESULTS OF INVESTING IN THE NOTES. THE FINANCIAL FORECAST IS INTENDED MERELY TO ILLUSTRATE THE POTENTIAL RESULTS THAT THE COMPANY MIGHT ACHIEVE BASED ON THE ASSUMPTIONS CONTAINED THEREIN. WHILE THE COMPANY BELIEVES THE ASSUMPTIONS ARE REASONABLE, THEY ARE NECESSARILY SPECULATIVE AND SUBJECT TO MANY UNCERTAINTIES AND RISKS. IT IS LIKELY THAT FUTURE EVENTS AND CONDITIONS WILL BE DIFFERENT FROM THOSE ASSUMED AND THAT ACTUAL RESULTS WILL BE DIFFERENT FROM THOSE ILLUSTRATED, AND THOSE DIFFERENCES MAY BE MATERIAL. THE FINANCIAL FORECAST WAS COMPILED BY THE COMPANY WITHOUT THE ASSISTANCE OF ITS INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM OR LEGAL COUNSEL.

THE FORWARD-LOOKING STATEMENTS CONTAINED IN THIS MEMORANDUM, INCLUDING, WITHOUT LIMITATION, STATEMENTS REGARDING FUTURE EVENTS, ACTIVITIES, OCCURRENCES, OR PERFORMANCES, ARE INTENDED MERELY AS ESTIMATES, PROJECTIONS, PREDICTIONS, OR BELIEFS REGARDING THESE FUTURE EVENTS, ACTIVITIES, OCCURRENCES, OR PERFORMANCES, UNLESS EXPRESSLY STATED OTHERWISE. FOR VARIOUS REASONS, INCLUDING THOSE SET FORTH IN THE "RISK FACTORS" SECTION OF THIS MEMORANDUM, THERE CAN BE NO ASSURANCE THAT THE ACTUAL EVENTS WILL CORRESPOND WITH THESE FORWARD-LOOKING STATEMENTS OR THAT FACTORS BEYOND THE CONTROL OF THE COMPANY WILL NOT AFFECT THE ASSUMPTIONS ON WHICH THE FORWARD-LOOKING STATEMENTS ARE BASED. THEREFORE, THE ILLUSTRATIVE VALUE OF THESE FORWARD-LOOKING STATEMENTS FOUND IN THIS MEMORANDUM SHOULD NOT, UNDER ANY CIRCUMSTANCES, BE CONSIDERED A GUARANTEE THAT SUCH FUTURE EVENTS, ACTIVITIES, OCCURRENCES, OR PERFORMANCES WILL TAKE PLACE.

THERE ARE INHERENT AND POTENTIAL CONFLICTS OF INTEREST BETWEEN THE COMPANY AND THE COMPANY, THE COMPANY'S MEMBERS, AND AFFILIATES. PROSPECTIVE INVESTORS SHOULD CAREFULLY REVIEW THE DISCUSSION IN "RISK FACTORS" AND "CONFLICTS OF INTEREST." EACH INVESTOR SHOULD SEEK THE ADVICE OF THEIR OWN INDEPENDENT LEGAL AND TAX ADVISORS WITH RESPECT TO AN INVESTMENT IN THE NOTES AND THE PROSPECTIVE RISKS AND REWARDS THEREFROM.

TREASURY DEPARTMENT CIRCULAR 230 ("CIRCULAR 230") NOTICE. TO ENSURE COMPLIANCE WITH CIRCULAR 230, PROSPECTIVE INVESTORS ARE HEREBY NOTIFIED THAT (A) ANY DISCUSSION OF FEDERAL TAX ISSUES CONTAINED OR REFERRED TO IN THIS MEMORANDUM IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, BY PROSPECTIVE INVESTORS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON THEM UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS WRITTEN IN CONNECTION WITH THE PROMOTION OR MARKETING BY THE COMPANY OF THE TRANSACTIONS OR MATTERS ADDRESSED IN THIS MEMORANDUM; AND (C) PROSPECTIVE INVESTORS SHOULD SEEK TAX ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

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(*TO COME***)**

Exhibits

A. Subscription Agreement
B. Form of Note
C. Form of Note Administration Agreement
D. Current Financials of the Company
E. Financial Forecast (Unaudited)
F. Security for Notes

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SUMMARY OF THE OFFERING

The following summary is intended to provide selected limited information regarding the Company, the Notes and the Offering and should be read in conjunction with, and is qualified in its entirety by, the detailed information appearing elsewhere in this Memorandum. **EACH PROSPECTIVE PURCHASER OF NOTES IS URGED TO READ THE ENTIRE MEMORANDUM BEFORE INVESTING.**

The Issuer:	Medtainer, Inc. (the "Company"), a Florida corporation, was incorporated in 1997 and commenced its current operations in 2014.
Offering:	The Company is offering its 8.00% Asset-Backed Notes due 2023 (the "Notes") at $1,000 per Note. The Minimum Offering Amount for the Notes is $200,000, which the Company may waive. The Maximum Offering Amount is $2,000,000 from the aggregate sale Notes unless increased by the Company without notice to then existing investors, to an amount not to exceed $2,200.000. The Company has appointed a Note Administrator (the "Note Administrator") and to hold subscribers' funds in escrow until their Notes are issued, to hold, cash and cash equivalents in an amount equal to six months of forward-looking interest and to act for the benefit of the holders of Notes in the event of default. (See "Description of Notes.")
Maturity:	The Notes will mature 36 months after the close of this Offering in 2023, but their maturity may be extended, at the option of the Company, for up to four additional one-year terms (the date on which the Notes mature, giving effect to all such extensions being the "Maturity Date").
Interest:	The Notes will bear interest at the rate of 8% per annum, due quarterly in arrears from the date of its issuance, compounding quarterly if not paid. Investors should note that the Company will not be obligated to pay interest on the Notes for six months after the close of the Offering. However, interest will accrue and be paid as a "lump sum" with the initial regularly quarterly interest payment.) See "Summary of the Notes and Note Administration Agreement" and "Form of Note" attached as Exhibit B. **The Company will not be required to, and does not expect to, make any interest payments on the Notes payments on the Notes on the first two quarterly interest payment dates after the termination of the Offering. However, interest will accrue, and the arrearage will be paid with the first quarterly interest payment payable thereafter.** The Company has covenanted in the Notes Administration Agreement to maintain in escrow cash, marketable securities or other liquid assets in an amount sufficient to pay six months of interest. See "Summary of the Notes and Note Administration Agreement" and "Form of Note" attached as Exhibit B.
Minimum Purchase:	A minimum purchase of 25 Notes ($25,000) will be required. The Company reserves the right, in its sole discretion, to waive the minimum purchase requirement. See "Summary of the Notes and Note Administration Agreement." Fractional Notes will not be sold or issued.
Minimum Offering Amount:	$200,000; provided, however, that the Company does not sell at least $200,000 principal amount of the Notes by June 30, 2020 , the funds paid by the subscribers will be returned to them without interest.
Maximum Offering Amount:	$2,000,000, but the Company may raise this amount to not more than $2,200,000 without notice to investors.

Issuance:	The Company will issue Notes on a weekly basis for subscriptions accepted during each month. Each Note will be dated as of the date of its issuance.
Use of Proceeds:	Net proceeds from the Offering ($186,000 at the Minimum Offering Amount and $1,860,000 at the Maximum Offering Amount) will be used for purchase of equipment, expansion of sale and marketing staff, marketing and advertising expenses, working capital and preliminary expenses for an anticipated securities offering registration. Any unallocated funds will be utilized as working capital. See "Use of Proceeds."
Company Objectives:	The principal objectives of the Company will be successfully to execute its operating plan and as a result, (i) to realize increased income through sales of products primarily related to Cannabis, CBD and bio/pharmacy; (ii) once the equipment to be purchased with the proceeds of the Notes is installed and personnel are hired and trained, to produce its own products to the maximum extent possible in light of its existing commitments; and (iii) repay the Notes prior to the Maturity Date.
Note Administrator and Note Administration Agreement:	The Note Administrator will be Barry J. Miller, attorney at law, of Birmingham, Michigan, who will hold subscriber's funds until their Notes are issued, hold, cash and cash equivalents in an amount equal to six months of interest and act for the benefit of the holders of Notes in the event of default. He will hold all money in a client trust account. He will act under a Note Administration Agreement between the Company and him.
Environmental:	The Company believes that it has adequate protection in its lease insurance policy providing $700,000 for each occurrence of general liability related to environmental issues with a total coverage of up to $5,000,000.
Suitability Standards:	Offering of the Notes by the Company is strictly limited to persons who are Accredited Investors, as defined in Rule 501(a) promulgated under the Securities Act, and meet certain other minimum suitability requirements. See "Terms of the Offering – Suitability Standards."

HOW TO SUBSCRIBE

Investors who wish to subscribe for the Notes must carefully read this Memorandum and the Exhibits hereto. Then, they must complete, sign, date and deliver the Subscription Questionnaire and Subscription Agreement attached hereto as Exhibit A, along with a check payable to _____ in the amount of the purchase price for the Notes purchased. These documents should be mailed or delivered to:

_____
_____
_____

Attention: _____

After receipt of the completed, signed and dated Subscription Questionnaire and Subscription Agreement, verification of the investor's investment qualifications, and acceptance of the subscription by the Company (in the Company's sole discretion), the Company will notify each investor of receipt and acceptance of the subscription.

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RISK FACTORS

PURCHASE OF THE NOTES INVOLVES A HIGH DEGREE OF RISK AND IS SUITABLE ONLY FOR PERSONS OF SUBSTANTIAL FINANCIAL MEANS WHO HAVE NO NEED FOR LIQUIDITY IN, AND WHO CAN AFFORD A COMPLETE LOSS OF, THEIR INVESTMENT. BEFORE INVESTING IN THE NOTES, PROSPECTIVE INVESTORS SHOULD CONSIDER CAREFULLY THE FACTORS REFERRED TO BELOW, AS WELL AS OTHER RISKS ASSOCIATED WITH THEIR INVESTMENT. THE MATERIAL BELOW MERELY SUMMARIZES SOME OF THESE RISKS AND IS NOT INTENDED TO BE EXHAUSTIVE. THIS OFFERING IS DIRECTED ONLY TO ACCREDITED INVESTORS.

SOME OF THE INFORMATION IN THIS MEMORANDUM MAY CONTAIN "FORWARD-LOOKING" STATEMENTS. YOU CAN IDENTIFY SUCH STATEMENTS BY THE USE OF FORWARD-LOOKING WORDS SUCH AS "MAY," "WILL," "ANTICIPATE," "EXPECT," "ESTIMATE," "CONTINUE," OR OTHER SIMILAR WORDS. THESE TYPES OF STATEMENTS DISCUSS FUTURE EXPECTATIONS OR CONTAIN PROJECTIONS OR ESTIMATES. WHEN CONSIDERING SUCH FORWARD-LOOKING STATEMENTS, YOU SHOULD KEEP IN MIND THE FOLLOWING RISK FACTORS. THESE RISK FACTORS COULD CAUSE THE COMPANY'S ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE CONTAINED IN ANY FORWARD-LOOKING STATEMENT.

Risks relating to an investment in the Notes

The Notes may be amended by a supermajority.

The Notes will provide that the holders of at least 75% of the outstanding principal amount of the Notes, excluding any Noteholder affiliated with the Company (a "Supermajority") may amend any provision of the Notes, but may not, (i) without the consent of the holder of each Note so affected, (A) extend of the maturity of the principal of or the interest on any Note or (B) reduce the principal amount of any Note or the rate of interest thereon; or (ii) without the consent of all of the Notes then outstanding, (A) create a privilege or priority of any Note or Notes over any other Note or Notes or (B) reduce the aggregate principal amount of the Notes required to constitute a Supermajority. However, other amendments that could affect the rights of the Noteholders could be made even though one or more Noteholders were to vote against them.

Risk of late payment and nonpayment.

The ability of the Company to repay the principal of the Notes on the Maturity Date or at all and to pay interest accrued on the Notes when due or at all, depends on the complete and timely execution of its operating plan. If the Company were not for any reason able so to execute, the Company might not be able to repay the Notes and interest thereon timely or in full or at all.

Risk of prepayment; no prepayment premium.

The Company will have the right, in its sole discretion, to prepay the Notes, as a whole or in part, at any time. In the event that the Notes are prepaid by the Company, it will be obligated to pay the Noteholders the principal of and the interest accrued on the prepaid Notes, without any premium of any kind. Prepayments will be required to be allocated among the Notes pro rata in accordance with the outstanding principal amount thereof. prepayment See "Description of the Notes and Note Administration Agreement."

Limited Powers of Note Administrator.

The Note Administration Agreement grants the Note Administrator considerable powers with respect to the Notes. However, the Note Administrator does not have the powers of a trustee. In certain circumstances, a trustee might have greater powers than the Note Administrator. If the Notes were in default, the Noteholders might have a reduced ability to protect their position and ultimately collect the sums due them than they might have had if the Note Administrator had the powers of a trustee. This could have a material adverse effect on the Noteholders if the Notes were in default.

No sinking fund.

The Company is not required to not establish a sinking fund for repayment of the Notes, but is required to establish a two-year interest fund solely to pay interest on the Notes. Accordingly, payment of the Notes at maturity will depend upon the availability of cash in an amount sufficient to pay the principal and interest then due. Because of the uncertain nature of the future events, no assurance can be given that there will be sufficient cash on hand at that time.

The collateral securing the Notes, if foreclosed on, may not produce sufficient fund to repay the Notes.

If the Company were to default on the Notes, the collateral securing the Notes could be foreclosed on and sold. No assurance can be given that the proceeds of such sale might not be insufficient to repay the principal of and the interest accrued on the Notes. In that case, the investors might not be able to recover that insufficiency from the remaining unsecured assets of the Company.

The Financial Forecast may not be accurate.

The Financial Forecast set forth in Exhibit E is based on a number of assumptions as to future events which may not occur or which may have different results or outcomes than anticipated. Certain of the significant assumptions underlying this Financial Forecast are summarized in Exhibit E. The assumptions do not, and cannot, consider such unpredictable factors as the risk factors referred to herein or unexpected events. There can be no assurance that the results reflected in the Financial Forecast will be achieved. Due to the many uncertainties involved, the actual results of Company operations and an investment in the Notes may be different than those projected, and the differences may be material. **Accordingly, the Financial Forecast should not be relied upon to indicate the actual results that will be achieved.** The Financial Forecast has been compiled by the Company but has not been reviewed or passed upon by the Company's independent registered public accountants or its legal counsel.

Sources of funding for future needs may not be forthcoming.

Substantially all of the proceeds of the offering will be used for the operating plan and payment of various fees and expenses described herein. If the Company should have future needs for capital for any other purpose, no assurance can be given that it would be available on acceptable terms or at all.

Audited financial statements for 2019 are not available.

The Company's most recent audited financial statements are for the year ended December 31, 2018. The Company has prepared unaudited financial statements, which have been reviewed by its independent registered public accounting firm, for the quarters ended March 31, 2019, June 30, 2019, and September 30, 2019. The Company does expect this accounting firm to complete its audit of the Company's financial statements for the year ended December 31, 2019, until between March 30 and April 14, 2020.

The Company may be affected by War and terrorist attacks.

Present and future operations by the United States armed forces and terrorist actions against the United States may have an adverse effect on the international, national and local economies and may adversely affect the economic performance of the Company.

The regional, national and international economies may soften.

Softness in the regional, national and/or international economy could materially and adversely impact the Company, including its ability of the Company to complete the implementation of its operating plan. Any financial difficulties encountered during the development may materially and adversely affect the Company's economic performance.

Risk factors related to the company's financial condition

If the Company is unsuccessful in obtaining revenues and raising funding, it may cease to continue as a going concern.

The ability of the Company to continue as a going concern is dependent on the timely and successful execution of its operating plan, which includes manufacturing its principal product, increasing sales of existing products, introducing additional products and services, controlling operation expenses, negotiating extensions of existing loans and raising either debt or equity financing, as well as developing its business and obtaining market penetration to attain revenues and operating cash flows, investing in product development, entering into complementary markets and obtaining satisfactory overall gross margins. The Company may require capital beyond the net proceeds that it will receive if it sell the Maximum Offering Amount of the Notes to meet contingencies or the impact of unexpected events.

There are uncertainties relating to the Company's ability to access capital, including its continued losses.

There can be no assurance the Company will obtain revenue or achieve profitability or positive cash flows or be able to obtain funding or that, if obtained, they will be sufficient, or whether any other initiatives will be successful, such that the Company will be able to continue as a going concern.

The Company has no manufacturing experience.

The Company will purchase equipment to manufacture its Medtainer® products, but has no experience in doing so. In the event that it were unsuccessful in doing so, it would have to purchase these products from third parties, possibly at higher cost than if it manufactured them and would incur losses from attempting so to manufacture, even if it were able to dispose of the equipment.

The Company faces significant competition in the market for its products. If it is unable to compete successfully, it may not be able to sell products or to sell them at sufficient profit margins.

The Company faces intense competition in the sale of its products and competes with many other companies, among others, on the basis of price, service, quality, product characteristics and the ability to supply products to customers in a timely manner. The Company's Medtainer® products compete with metal, glass, paper and other packaging materials as well as plastic and resin packaging materials made through different manufacturing processes. The Company's other products are also subject to intense competition. Most of the Company's existing and potential competitors have greater brand name recognition and their products may enjoy greater initial market acceptance among potential customers. In addition, many competitors have significantly greater financial, technical, sales, marketing, distribution, service and other resources than the Company and may also be better able to adapt quickly to customers' changing demands and changes in technology, to enhance existing products, to develop and introduce new products and new production technologies and to respond timely changing market conditions and customer demands. If the Company is not able to compete successfully in the face of its competitors' advantages, its ability to gain market share or market acceptance for the products that it sells could be limited, its revenues and its profit margins could suffer, and it may never become profitable.

While the Company believes that the patent under which the Medtainer® is manufactured (see "Description of Business – Patents, Trademarks and Other Intellectual Property") may afford some protection from competition by similar products, no assurance can be given that a competing product could not be developed without infringing this patent.

The Company's inability to generate sufficient cash flows, raise capital, and actively manage its liquidity may impair its ability to execute its business plan, and result in its reducing or eliminating product development and commercialization efforts, reducing its sales and marketing efforts, and having to forego attractive business opportunities.

At December 31, 2019, the Company had $17,982 in cash. There are uncertainties related to the timing and use of its cash resources and working capital requirements. These uncertainties include, among other things, its ability to raise capital, to purchase products for resale, to develop additional products, the timing and volume of commercial sales and the associated gross margins of itis products and the development of markets for, and customer acceptance of, new products.

To the extent possible, the Company will attempt to limit these risks by; (i) continually monitoring its sales prospects, (ii) continually aiming to reduce product costs and (iii) advancing its technology and product designs. However, because these factors are not within its control, the Company may not be able to accurately predict its necessary cash expenditures or obtain financing in a timely manner to cover any shortfalls.

If the Company is unable to generate sufficient cash flows or obtain adequate financing, it may be prevented from executing its business plan on a timely basis or at all. In addition, it may be forced to reduce its sales and marketing efforts or forego attractive business opportunities.

In order to remain in business, the Company has been, and in the absence of adequate outside funding will continue to be, dependent on funds provided by the Company's two officers to meet its day-to-day expenses and their willingness to work for the Company at salaries that are not commensurate with their contributions and abilities. If these officers ceased funding the Company's day-to-day expenses, it could not continue to operate for more than several weeks. For further information respecting these matters and the risks that they present to us, see "Risk Factors - Risks Related to the Company's Business – The Company Could Lose Its Officers."

The Company has incurred persistent losses and if it continues to do so, it may not be able to implement its operating plan.

The Company incurred an operating loss and net loss of $1,120,917 and $ 1,274,260, respectively, for the year ended December 31, 2018, and of $1,191,900 and $1,230,391 (of which $720,356 was non-cash expense for share-based compensation) for the three quarters ended September 30, 2019. While the Company's financial statements for the

year ended December 31, 2019, have not been completed, it believes that losses for that year will be substantial. The Company's current strategy is to pursue its operating plan, but it is unlikely, in the absence of funding, that it will be able to do so. If the Company is unable to do so, it may not be able to continue as a going concern.

The Company may not be able raise equity capital to service the Notes or for other purposes by selling its common stock.

The following factors may adversely affect the ability of the Company to raise equity capital:

- The Common Stock is quoted on the OTC Pink tier maintained by OTC Markets Group Inc. ("OTC"), which provides a significantly more limited market for and may limit the liquidity and price of the Common Stock more greatly than would be the case if it were listed or quoted on a national securities exchange, the NASDAQ Stock Market or one of the higher tiers maintained by OTC. Some investors may perceive the Common Stock to be less attractive because it is quoted on OTC Pink and the Company has not attracted and may not attract the extensive analyst coverage that is received by companies that are listed or quoted elsewhere or the attention of brokerage firms that might recommend an investment in Common Stock. Further, institutional and other investors may have investment guidelines that restrict or prohibit their investing in securities quoted on OTC's tiers.
- The market price of Common Stock has fluctuated, has been subject to substantial volatility and has often been thinly traded. During the previous year it has trended downward.
- For the foreseeable future, the Company intends to retain its earnings, if any, to finance the development and expansion of its business and does not anticipate paying any cash dividends on its Common Stock.
- The Common Stock is subject to Rule 15g-9 under the Exchange Act (the so-called "Penny Stock Rule"), which imposes certain sales practice requirements on broker-dealers that affect their ability to effectuate trades in or sell, and in turn the ability of shareholders to sell, the Common Stock.
- The Company is a former shell company. The SEC defines a shell company as a company that has (a) no or nominal operations and (b) either (i) no or nominal assets, (ii) assets consisting solely of cash and cash equivalents; or (iii) assets consisting of any amount of cash and cash equivalents and nominal other assets. Under a regulation of the SEC promulgated under the Securities Act known as "Rule 144," a person who beneficially owns securities of an issuer that he has acquired in a non-public offering may sell them without registration under the Securities Act. However, Rule 144 is unavailable for the resale of securities issued by an issuer that is a former shell company if it is not current in its reporting requirements under the Securities Act of 1934. As a result, the shares and convertible securities of a company that is not a former shell company are easier to sell to investor than those of a former shell company. Further, the Common Stock and convertible securities may be less attractive to investors because, from April 15, 2019, to the date hereof, it was not current in its reporting requirement.
- The Common Stock is not registered under the Securities Exchange Act of 1934 (the "Exchange Act"). As a result, its directors, executive officers and beneficial holders of 10% or more of the outstanding Common Stock and other equity securities will not be subject to Section 16(a) of that act, which requires them to file with the SEC reports of their ownership, purchase and sales of these securities and it is not required to file proxy statements.
- Under the so-called "Jobs Act", the information that the Company is required to disclose and the financial reporting that it must comply with have been reduced such that they are less than that required to be disclosed by larger public companies.

As a result, investors in the Notes should consider the risk that the Company may not be able to repay the Notes through funds raised by sales of its equity securities.

In order to grow, the Company will need additional financing. It cannot meet its capital requirements, its business will suffer or it will be unable to continue to operate.

Since the Company commenced business, its primary method to obtain the cash necessary for its operating needs, to the extent not provided by cash from its sales, has been loans made by its officers and directors. The Company needs to raise additional funds through public or private debt or equity financings in order to continue operating, and in particular to fund operating losses; provide manufacturing capacity; increase its sales and marketing capacities; take

advantage of opportunities for external expansion or acquisitions; hire, train and retain employees and provide them with incentives; develop and complete existing and new products; and respond to economic and competitive pressures. The Company's current liquidity presents a material risk to its continuance as a going concern because it does not have sufficient funds to finance its operating plan. Although the Company is seeking additional capital, it has received no commitment for financing from investors or banks and no assurance can be given that any such commitment will be forthcoming or, if so, in what amount.

If adequate funds are not available or are not available on acceptable terms, the Company's operating results and financial condition may suffer and it may not be able to continue as a going business. The Company can give no assurance that it will be able to obtain such capital in sufficient amounts or on acceptable terms or any terms at all.

The Company may not be able to generate sufficient cash to service the Notes.

The Company may not be able to generate cash sufficient to meet its obligations under the Notes in a timely manner. In that event, the Company would need to seek additional financing, which it may not be able to obtain on favorable terms or on any terms at all. If sufficient additional financing were available, the Company might be forced to delay and/or reduce payments to the Noteholders and they could lose some or all of their investments.

The Company could have uninsured losses or incur unlimited liability.

The Company intends to maintain adequate insurance coverage against liability for personal injury and property damage, but cannot provide any assurance investors that such insurance will be sufficient to cover all such potential losses. Insurance against certain risks, such as war, terrorism, floods, hurricanes/wind and/or earthquakes, may be unavailable now or in the future. Insurance may not be available at an unacceptable cost or in the amount of the full market value or replacement cost of the insured property or in an amount sufficient to cover other risks. The Company does not intend to obtain flood, wind or earthquake insurance. Further, the Company cannot provide any assurance that particular risks that are currently insurable will continue to be insurable on an economic basis or that current levels of coverage will continue to be available. The Company may become liable for any uninsured or underinsured personal injury, death or property damage claims, the liability for some of which could be unlimited. Losses that are underinsured or uninsured could cause the Company to delay and/or reduce payments to the Noteholders and they could lose some or all of their investments.

Risk Factors Related to the Company's Business

The Company has no independent directors, and thus its board of directors does not provide independent oversight of its management.

Both of the Company's directors serve as its senior executive officers, who are also its controlling stockholders. Thus, there are no directors who are independent of management. As a result, the board of directors cannot provide any independent oversight of the actions and performance of management. The lack of independent directors can result in conflicts of interest between the Company's minority stockholders and the controlling officers and directors, as these persons have power to make determinations affecting their own interests, such as compensation. The Company has no directors who can independently review and approve transactions between the Company and its officers and controlling stockholders, such as borrowing from them, and compensation arrangements with them.

In particular, as the sole directors of the Company, Messrs. Fairbrother and Heldoorn could establish terms of their employment to the detriment of the Company and the Noteholders by using funds that would otherwise be available for the development of the business of the Company to pay unreasonable compensation or for the payment of the principal of and the interest accrued on the Notes. If their compensation were of sufficient magnitude, the Company would be unable to continue to operate and the Noteholders could lose all or substantially all of their investment.

The Company's officers have little experience in managing a public company, which increases the risk that it will be unable to establish and maintain all required controls and procedures and internal controls over financial reporting, and meet its the public reporting requirements.

The Company's management has a legal and fiduciary duty to establish and maintain disclosure controls and control procedures in compliance with the securities laws, including the requirements mandated by the Exchange Act and the Sarbanes-Oxley Act of 2002. Although the Company's officers have substantial business experience, they have little experience in managing a public company. The standards that must be met for management to assess the internal control over financial reporting as effective are complex, and require significant documentation, testing and possible remediation to meet the detailed standards. Because these officers have little experience with the management of a

public company, the Company has had and may continue to have problems or delays in completing activities necessary to exercise effective internal control over financial reporting and disclosure. Until the Company establishes effective internal control, it may not be able to provide adequate financial reporting, investor confidence and the ability of the Company to raise capital may be negatively impacted.

The Company could lose its supply contract for Medtainer® products.

On June 8, 1918, the Company entered into an agreement with Polymation Medical Products, LLC ("Polymation") under which Polymation is manufacturing and is supplying its Medtainer® products. Beginning on that date, the Company was required to purchase at least 30,000 units per month, increasing by 1% on each anniversary of the effective date of the agreement, such that it is now required to purchase 30,000 units per month. In the event that this agreement were to terminate, the Company would lose its source of these products. The Company owns the patent and trademark relating to these products and would so be free to manufacture these products itself or acquire them from a third party, but Polymation owns the molds necessary for production of these products. Unless the Company were able to acquire these molds from Polymation, there would likely be a substantial period that would elapse before the Company could manufacture these products and even if it acquired these molds, it would have to acquire the manpower and equipment other than the molds required for such manufacture. This would involve substantial expense, which the Company might not be able to meet. If the Company were to contract with a third party for the manufacture of these products, there could be a substantial period required to find a supplier and for production to commence. Also, there would be a period of time during which it could not meet its contractual commitments to its customers for Medtainer® products.

In any of the events described in the previous paragraph, the Company, its revenues and its ability to pay the principal of and interest accrued on the Notes would be substantially and adversely impacted. In the worst case, the Company would be unable to continue its operations and the Noteholders would lose their entire investment.

The Company's business depends substantially on recruiting additional members of management and key personnel, and its business could be severely disrupted if it were unable to hire such personnel or lose their services.

To implement it operating plan, the Company will need to attract, hire and retain additional managers and key employees. If the Company were unable to hire them or if, after being hired, one or more of them were unable or unwilling to continue to work for the Company, it would have to spend a considerable amount of time and resources searching, recruiting, and integrating their replacements, which would substantially divert management's attention from and severely disrupt the Company's business. The Company could face difficulties in attracting and retaining these personnel because it is not presently in a position to pay competitive compensation and its future is uncertain.

Markets for the Company's products may never develop or may develop more slowly than it anticipates. This would significantly harm its ability to generate revenues and may cause it to be unable to recover the expenses that it incurs in the development and acquisition of its products.

Markets may never develop for the Company's products or they may develop more slowly than it anticipates. Any such delay or failure would significantly harm its revenues and it may be unable to recover the costs that it has incurred or will to incur in its business. If this were to occur, the Company could be materially or adversely impacted or could fail. The Company's ability to market its products can be affected by many factors, some of which are beyond its control, including: the emergence of more competitive technologies and products; the future cost of raw materials; the manufacturing and supply costs for its products; and the perceptions of potential customers and the general public regarding the Company and these products.

The Noteholders will be dependent on management of the Company to execute its operating plan and will have no right to prepayment if management changes.

The Noteholders will not have the right to vote on any matter affecting the Company and will be entirely dependent on its management to execute its operating plan properly and for its day-to-day operation and management. If management is not successful in doing so, the Company may not generate sufficient cash to make payments of principal and interest on the Notes in a timely manner and the Noteholders could lose some or all of their investments. In addition, the Noteholders will no right to prepayment or other recourse if management of the Company changes as the result of a change of control of the Company or for any other reason.

Unexpected economic events could impair the Company's ability to service the Notes.

Unexpected economic events could have an adverse impact on the Company's ability to make payments of principal and interest on the Notes in a timely manner. There can be no assurance that such events will not occur.

The activities of some of the Company's customers, which may comply with the laws of many states, are illegal under federal law. The Company could be deemed to be aiding and abetting illegal activities by providing its products to those customers.

The use of Cannabis and CBD for medical and recreational use is lawful in many states and the District of Columbia. However, under federal law and the laws of the other states, the possession, use, cultivation, storage, processing and/or transfer of these substances is illegal. Federal and state law enforcement authorities have prosecuted persons engaged in these activities. While the Company does not believe that it engages in any of these activities, any of these authorities might take action against it in connection with the engagement of others in them, including, but not limited, to a claim of aiding and abetting their criminal activities. Such action would have a material and adverse effect on the Company's business and operations.

The Company could be prosecuted under federal law if law enforcement authorities were to determine that its products are drug paraphernalia.

Under federal law, it is unlawful to sell or offer for sale, to use the mails or any other facility of interstate commerce to transport or to import or export "drug paraphernalia." This term includes any equipment, product, or material of any kind which is primarily intended or designed for use in manufacturing, compounding, converting, concealing, producing, processing, preparing, injecting, ingesting, inhaling, or otherwise introducing into the human body a controlled substance. One of the factors that these authorities may consider in determining whether the Company's products are drug paraphernalia is its national and local advertising concerning their use. The Company has advertised its products as usable for Cannabis/CBD-related purposes, among others. However, it does not believe that any of its products were intended or designed for any of these purposes or that its products are drug paraphernalia, as defined by federal law. If federal authorities were to take a different view, they might bring a criminal action against the Company, which action would have a material and adverse effect on its business and operations.

The Company's websites are visible in jurisdictions where medicinal and/or recreational use of Cannabis/CBD is not permitted and as a result it may be found to contravene the laws of these jurisdictions.

The Company's websites, which advertise its products as usable in connection with Cannabis/CBD, are visible in jurisdictions where the medical and/r recreational use of these products is unlawful. As a result, it may face legal action by such jurisdiction for engaging in an activity illegal in that jurisdiction. Such an action would have a material and adverse effect on the Company's business and operations.

The legal Cannabis market is a relatively new industry. As a result, the size of the Company's target market is difficult to quantify, and investors will be reliant on their own estimates on the accuracy of market data.

Because the Cannabis industry is relatively new, there is a lack of information about comparable companies available for potential investors to review in deciding about whether to invest in the Notes and, few, if any, established companies whose business model the Company can follow or upon whose success it can build. Accordingly, investors should rely on their own estimates regarding the potential size, economics and risks of the Cannabis/CBO market in deciding whether to invest in the Notes.

Although the Company is committed to developing new markets and products and improving existing products, there can be no assurances that these activities will prove profitable or that the resulting markets or products, if any, will be commercially viable or successfully produced and marketed. The Company must rely largely on its own market research to forecast sales and design products as detailed forecasts and consumer research are not generally obtainable from reliable third-party sources.

In addition, there is no assurance that the industry and market will continue to exist and grow as currently estimated or anticipated or function and evolve in the manner consistent with management's expectations and assumptions. The Company could also be subject to other events or circumstances that that adversely affect the Cannabis industry, such as federal legislation and enforcement activity, the imposition of restrictions on sales and marketing or restrictions on sales in certain areas and markets.

The Company may face difficulty in receiving payments and in obtaining and maintaining banking relationships.

Companies in the Cannabis industry – including the Company – have faced difficulty in receiving credit card and other payments and in opening and maintaining bank accounts. While the Company has been able to deal with these problems, no assurance can be given that it will be able to do so. If it were unable to do so, the Company would be

unable to collect some or all of its receivables or to discharge some or all of its financial obligations, including making payments of principal and interest on the Notes.

Although the Company does not deal in Cannabis, it will be affected by conditions in the Cannabis industry.

In the even that demand for Cannabis is reduced, demand for the Company's products, which are principally used for the storage and preservation of Cannabis, and accordingly the Company's revenues and profits would also be reduced. This would have a material and adverse effect on the ability of the Company to discharge some or all of its financial obligations, including making payments of principal and interest on the Notes.

The Company may not be able to manage successfully expansion of its operations.

The Company's operating plan, which anticipates expansion in its facilities, staff and operations, may place serious demands on its managerial, technical, financial and other resources. Under the plan, the Company will be required to make significant investments in its business, as well as attract, retain, motivate and effectively manage it employees. While the Company intends continually to monitor its operating plan as necessary, its management skills and systems currently in place may not enable it to implement this plan or to attract and retain the personnel that are required to expand its business. Failure to manage growth effectively or to implement strategy in a timely manner may significantly and adversely affect the Company's operations and its ability to achieve profitability.

The Company may acquire technologies, companies, businesses or assets in the future, and these acquisitions could disrupt its business.

The Company may acquire additional technologies or other companies, businesses or assets in the future, and it cannot assure that it will be able to successfully integrate them or that the benefits that it anticipates will be fully realized. An acquisition entails many risks, any of which could materially harm the Company's business, including diversion of management's attention from other business concerns; failure to effectively assimilate the acquired technology, company. Business or assets into its business; the loss of its own or acquired key employees; and the assumption of significant liabilities of the acquired company or business.

If the Company completes an acquisition of a company or business, achieving the expected benefits will depend in part on the Company's ability to integrate the products and services, technologies, research and development programs, operations, sales and marketing functions, finance, accounting and administrative functions, and other personnel of the acquired company or business into the Company efficiently and effectively. The Company cannot ensure that it will be able to do so or that an acquired company or business will perform at anticipated levels. If the Company is unable to integrate an acquired business or company successfully, its anticipated revenues may be lower and its operational costs may be higher.

The Company may become responsible for unexpected liabilities that it failed or was unable to discover in the course of performing due diligence in connection with its acquisitions. Although the Company may ask persons from whom it acquires companies, businesses or assets to indemnify it against undisclosed liabilities, it may not be able to obtain satisfactory indemnification and such indemnification, if obtained, may not be enforceable, collectible or sufficient in amount, scope or duration. Such liabilities, individually or in the aggregate, could have a material adverse effect on the Company's business, financial condition and results of operations.

The Company is not diversified.

The Company's revenue will be generated from a relatively narrow product line primarily focused on the Cannabis industry. As a result, the Company's revenues are at greater risk that they would be if its product line were wider or if it marketed is product to additional industries.

The Company is subject to adverse economic and regulatory changes.

The Company is be subject to changes that could affect the non-grower Cannabis industry, including: (i) changes in general or local conditions, (ii) changes in supply or demand for similar competing products, (iii) changes in interest rates and availability of working capital which may render products difficult to sell its products profitably, (iv) changes in law relating to Cannabis, taxation, the environment and zoning and (v) periods of high interest rates and restricted money supply. For these and other reasons, there can be no assurances that the Company will be operated profitably or eventually sold for a gain. Any of such changes, individually or in the aggregate, could have a material adverse effect on the Company's business, financial condition and results of operations.

The Company may not be able to sell its products at competitive prices. If it fails to do so, it may not be able to generate sufficient revenues to achieve and sustain profitability.

While the Company plans to sell its products at competitive prices, it may not be able to do so. The prices at which it acquires products from manufacturers are dependent largely on material and manufacturing costs and in some cases, to adjustment for inflation. If the costs at which it acquire these products increase, the Company may not be able to resell them at satisfactory margins.

Risk Factors Related to the Company's Products and Technology.

The Company depends on its intellectual property and its failure to protect that intellectual property could adversely affect its growth and success.

The Company owns the trademark and patent relating to its Medtainer® products and may acquire additional intellectual property in the future. Failure to protect intellectual property rights may reduce the Company's ability to prevent others from using technology that it owns or develops. It relies on a combination of patent, trade secret, trademark and copyright laws to protect its intellectual property. Patent protection is subject to complex factual and legal criteria that may give rise to uncertainty as to the validity, scope and enforceability of a particular patent. Accordingly, the Company cannot assure that any patents or third party patents owned by or licensed to it will not be invalidated, circumvented, challenged, rendered unenforceable, or licensed to others or that any that any of its existing and future patent applications will be issued with the breadth of protection that is sought, if at all. In addition, effective patent, trademark, copyright and trade secret protection may be unavailable, limited, not applied for, or unenforceable in foreign countries.

While the Company intends to seek protection of its proprietary intellectual property through contracts, including confidentiality and similar agreements with its customers and employees, it cannot assure that the parties who enter into such agreements with it will not breach them, that it will have adequate remedies for any such breach or that such parties will not assert rights to intellectual property of which they learn from relationships with it.

If necessary or desirable, the Company may seek licenses under patents or other intellectual property rights of others. However, it cannot assure that it will obtain such licenses or that the terms of any offered licenses will be acceptable.

For information about a patent and trademark relating to Medtainer® products, see "Description of Business – Patents, Trademarks and Other Intellectual Property."

Intellectual property litigation could negatively affect the Company's business.

In order to establish and maintain its competitive position, the Company may need to prosecute claims against others who it believes are infringing its rights and defend claims brought against it by others who believe that it is are infringing their rights. Involvement in intellectual property litigation could result in significant expense to the Company, adversely affect sales of the products involved, the use or licensing of related intellectual property or divert the efforts of its technical and management personnel from their principal responsibilities, regardless of how such litigation is resolved. If the Company is found to be infringing on the intellectual property rights of others, it may, among other things, be required to pay substantial damages; cease the development, manufacture, use, sale or importation of products that infringe on such intellectual property rights; discontinue processes incorporating the infringing technology; expend significant resources to develop or acquire non-infringing intellectual property or products; or obtain licenses to the relevant intellectual property.

The Company cannot give any assurance that it will prevail in any intellectual property litigation or that, if it did not to prevail, licenses relating to the intellectual property or products it were to be found to infringe would be available on commercially reasonable terms, if at all. The cost of intellectual property litigation as well as the damages, licensing fees or royalties that the Company might be required to pay could have a material adverse effect on its business, operations and financial results.

Current and future regulatory requirements could adversely affect the Company's financial condition and its ability to conduct its business.

The Food and Drug Administration (the "FDA") regulates the material content of the Company's products pursuant to the federal Food, Drug and Cosmetic Act and the Consumer Product Safety Commission (the "CPSC") regulates certain aspects of the Company's products pursuant to various federal laws, including the Consumer Product Safety Act and the Poison Prevention Packaging Act. The FDA and the CPSC can require the manufacturer of defective products to repurchase or recall these products and may also impose fines or penalties on the manufacturer. Similar

laws exist in some states, cities and other countries in which the Company sells or intends to sell its products. In addition, certain state laws restrict the sale of packaging with certain levels of heavy metals and impose fines and penalties for noncompliance. Although FDA-approved resins and pigments are used in the Company's products that directly contact food and drugs and it believes that its products are in material compliance with all applicable regulatory requirements (although it is not required to submit them to either the FDA or the CPSC for review), it is subject to the risk that these products could be found not to be in compliance with these or other requirements. A recall of any of these products or any fines and penalties imposed in connection with noncompliance could have a materially adverse effect on the Company.

IN ADDITION TO THE FOREGOING RISK FACTORS, AN INVESTOR SHOULD REVIEW AND CONSIDER THE COMPANY'S FINANCIAL STATEMENTS THAT ARE ATTACHED HERETO AS EXHIBIT D.

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USE OF PROCEEDS

The following table sets forth certain information concerning the estimated use of the proceeds of the Offering, showing how they will be applied in the events that the Minimum Offering Amount and the Maximum Offering Amount of Note are sold. If the amount sold falls between the Minimum Offering Amount and the Maximum Offering Amount, the Company will allocate such amount in such manner, compatible with the purposes for which the Notes are being sold, as it deems appropriate.

	Minimum Offering Amount		**Maximum Offering Amount**	
	Amount	**Percentage of Offering Proceeds**	**Amount**	**Percentage of Offering Proceeds**
Gross Offering Proceeds	**$200,000**	**100.00%**	**$2,000,000**	**100.00%**
Equipment				
2 / High Capacity Injection Molding Machines			$250,000	12.50%
2 / Mimaki JX200 UBLD Laser Printers	100,000		$200,000	10.00%
1 / 2-Hit Pad Printer	3,000		$3,000	0.15%
1 / 5-Color High Capacity Pad Printer	8,000		$8,000	0.40%
1 / Trotec Laser Engraver	8,000		$8,000	0.40%
1 / Used Forklift			$15,000	0.75%
1 / Conveyor Belt/Assembly Station	3,000		$3,000	0.15%
Operations	10,000		$100,000	5.00%
Sales – Inside	10,000		$150,000	7.50%
Sales – Outside	10,000		$120,000	6.00%
Marketing	10,000		$100,000	5.00%
Media	2,000		$100,000	5.00%
Events	2,000		$100,000	5.00%
Capital Raising - Investor Lead Generation				
Social Media			$50,000	2.50%
Affiliate Marketing			$50,000	2.50%
Email			$50,000	2.50%
Call Center			$50,000	2.50%
Investor Events			$100,000	5.00%
Private Placement Memorandum for $5,000,000 offering of the Common Stock (6)			$40,000	2.00%
Interest Payment Reserve	8,000		$80,000	4.00%
Broker-Dealer / Placement Agent / Syndication			$50,000	2.50%
Accounting	5,000		$33,000	1.65%
Legal	5,000		$100,000	5.00%
Consultants/Note Administrator(5)	2,000		$100,000	5.00%
Use of Proceeds	186,000		$1,860,000	93.00%
Offering Costs(1)(2)(3)(4)	14,000		$140,000	7.00%
TOTAL USE OF PROCEEDS	**$200,000**	**100.00%**	**$2,000,000**	**100.00%**

(1) The Company will be entitled to reimbursement for expenses incurred in connection with this Offering and the organization of the Company: legal fees, due diligence for the Notes, accounting costs, printing and marketing administration expenses.

(2) Certain broker-dealers, and certain members of management will receive compensation and reimbursement for marketing and wholesaling services rendered in conjunction with the Offering. However, it is not expected that much, if any, broker-dealers will participate in this Offering.

(3) Selling Commissions in an amount not to exceed 6% of the Offering Proceeds for the Notes. Should ALL the Offering be sold by broker-dealers, then total commissions would be 6% of all sales by such broker-dealers, thereby increasing the total "front-end load" by 4% to a total of 10% of the Offering equal to $20,000 for the Minimum Offering Amount and $100,000 for the Maximum Offering Amount. See "PLAN OF DISTRIBUTION."

(4) A non-accountable due diligence and marketing expense reimbursement in an amount not to exceed 0.5% of the Offering Proceeds, whether Minimum Offering or Maximum Offering, will be paid to Selling Group members. See "Plan of Distribution."

(5) The Note Administrator will receive an initial servicing fee of 0.50% of the outstanding principal balance of the Notes upon completion of the Offering and an annual servicing fee of 0.25% of the outstanding principal balance of the Notes.

(6) The Company is planning for a $5,000,000 private placement of its Common Stock when the funds from the Offering are put in place and begin to produce increased streams of income.

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PLAN OF DISTRIBUTION

Minimum and Maximum Principal Amount

The Notes will be sold on an individual basis and the net proceeds from the sale of each Note will be added to the Company's capital and used for the purposes set forth in this Memorandum. The Company intends to sell the Notes until it reaches at least the Minimum Offering Amount of $200,000 principal amount of the Notes but intends to sell up to the Maximum Offering Amount of $2,000,000 principal amount or, if the Company increases the Maximum Offering Amount, up to $2,200,000.

Marketing of the Notes

Offers and sales of the Notes may in whole or in part be made on a "best efforts" basis by broker-dealers ("Broker-Dealers," collectively the "Selling Group") who are members of the Financial Industry Regulatory Authority. ("FINRA"). Selling Group members will receive commissions of up to 6% of the cash proceeds ("Offering Proceeds") of the Offering (collectively, the "Selling Commissions"). The Company also may reimburse members of the Selling Group for non-accountable marketing expenses of up to 0.5% and due diligence expenses in an amount of up to 1% of the Offering Proceeds. Further, the Company and Affiliates of the Company, may receive compensation and reimbursement for organization/offering expenses for legal, accounting, printing and marketing administration services rendered in conjunction with the Offering in an amount equal to up to 2% of the proceeds of the Offering. The total aggregate amount of commissions, due diligence and marketing reimbursements and wholesaling and marketing expenses (collectively, "Selling Commissions and Expenses") should not exceed approximately 10% of the Offering Proceeds if either the Minimum Offering or Maximum Offering is sold. However, Management believes that substantially all of the Offering will be sold directly be the Company directly to investors, thus reducing the entire "front end load" to 6% of the Offering amount. See "Use of Proceeds."

The Company, in its discretion, may accept subscriptions for Notes net of all or an agreed portion of the Selling Commissions and Expenses from subscribers purchasing through a registered investment advisor, from subscribers for the Notes who are Affiliates of the Company, a members of the Selling Group, and certain other persons. Inquiries regarding subscriptions should be directed to: Jack Rein: (844) 226-5649, Option #3.

Subscription Procedure

Persons desiring to subscribe for the Notes may do so by completing, dating and signing Subscription Agreement attached hereto as Exhibit A. All subscriptions are payable in full at the time of subscription. All checks should be made payable to _____. One fully executed and completed copy of the Purchaser Questionnaire and Subscription Agreement and a check in the full amount for the subscribed number of Notes must be delivered to: _____

Acceptance of Subscriptions

The Company may, in its sole discretion, accept or reject any subscription in whole or in part. Any subscription not accepted within 30 days of its receipt shall be deemed rejected and the subscriber's funds will be returned to him without interest.

Subscription Agreement

In addition to the agreement of the investor to purchase, and of the Company to sell, Notes in a specified amount (subject to acceptance by the Company and adjustment of the number of Notes to be sold), the Subscription Agreement will contain the following provisions, among others:

Representations and Warranties. The investor will make representations and warranties, including, among others, that: (i) the investor has carefully read this Memorandum and has relied solely upon it and investigations made by him or his representatives in making a decision to invest in the Notes; (ii) he is aware that an investment in the Notes involves certain risks and the subscriber has carefully read and considered the matters set forth in this Memorandum, including, without limitation, the risk factors set forth in this Memorandum under the caption "RISK FACTORS"; (iii) he has no need for liquidity in his investment in the Notes; (iv) he meets the Company's requirements as to investor suitability, including that of his being an Accredited Investor; (v) the information provided by him in the Subscription Agreement is accurate; and (vi) if he is investing for an employee benefit plan or IRA that (a) he is acquainted with and understand the federal income tax considerations applicable thereto, (b) he has determined that an investment in Notes is not a prohibited transaction under the Employee Retirement Income Security Act of 1974, as amended ("ERISA") or the Internal Revenue Code of 1986, as amended (the "Code") and (c) he has taken into

account the requirements of prudence, diversification and any other applicable responsibilities imputed under ERISA and elsewhere.

Because the Notes may not be sold to any person who do not satisfy the investor suitability standards, no subscription will be accepted unless he affirms in his Subscription Agreement that he satisfies those standards. The Company, Broker-Dealers, and the Manager will rely on the investor's representations in the Subscription Agreement in determining whether to accept the investor's subscription.

Indemnification. The Subscription Agreement will contain provisions under which the subscriber will agree to indemnify the Company, the Broker-Dealers, the Note Administrator and their respective Affiliates and agents against any loss, cost, damage, injury, or expense incurred as a direct or indirect result of any misrepresentation by the subscriber contained in the Subscription Agreement or any breach by the subscriber of his obligations under the Subscription Agreement. By agreeing to these indemnification provisions, an investor will not surrender any rights that he may have under the Securities Act. **IT IS THE POSITION OF THE SEC THAT INDEMNIFICATION FOR LIABILITIES ARISING UNDER THE FEDERAL SECURITIES LAWS IS AGAINST PUBLIC POLICY AND IS THEREFORE UNENFORCEABLE.**

Adoption of Agreements; Power of Attorney. The Subscription Agreement will provide that, by signing it, an investor adopts and agrees to all of the terms thereof and irrevocably appoints _____ as his attorney-in-fact, with power to (i) to execute the Agreements and any amendments to the Agreements; (ii) to execute, acknowledge, swear to, file, and record all such other agreements, documents, certificates, and writings as such attorney-in-fact deems necessary or appropriate, in his sole discretion, related to the Offering or the regular business of the Company including, without limitation, the Note Administration Agreement (Exhibit C); and (iii) to take such actions as such attorney-in-fact may deem necessary or appropriate to carry out the Agreements or the regular business of the Company. Although the subscribers may not actually sign the Agreements, they will, by signing their respective Subscription Agreements, become bound by and subject to all the terms and provisions of the Agreements.

Arbitration. The Subscription Agreement will that any dispute arising out of, or relating to, those agreements or the purchase of the Notes will be submitted to binding arbitration in Los Angeles County, California, under the rules of the American Arbitration Association.

Administration. The Subscription Agreement will provide that the Notes will be issued subject to and administered by the Note Administrator (see "Note Administration Agreement.")

THE COMPANY HAS THE UNCONDITIONAL RIGHT TO REJECT ANY SUBSCRIPTION.

SUMMARY OF NOTES AND NOTE PURCHASE AGREEMENT

The Notes will be issued under the Note Administration Agreement. The material provisions of the Notes and the Note Administration Agreement are described below and elsewhere in this Memorandum. See in particular "Summary of the Offering." This summary below does not describe all exceptions and qualifications contained therein.

The Notes.

Interest.

See "Summary of Offering."

Maturity.

See "Summary of Offering."

Security .

The Notes will be secured by the Company's existing intellectual property, its inventory and the equipment specified to be acquired with the proceeds of the offering.

Rank.

The Notes will be senior obligations of the Company.

Currency.

The Notes will be denominated in U.S. dollars, and principal and interest will be paid in U.S. dollars.

***Form*.**

The Notes will be issued in certificated form only and the investors will receive physical certificates.

***Prepayment and Sinking Fund*.**

The Notes may be prepaid at any time on a *pari passu* basis. There will be no sinking fund for the payment of the Notes at Maturity.

Consolidation, Merger or Sale.

The Company will covenant the it may not merge with another company or sell, transfer or lease all or substantially all of its to another company unless (i) the successor company expressly assumes (A) performance and observance of all covenants and conditions in the Notes and the Note Administration Agreement and (B) payment of principal and interest on the Notes, (ii) after giving effect to the transaction, there is no event of default.

***Events of Default*.**

An event of default means, any of (i) failure to pay interest on the Notes for 30 days after payment is due (except that no default shall occur in the event that the Company fails to pay the interest that is due on the first two dates when it is due), (ii) failure to pay principal on the Notes when due, (iii) failure to perform any other material covenant relating to the Notes for 45 days after notice to the Company and (iv) certain events of

If an event of default occurs and continues, the holders of at least 25% of the outstanding principal amount of the Notes may declare the entire principal of all the Notes to be due and payable immediately. If this happens, subject to certain conditions, the holders of a majority of the outstanding principal amount of the Notes can rescind the declaration if there has been deposited in escrow for the benefit of the Noteholders a sum sufficient to pay all matured installments of interest and principal. and any premium. The holders of more than 50% of the outstanding principal amount of the Notes may, on behalf of the holders of all of the Notes, control any proceedings resulting from an event of default or waive any past default except a default in the payment of principal, interest or any premium.

Note Administration Agreement

The Note Administration Agreement will provide that the Notes will be administered by Barry J. Miller, Attorney at Law, of Birmingham, Michigan (the "Note Administrator"). The Note Administrator or his designee will be required to act in accordance with the Note Administration Agreement attached as Exhibit C, which includes monitoring of payment activity on the Notes and taking of affirmative action upon direction of the holders of the Notes to enforce their Notes in the event of a default. The Note Administrator will not be required to take any action not approved by a majority-in-interest of the series of Noteholders. Furthermore, any amendment to the Notes that would amend, waive or otherwise change the payment of principal, interest or other amounts payable under the Notes, the date of payment under the Notes or the terms of the Notes regarding amendment thereof, shall require a 75% supermajority vote of the Noteholders. The Note Administrator will be paid an initial fee from the Offering proceeds equal to 0.50% of the principal amount of the Notes sold in the Offering and a servicing fee of 0.25% per annum on the outstanding principal balance by the Company and will be entitled to reimbursement for costs and fees incurred in enforcing the Notes. The Note Administrator may be replaced at any time by the vote of a Supermajority.

TERMS OF THE OFFERING

This is an offering of Notes at $1,000 per Note. An investor must purchase a minimum of 25 Notes ($25,000) subject to the right of the Company, in its sole discretion, to waive the minimum purchase requirement. Subscriptions are payable in cash at the time of subscribing. The Company may close the Offering to further subscriptions at any time. This Offering will end on December 31, 2020, unless terminated earlier or extended in the Company's sole discretion.

INVESTORS SHOULD READ AND CONSIDER THE FOLLOWING INFORMATION:

Accredited Investor Status and Suitability Standards

The offer and sale of the Notes is restricted to persons (i) who meet the requirements and make the representations set forth in the Subscription Questionnaire and Subscription Agreement (the "Subscription Agreement") attached as Exhibit A and (i) who provide, in full and complete detail, the information required by the Subscription Agreement, (ii) who are verified by the Company to be Accredited Investors and who are determined by the Company and the Broker-Dealers to meet the suitability standards described below, and (iii) whose subscriptions are accepted by the Company. The Notes are being offered to tax-exempt entities, including qualified plans and IRAs. The Company

reserves the right, in its sole discretion, to declare any prospective investor ineligible to purchase the Notes based on the foregoing information or on any other information which may become known or available to the Company concerning the suitability of such prospective investor, or otherwise to reject the subscription of any prospective investor (or to make allocations of the Notes among the investors), in whole or in part, for any reason.

An investment in the Notes involves a high degree of risk and is suitable only for persons of substantial financial means who have no need for liquidity in their investments and can afford to bear a complete loss of their investment. An investment in the Notes should be considered a long-term investment because the Notes will not be freely transferable, and there will not be any public market for the Notes. See "Risk Factors."

It is intended that the Offering be made in accordance with the requirements of Rule 506(c) promulgated under the Securities Act and Section 4(2) of the Securities Act and in accordance with the provisions of applicable state securities laws. Each prospective investor will be required to represent that he has the ability to bear the economic risk of his investment and that he is purchasing the Notes solely for his account, for investment only, and not with a view to resale or distribution.

Each prospective investor in the Notes will be required to represent in writing that he meets, among others, all of the following requirements:

(a) He has received, read, and fully understands this Memorandum and all Exhibits and attachments to this Memorandum. He is basing his decision to invest on the Memorandum and all attachments and Exhibits to this Memorandum. He has relied on the information contained in said materials and has not relied upon any representations made by any other person;

(b) He understands that an investment in the Notes involves substantial risks, and he is fully cognizant of, and understands, all of the risk factors relating to a purchase of the Notes, including, without limitation, those risks set forth below in the section entitled "Risk Factors";

(c) His overall commitment to investments that are not readily marketable is not disproportionate to his individual net worth, and his investment in the Notes will not cause such overall commitment to become excessive;

(d) He has adequate means of providing for his financial requirements, both current and anticipated, and has no need for liquidity in this investment;

(e) He can bear and is willing to accept the economic risk of losing his entire investment in the Notes;

(f) He is acquiring the Notes for his own account and for investment purposes only and has no present intention, agreement or arrangement for the distribution, transfer, assignment, resale or subdivision of the Notes; and

(g) He is an Accredited Investor.

An "Accredited Investor" is defined by Rule 501(a) under the Securities Act, among other criteria as a person or entity who comes within any of the following categories, or who the issuer reasonably believes comes within any of the following categories, at the time of the sale of Notes to that investor:

(a) a natural person who had individual 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 these years, and has a reasonable expectation of reaching the same income level in the current year;

(b) a natural person whose individual net worth or joint net worth with that person's spouse, exceeds $1,000,000 at the time of purchase of the Notes;

(c) an entity in which all of the equity owners are Accredited Investors as defined in subparagraphs (a) and (b) above; or

(d) the investor is a trust with total assets in excess of $5,000,000, not formed for the specific purpose of acquiring the Notes, whose purchase is directed by a "sophisticated person" as defined in Rule 506(b)(2)(ii) of Regulation D under the Securities Act.

For purposes of calculating an investor's net worth for purposes of paragraph (b), above,

(a) The person's primary residence shall not be included as an asset;

(b) Indebtedness that is secured by the person's primary residence, up to the estimated fair market value of the primary residence at the time of the sale of the Notes, shall not be included as a liability (except that if the amount of such indebtedness outstanding at the time of sale of securities exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability); and

(c) Indebtedness that is secured by the person's primary residence in excess of the estimated fair market value of the primary residence at the time of the sale of securities shall be included as a liability.

Representations with respect to the foregoing and certain other matters are required to be made by each subscriber for in the Subscription Agreement. The Company will rely on the accuracy of each person's or entity's representations set forth therein and may require or obtain additional evidence that such person or entity meets the applicable standards at any time prior to the acceptance of his Subscription Agreement. A subscriber is not obligated to supply any information so requested by the Company, but the Company will reject a subscription or offer to purchase from any person or party who fails to supply any information so requested. *The Company may verify any or all of such information and will not accept any subscription unless it reasonably believes that the subscriber is an Accredited Investor.*

IF YOU DO NOT MEET THE REQUIREMENTS DESCRIBED ABOVE, DO NOT READ FURTHER AND IMMEDIATELY RETURN THIS MEMORANDUM TO THE COMPANY OR THE APPLICABLE SELLING GROUP MEMBER. IN THE EVENT YOU DO NOT MEET SUCH REQUIREMENTS, THIS MEMORANDUM SHALL NOT CONSTITUTE AN OFFER TO SELL THE NOTES TO YOU.

These suitability requirements are minimum suitability requirements established by the Company for subscribers. However, satisfaction of these requirements by any person or entity will not necessarily mean that the Notes are a suitable investment for him or it or that the Company will accept his or its subscription. Furthermore, the Company may modify these requirements in its sole discretion and such modification may increase the suitability requirements for investors.

The written representations made by subscribers will be reviewed to determine the suitability of each such person or entity. The Company will have the right, in its sole discretion, to reject a subscription for the Notes if the Company believes that such person or entity does not meet the suitability requirements, the Notes otherwise constitute an unsuitable investment for such person or entity or for any other reason or for no reason.

Liquidity

Each investor must have sufficient liquid assets so that the illiquidity associated with this investment will not cause any undue financial difficulties for the investor or adversely affect the investor's ability to provide for his current needs and possible financial contingencies.

Requirements for IRAs, Grantor Trusts, and Self-Directed Retirement Plans

If an investor is investing through the investor's Investment Retirement Plan (IRA) or grantor (revocable) trust, the foregoing suitability standards will apply as if the investor were investing directly on the investor's own behalf. The same will be true if an investor purchases the Notes through a Keogh plan, 401(k) plan or other pension or retirement plan, as long as the plan (i) provides for a segregated account for the investor-beneficiary and (ii) gives the investor-beneficiary the power to direct each plan investment to the extent of the investor's voluntary contribution plus the investor's share of vested employer contributions. The suitability of such a plan will be determined according to the suitability of the investor-beneficiary.

PROSPECTIVE INVESTORS THAT ARE EXEMPT FROM FEDERAL INCOME TAX SHOULD CAREFULLY CONSIDER WHETHER AN INVESTMENT IN THE NOTES IS APPROPRIATE AND SHOULD CONSULT WITH THEIR OWN TAX ADVISORS BEFORE INVESTING.

Exchange of Notes for Common Stock.

The Company anticipates offering to Noteholders the opportunity at its discretion to exchange all or part of their Notes and the interest accrued thereon for shares of the Common Stock (OTC PINK: MDTR), the exchange ratio and the other terms of the offer to be specified when and if the offer is made. The offer could be made at any time but would likely be presented to Noteholders not less than 90 days prior to the Maturity Date. The Company may limit the number of shares issuable in the exchange and if the offer should be oversubscribed, shares would be apportioned in the order of acceptance of subscriptions for the Notes. This is commonly known as an "Early Investor Preference." The Company believes that such exchanges would be tax-free under the Code as now in effect and that, for purposes

of resale under the exemption from registration under Rule 144, the shares of Common Stock acquired upon such exchange would be deemed to have been acquired when the exchanged Notes were acquired.

BUSINESS

The Company is in the business of selling proprietary containers made from medical-grade polypropylene resin under the registered trademark "Medtainer®." Medtainers® can store pharmaceuticals, herbs, teas and other solids or liquids, some of which can grind solids and shred herbs. The Company also sells humidity control inserts and other products and provides private labeling and branding for purchasers of containers and other products. For more detailed information as to the Company's business and its plans to develop it, see "Description of Business." Until August 28, 2018, the Company's corporate name was "Acology, Inc."; on that date, it amended its articles of incorporation to change its corporate name to "Medtainer, Inc." Prior to January 1, 2019, the container and printing businesses were conducted through subsidiaries; from that date, these businesses have been conducted by the parent company. On February 20, 2019, the articles of incorporation were amended to provide that the common stock would be reverse split on March 22, 2019, such that each 100 shares of outstanding common stock was combined into 1 share of new common stock on that date, and to reduce the number of shares of authorized common stock from 6,000,000,000 to 100,000,000. Except where otherwise indicated, numbers of shares and per-share information are presented in this Memorandum on a post-split basis.

Introduction

The Company's principal product is the Medtainer®, which can store pharmaceuticals, herbs, teas and other solids or liquids and can grind solids and shred herbs. Its sales accounted for 62% of revenue in 2018, as compared with 68% in 2017. The most significant components of revenues from other products and services were humidity control inserts, which were introduced in 2016, and which comprised approximately 17% of revenue for 2019, as compared with 18% of revenue for 2018 and 19% for 2017, and printing services, which comprised which comprised approximately 4% of revenue for 2019, as compared with 4% of revenue in 2018 and 5% in 2017. The Company is a leader in selling and distributing proprietary containers.

The Company also sells and distributes humidity control inserts, lighters, smell-proof bags and other durable goods. They are described under the caption "Description of Business – Products – New Products" and the Company is actively developing markets for them.

The Company is also in the business of private labeling and branding for purchasers of containers and other products. For more details, see "Description of Business – Printing."

The Company markets directly to businesses through its phone room, to the retail public through internet sales and directly to wholesalers and other businesses who resell its products to other businesses and end users. See "Description of Business – Sales and Distribution."

Products

The Medtainer

Medtainer® products are made from medical-grade polypropylene resin. Medtainers® can store pharmaceuticals, herbs, teas and other solids or liquids and can grind solids and shred herbs. The original 20-dram version has grinding capacity and one of its models has received child safety certification. The Company also sells a 40-dram size, which is also air- and water-tight. The Company is focusing its marketing efforts for Medtainers® especially on the Cannabis/CBD markets as well as drug stores and drug store chains, veterinarians and veterinary distributors and other distributors and end users.

The Medtainer® has three components. The top component is a cap, the middle component is a storage cup with grinding/shredding teeth projecting downward from its bottom and the bottom component is a grinding/shredding cup with teeth projecting upward from its bottom. Material is transferred from the storage cup into the grinding/shredding cup, the storage cup is inserted into the grinding/shredding cup, forming a space in which the two sets of teeth intermesh, and the two cups are then rotated manually such that the material passes between the two sets of teeth and is ground or shredded. The ground or shredded material may then be returned to the storage cup for storage or used or dispensed in another manner. The cap attaches to the grinding/shredding cup such that the storage cup is held between them, forming a compact unit which is air- and water-tight between the cap and the storage cup, as well as between the storage cup and the bottom cup. The pictures below show exploded views of the non-childproof and childproof configurations of the Medtainer®.

In the future, the Company may sell containers other than the Medtainer® that will give consumers the ability to easily store, carry, grind and consume various solids and liquids.

Until June 8, 2018,the Company purchased Medtainer® products from Polymation, LLC ("Polymation"), a manufacturer located in Newbury Park, California, under an agreement that it entered into with Polymation on August 13, 2013, and under which the Company had the exclusive worldwide right to purchase, promote, advertise, market, distribute and resell the Medtainer®, with respect to which the owner of Polymation held patents and Polymation held the trademark. On June 8, 2018, the Company acquired these patents and the trademark, terminated the agreement, licensed Polymation to manufacture Medtainers® solely for purchase by the Company under the patents and entered into a production contract, dated June 8, 2018, and amended on March 27, 2019, under which Polymation manufactures and the Company purchases Medtainers® (as so amended, the "Production Contract"). Under the Production Contract, the Company was initially required to purchase at least 30,000 units per month, with that requirement increasing by 1% on each anniversary of its effective date. The Production Contract sets prices for the products purchased thereunder, subject to increase because of changes in the local consumer-price index. The Production Contract's term expires on April 30, 2031, unless the Company exercises a termination option, under which the Company may terminate it, upon payment to Polymation of $400,000, less any amount that its owner agrees that he owes to us or that he owes to us under a final and unappealable judgment, provided that the shares of the Notes issued to him in the transaction in which the Company acquired the patent and trademark (see "Patents, Trademarks and Other Intellectual Property") may be publicly sold under the exemption from registration afforded by Rule 144 or another exemption from such registration.

Because the Company now owns the patent for the Medtainer®, to the extent that it has the ability to sell more Medtainers® than it is required to purchase under the Production Contract, it will be able to manufacture them in-house or acquire them from a third party, possibly at prices lower than under the Production Contract, but unless the number of Medtainers® that the Company is not required to purchase under the Production Contract is substantial, doing so may not be cost-effective. The Company intends to continue its efforts to sell Medtainers® globally, which, if successful, would increase demand for Medtainers® and could cause increase sales volume so as to cause their production at one or more of its facilities or its acquisition of them from a third party to be cost-effective. The Company presently has no suppliers other than Polymation for Medtainers®, but if it requires more than the minimum amount that it is required to purchase under the Production Contract, or more than Polymation is willing or able to supply at competitive prices, it may seek them out.

Other Products

In addition to the Medtainer®, the Company sells and is actively developing markets for the following products, all of which it purchases from their manufacturers and resells:

- **Humidity Control Inserts.** These are inserts that are placed in airtight containers, either to add moisture or to remove moisture. They are of varying size, depending upon the volume of the container, and maintain various levels of relative humidity, depending on the specifications of the insert. A picture of these inserts appears below.

4 Gram 8 Gram 67 Gram

The Company purchases these inserts from Desiccare, Inc. and markets them under the private label "MED X 2 Way Humidity Control Pack" powered by Boost. Sales of these inserts were approximately 2% of total sales in 2019, compared with 4% of total sales in 2018 and 19% of total sales in 2017. The Company believes that marketing inserts under its own brand pack is significant in that many of its Medtainer® products are now being sold with humidity packs inserted into the containers before shipping. This "value added" factor has increased profitability for this product dramatically.

- **Hydroponic Grow Towers.** These are vertical hydroponic growing systems, which contain modular stackable pots for growing plants, designed for urban farms, rooftop gardens, and commercial growing operations. Plants grow in them without soil, using wood chips, organic coco coir, perlite and others as growing media. Water and nutrients are added manually. Because of its vertical design, these systems are space and energy efficient, making them suitable for small spaces, such as balconies, patios and rooftops. Plants grow in a fraction of the time and use substantially less water compared to conventional gardening. Systems are manufactured using various substances, including hardened polyurethane or other plastic.

- **Smell-Proof (Exit) Bags.** These are airtight bags made of flexible polyester, Mylar®, plastic and other substances, with varying means of closure, such as Velcro®, Ziploc® and zippers. Some use activated carbon to enhance odor removal. Depending on their size, they can be used to store and prevent dissipation of odors from fish, herbs and dirty clothes, among others.

- **Lighters.** These are butane lighters that are sold with and without logos and other markings. The Company purchases lighters from others and adds markings at its facility.

There are numerous manufacturers of the above other products, none of which is material to the Company's business.

Market Analysis

As anticipated, Canada became the first country in North America to legalize recreational Cannabis. Beginning in 2013 Medtainer anticipated the market and focused on building business relationships and infrastructure in that country. Medtainer is now poised to reap the benefits of the foresight, having invested in warehouse operations, distribution points throughout the country.

Medtainer Inc.'s product line includes hydroponic merchandise, vape and smoking accessories and 2-way humidity systems. The Company has begun looking to expand into the edibles market and health care products.

The Pharmaceutical Industry is on the brink of evolutionary changes in the way it dispenses products to consumers. Simple delivery (which include hand-to-hand, on-line order, retail store and vending machines) and storage systems will be changing to meet the expectations of a market whose size is global. The Company has stepped in to meet that challenge and exploit that market.

The market is growing at a remarkable pace. US demand for plastic medical containers is estimated to be $40 billion currently. The Mayo Clinic Weekly recently wrote "Medicinal Cannabinoids are not going to go away in the near future". The Mayo Clinic website gets 450,000 hits per month about this specific subject. Dr. Andrew Weil's integrative medicine website is getting 2.5 million hits per month inquiring about medicinal Cannabis. Mainstream America is sold on Cannabis with more than 33 states legalizing some form of medicinal, recreational or both. Add to the equation the explosive global growth of the medical and recreational Cannabis industry, for which the MedTainer is perfectly made, and the sustainable growth of Medtainer Inc. products can be assured. The MedTainer has numerous

versatilities that make it attractive to many target markets. Medtainer Inc. has discovered a significant void in providing a solution to pre-packaging fresh Cannabis with the addition of a 2-way humidity pack that is manufactured under their MedX brand. Medtainer Inc. believes strongly that The MedTainer provides an excellent, affordable solution to this market.

Sales and Distribution

The Company sells approximately 96% of its products to wholesalers and distributors, who resell them to businesses and consumers, with and without custom labeling, and the remainder are sold directly to retail consumers through internet sales. In 2017, 2018 and 2019, the Company sold approximately 1,010,000, 1,020,000 and $917,000 total items, respectively. At December 31, 2019, the Company had approximately $137,000 with IGreen Planet Store, Ltd. ("IGreen"), a Canadian distribution company located in Vancouver, British Columbia, Canada. Under this agreement, the Company have granted to IGreen an exclusive license to market, sell and distribute the Medtainer® in Canada. The agreement had a 5-year term, which has expired. The Company is negotiating a new agreement with IGreen and is conducting business with IGreen as if the expired agreement were still in effect. Under the existing agreement, the Company is required to maintain product liability insurance covering the products sold thereunder; the Company is in the process of doing so. IGreen is not required to purchase a minimum quantity of products.

Nine of the Company's personnel work in its phone room, making sales by telephone and over its website.

The Company believes that social media are important to marketing its products. And maintains a presence on Instagram, Facebook, Twitter and other social media.

Printing

The Company's printing business commenced in 2015. In 2019, it had revenue of approximately $84,000 from printing, compared with $103,758 in 2018 and $116,000 in 2017. The Company entered this business because some of its customers desired to have custom labels imprinted on the products that they purchased from us and the Company found that the cost of doing so through third parties raised the price that it charged to customers for imprinted products to levels that it believed would impede sales. Labelling is performed using two specialized printers, one of which is capable of printing on nonporous plastic. Currently, about 2,000 square feet is devoted to this business. The Company is seeking additional printing business from companies that require labelling on their own products.

Patents, Trademarks and Other Intellectual Property

On April 26, 2018, the Company entered into an Asset Purchase Agreement, dated as of April 16, 2018, by and the Company and the owner of Polymation, which was amended on June 8, 2018 (as so amended, the "APA"), the Company acquired from him and certain entities that he controlled (including Polymation), certain patents and patent applications relating to the Medtainer®, a trademark of the name Medtainer® and an internet domain in consideration of its delivery to him of 2,631,252 shares of Common Stock.

As a consequence of the acquisition of these patents and the trademark, the Company is able to defend the Medtainer® against infringement and counterfeiting more effectively than before the acquisition. The Company believes that such acquisition has enabled it to invite larger companies to explore the possibility of strategic partnerships, expand into other container markets and diversify into associated and/or new markets.

While the Medtainer® is a patented product, similar products are being sold. The Company has not determined whether all of these products conflict with the Medtainer® patents, but when it determines that a conflict exists, it takes measures to enforce these patents. The Company has not determined to what extent these products have affected its business. The Company face competition of varying degrees of intensity in the sale of its products and compete with and seek to distinguish itself from multiple companies principally on the basis of the uniqueness and quality of its products, price, service, quality, product characteristics and timely delivery of orders. The Company also stresses the maintenance of strong relationships with its direct customers., its distributors and, where possible, their customers.

The Company employs various methods, including confidentiality and non-disclosure agreements with third parties, employees and consultants, to protect its trade secrets and know-how. The Company may license the Medtainer® patents and trademark to, and future, patents, trademarks, trade secrets and similar proprietary rights to and from, third parties. As it develops new products, the Company will rely on a combination of patents, trade secrets, unpatented know-how, trademarks, copyrights and other intellectual property rights, nondisclosure agreements and other protective measures to protect its proprietary rights. The Company cannot presently ascertain the extent to which other intellectual property that it may develop or license will be important to it.

Competition

Medtainer® products compete with metal, glass, paper and other packaging materials as well as plastic and resin packaging materials made through different manufacturing processes. Most of the Company's existing and potential competitors have greater brand name recognition and their products may enjoy greater initial market acceptance among its potential customers. In addition, many of these competitors have significantly greater financial, technical, sales, marketing, distribution, service and other resources than the Company has and may also be better able to adapt quickly to customers' changing demands and changes in technology, to enhance existing products, to develop and introduce new products and new production technologies and to respond timely changing market conditions and customer demands. If the Company is not able to compete successfully in the face of its competitors' advantages, its ability to gain market share or market acceptance for the products that it sells could be limited, its revenues and profit margins could suffer, and it might never become profitable.

Except for the market for containers such as the Medtainer®, in which the Company believes it is a significant competitor, it is an insignificant factor in the highly fragmented markets for its other products and, although it intends to improve its position in these markets, it is unlikely that it will become significant for the foreseeable future.

Regulation

The Food and Drug Administration (the "FDA") regulates the material content of Medtainer® products, including the medical-grade polypropylene resin used in their manufacture, pursuant to the Federal Food, Drug and Cosmetic Act, and the Consumer Product Safety Commission (the "CPSC") regulates certain aspects of these products pursuant to various federal laws, including the Consumer Product Safety Act and the Poison Prevention Packaging Act. The FDA and the CPSC can require the manufacturer of defective products to repurchase or recall these products and may also impose fines or penalties on the manufacturer. Similar laws exist in some states, cities and other countries in which the Company sells or intends to sell its products. In addition, certain state laws restrict the sale of packaging with certain levels of heavy metals and impose fines and penalties for noncompliance. Although FDA-approved resins and pigments are used in its products that directly contact food and drugs and the Company believes that Medtainer® products are in material compliance with all applicable regulatory requirements (although the Company is not required to submit these or any other products to the FDA or the CPSC for review), the Company is subject to the risk that these products could be found not to be in compliance with these and/or other requirements. A recall of any of these products or any fines and penalties imposed in connection with noncompliance could have a materially adverse effect on the Company.

Employees

The Company has, in addition to its 2 executive officers, 9 sales personnel, 3 administrative personnel and 4 print technicians and warehouse personnel.

Property

The Company's headquarters and all of its operations are located at 1620 Commerce St., Corona, California. Until August 31, 2018, it leased this property, comprising approximately 8,000 square feet, from an unrelated party for $7,500 per month plus 100% of operating expenses, as defined in the lease. The lease expired on June 30, 2018, and until August 31, 2018, the Company continued to occupy the property on the same terms. On September 1, 2018, it entered into a sublease of the property from DPH Supplements Inc. ("DPH"), a corporation owned by one of the Company's officers and directors, who had leased the property from its owner under a master lease dated August 27, 2018. Under the sublease, the Company agreed to pay monthly rentals of $8,640 and to assume and all of the obligations of DPH under the master lease, including the payment in full of certain capital expenses and the sharing of others; the payment of "common area operating expenses," as defined, which includes real property taxes paid by master lessor, the maintenance of the property and payment of insurance premium increases. The term of this sublease was to end on August 31, 2019, but on September 1, 2019, the sublease was amended to extend its term until August 31, 2020, and to increase the rent to $8,967. The Company believes that this property is suitable and adequate for its purposes.

Legal Proceedings

The Company is not a party to any legal proceedings and none are pending, or to its knowledge threatened, against it.

Management

The following persons individuals are serving as executive officers, directors and key personnel:

Name	Age	Position
Curtis Fairbrother	57	Chairman of the Board; CEO; CFO; Director
Douglas Heldoorn	51	President; COO; Director
Shane Fairbrother	30	Vice President – Sales and Marketing
Jack Rein	64	Vice President – Media Relations
Jeffory A. Carlson	47	Controller

Curtis Fairbrother, Douglas Heldoorn and Shane Fairbrother cofounded the Company in 2014. They are control persons with respect to the Company by reason of their holdings of Common Stock.

Curtis Fairbrother. Curtis Fairbrother is the Company's Chief Executive Officer and Chairman of the Board, serving in those capacities since 2014. Mr. Fairbrother has over 20 years' experience in business start-ups and consolidation. He performed successfully in the automotive retail and wholesale parts industries, managing multimillion-dollar budgets and the distribution and sale of large inventories. Working as an executive at AutoNation's corporate offices, he oversaw national parts distribution and management, research and development, brand recognition and product development. Mr. Fairbrother specializes in new product development and marketing strategy and has been successful in corporate product placement and branding throughout North America with other successful companies, including I Green Planet Group LLC, a premier Canadian Cannabis packaging company.

Douglas Heldoorn. Mr. Heldoorn has served as a member of the Company's and its President and Chief Operating Officer since 2014. He has over 20 years of management and executive experience. From 2009 to 2012 he served as the Executive General Manager at Nissan Motor Corporation, overseeing management training as well as specializing in turning distressed dealerships into profitable businesses. Overseeing multi-million-dollar advertising budgets, he ran dealerships that consistently netted $20m a month in income. He became one of the top Executive Managers for automotive retail in North America. Mr. Heldoorn is a master motivational speaker and sales trainer and specializes in business acquisition and turn-arounds. He is recognized for his advertising, branding and communications acumen. His franchises have consistently landed in the top 5% in the nation.

Shane Fairbrother. Mr. Fairbrother is a brand and marketing strategist and specialist who is one of Medtainer Inc.'s founders and acting CMO. He has organically incorporated current culture and cultural trends into the Company's brands. This form of branding has been highly successful in positively scaling sales and increasing global brand recognition. Customer connection is highly valued in the Company and through social media campaigns over the past 8 years and numerous strategic collaborations, the Company's presence has now spread across 40+ countries. Under his guidance, some of the Medtainer's brand associations have included Calvin Harris, Medmen, Planet 13, Post Malone, Wiz Khalifa, Merry Jane, Kid Cudi, Advanced Nutrients, Atlantic Records, Weedmaps, Buzzfeed & Hypebeast. He is the son of Curtis Fairbrother.

***Jack Rein*.** Mr. Rein is the National Services Director for Medtainer Inc. A published author, essayist and playwright, Mr. Rein has written across many disciplines. As a public speaker and motivational trainer, he has taught thousands of professionals across an array of businesses new disciplines and methods in innovative processes and successful customer relations. Since 2013 he has been dedicated to the Company's corporate communications and has written the majority of the Company's business plans, reports, press releases, blogs and B2B networking presentations, videos and electronic communications. He has successfully built alliances with other similar companies in North America, Canada, South America, Australia, Great Britain and the EU. He has successfully built a diverse portfolio of business relationships in both the Cannabis and medical industries. He has served as the company's investor relations liaison as well as sales support, overseeing legal matters and contract formation.

Jeffory A. Carlson. Mr. Carlson has served as the Controller of the Company since joining the Company in October 2014 and as its Secretary of its since March 2019. Since joining the Company, he has managed its day-to-day business office operations and is responsible for maintaining its books. Before 2014, he owned and operated several automobile dealerships and finance companies. He has over 24 years of management and executive experience.

Employment Arrangements

There are no employment agreements between the Company and its officers and key personnel.

The Company is not paying its directors cash or other compensation for their services as such.

Involvement in Certain Legal Proceedings

None of the Company's directors or executive officers has been convicted in a criminal proceeding, excluding traffic violations or similar misdemeanors, or has been a party to any judicial or administrative proceeding during the past five years that resulted in a judgment, decree, or final order enjoining the person from future violations of, or prohibiting activities subject to, federal or state securities laws, or a finding of any violation of federal or state securities laws, except for matters, if any, that were dismissed without sanction or settlement.

CERTAIN TRANSACTIONS

Loans

The Company has received loans from and repaid loans to Messrs. Fairbrother and Heldoorn from time to time since 2014. During the years ended December 31, 2018, and 2017, respectively, the Company received loans of $141,500 and $0 from Mr. Fairbrother and during 2018, it repaid $86,000 of his loans. The balance of these loans and those for prior years was $55,500 and $0, at December 31, 2018, and December 31, 2017, respectively. During the years ended December 31, 2018, and 2017, respectively, the Company received loans of $207,166 and $39,500 from Mr. Heldoorn. The balance of these loans and those from prior years at December 31, 2018, and December 31, 2017, was $330,160 and $122,994, respectively. All of these loans are non-interest-bearing and have no set maturity date. The Company expects to repay these loans when cash flows become available.

Real Property Lease

Until August 31, 2018, the Company subleased the 8,000-sqaure-foot property at which its headquarters and all of its operations are located from an independent sublessor, who leased the 10,000-square-foot building in which its property is located from its owner under a lease that expired on August 31, 2018. When the lease expired, the sublessor did not extend it or enter into a new lease. The Company desired to lease the building, but the owner was not willing to enter into a lease with it; the owner, however, was willing to enter into a lease with DPH, which is owned by Mr. Heldoorn, who is one of its officers and directors. Accordingly, DPH leased the building from its owner under a lease, dated August 27, 2018, which has a term of two years, expiring on August 31, 2020, at a rental of $11,108 per month. DPH then subleased 8,000 square feet to us under a one-year sublease at a monthly rent of $8,640.50 per month and on the other terms set forth in Item 2 and subleased the remaining 2,000 square feet to a third party at a rent of $2,467.50 per month. Thus, (i) the Company subleased 80% of the area of the building and paid 77.8% of the total rent for the building, (ii) the amounts that DPH received as rent under the two subleases was equal to the rent that it paid to the owner of the building and (iii) DPH received no income from sublease after it paid rent to the owner. On September 1, 2019, the Company amended this lease to extend its term for one year, ending August 31, 2020, and to increase the monthly rent to $8,967, leaving the other provisions of the lease unaffected. The Company now lease the total area of the building, and pays 69% of the rent paid by DPH. The Company believes that it is paying rent at the market rate for space in the area in which its premises are located and that its sublease with DPH is fair to the Company and in its best interest.

Certain Other Transactions

Mr. Douglas Heldoorn, an officer and director of the Company, has provided support to the Company when its credit has been insufficient to obtain credit and when it has had insufficient funds to purchase equipment and products. In 2017 and 2016, DPH, which Mr. Heldoorn owns, doing business as Honestas Holdings, acquired the two printers that the Company uses for its printing services for $20,000 each and leased them to the Company under capital leases, each of which was payable in 24 monthly installments of $2,000, including interest at the rate of 19.87% per annum. In 2018 and 2017, it paid $30,000 and $48,000, respectively, to DPH under these leases. The Company believes that the terms on which it could have leased these printers from a third party under capital leases are substantially the same as those on which it leased them from DPH.

In 2018, DPH purchased $72,898 of products, which it resold to the Company for a like amount.

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CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

PROSPECTIVE INVESTORS SHOULD CONSULT WITH THEIR TAX ADVISORS REGARDING THE FEDERAL, STATE, LOCAL AND FOREIGN INCOME, FRANCHISE, PERSONAL PROPERTY AND ANY OTHER TAX CONSEQUENCES OF THEIR OWNERSHIP AND DISPOSITION OF THE NOTES.

TREASURY DEPARTMENT CIRCULAR 230 ("CIRCULAR 230") NOTICE: TO ENSURE COMPLIANCE WITH CIRCULAR 230, PROSPECTIVE INVESTORS ARE HEREBY NOTIFIED THAT (A) ANY DISCUSSION OF FEDERAL TAX ISSUES CONTAINED OR REFERRED TO IN THIS MEMORANDUM IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, BY PROSPECTIVE INVESTORS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON THEM UNDER THE INTERNAL REVENUE CODE (B) SUCH DISCUSSION IS WRITTEN IN CONNECTION WITH THE PROMOTION OR MARKETING BY THE COMPANY OF THE TRANSACTIONS OR MATTERS ADDRESSED IN THIS MEMORANDUM; AND (C) PROSPECTIVE INVESTORS SHOULD SEEK TAX ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

The following is a summary of certain U.S. federal income tax considerations of the ownership and disposition of the Notes. This summary is based upon provisions of the Code, applicable U.S. Treasury regulations, administrative rulings and judicial decisions in effect as of the date of this prospectus supplement, any of which may subsequently be changed, possibly retroactively, or interpreted differently by the Internal Revenue Service (the "IRS") so as to result in U.S. federal income tax consequences different from those discussed below. Except where noted, this summary deals only with a Note held as a capital asset (within the meaning of Section 1221 of the Code) by a beneficial owner who purchases the Note on original issuance at the first price at which a substantial portion of the Notes of the applicable series is sold for cash to persons other than bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers. This summary does not address all aspects of U.S. federal income taxes, including the impact of the Medicare contribution tax on net investment income, and does not deal with all tax consequences that may be relevant to holders in light of their personal circumstances or particular situations, such as:

- tax consequences to brokers or dealers in securities or currencies, financial institutions, regulated investment companies, real estate investment trusts, tax-exempt entities, insurance companies and traders in securities that elect to use a mark-to-market method of tax accounting for their securities;
- tax consequences to persons holding Notes as a part of a hedging, integrated, conversion or constructive sale transaction or a straddle;
- tax consequences to U.S. holders, as defined below, whose "functional currency" is not the U.S. dollar;
- tax consequences to "controlled foreign corporations," "passive foreign investment companies," and corporations that accumulate earnings to avoid U.S. federal income tax;
- tax consequences to persons subject to special tax accounting rules as a result of any item of gross income with respect to the Notes being taken into account in an applicable financial statement;
- tax consequences to entities treated as partnerships for U.S. federal income tax purposes and investors therein;
- tax consequences to certain former citizens or residents of the United States;
- alternative minimum tax consequences;
- state, local or foreign tax consequences; and
- estate or gift taxes.

If an entity or arrangement that is treated as a partnership for U.S. federal income tax purposes holds Notes, the tax treatment of a partner or member generally will depend upon the status of the partner or member and the activities of the entity. Partner or members in such an entity should consult their tax advisors.

Each prospective investor in the Notes, should consult his tax advisor concerning the U.S. federal income tax consequences to him in light of his own specific situation, as well as consequences arising under the U.S. federal estate or gift tax laws or under the laws of any other taxing jurisdiction.

In this discussion, the term "U.S. holder" refers to a beneficial owner of Notes that is, for U.S. federal income tax purposes, namely:

- an individual citizen or resident of the United States;
- a corporation (or any other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust, if it (1) is subject to the primary supervision of a court within the United States and one or more U.S. persons have the authority to control all substantial decisions of the trust, or (2) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

The term "non-U.S. holder" refers to a beneficial owner of Notes that is neither a U.S. holder nor a partnership or other entity that is treated as a partnership for U.S. federal income tax purposes.

Taxation of U.S. Holders

Interest Income

It is anticipated, and this discussion assumes, that the Notes will be issued with no more than a *de minimis* amount (as set forth in the applicable U.S. Treasury regulations) of original issue discount. In such case, interest paid on the Notes generally will be taxable to a U.S. holder as ordinary interest income at the time such payments are accrued or received (in accordance with the U.S. holder's regular method of tax accounting). For information about tax consequences if the Notes are issued with more than a *de minimis* amount of original issue discount, see "Original Issue Discount."

Sale, Exchange, Redemption, Repurchase or Other Taxable Disposition of the Notes

A U.S. holder will generally recognize gain or loss equal to the difference between the amount realized on the sale, exchange, redemption, repurchase by the Company or other taxable disposition of a Note (except to the extent the amount realized is attributable to accrued and unpaid interest, which will be taxable as ordinary interest income to the extent not previously included in income) and the U.S. holder's adjusted tax basis in such Note. A U.S. holder's adjusted tax basis in Note generally will be its initial purchase price. Any gain or loss recognized on a sale, exchange, redemption, repurchase by the Company or other taxable disposition of the Note will be capital gain or loss. If, at the time of such sale, exchange, redemption, repurchase other taxable disposition, a U.S. holder will be treated as holding the Note for more than 1 year, such capital gain or loss will be a long-term capital gain or loss. Otherwise, such capital gain or loss will be a short-term capital gain or loss. In the case of certain non-corporate U.S. holders (including individuals), long-term capital gains are generally eligible for reduced rates of U.S. federal income taxation. A U.S. holder's ability to deduct capital losses may be limited.

Information Reporting and Backup Withholding

Information reporting requirements generally will apply to interest on the Notes and the proceeds of a sale, exchange, redemption, repurchase by the Company or other taxable disposition of a Note paid to a U.S. holder unless the U.S. holder is an exempt recipient (such as a corporation). Backup withholding will apply to those payments if the U.S. holder fails to provide its correct taxpayer identification number, or certification of exempt status, or if the U.S. holder is notified by the IRS that it has failed to report in full payments of interest and dividend income. Any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against a U.S. holder's U.S. federal income tax liability provided the required information is furnished to the IRS in a timely manner.

Taxation of Non-U.S. Holders

Payments of Interest

Subject to the discussion of backup withholding and FATCA below, U.S. federal withholding tax will not be applied to any payment of interest on a Note to a non-U.S. holder *provided* that:

- interest paid on the Note is not effectively connected with the non-U.S. holder's conduct of a trade or business in the United States;
- the non-U.S. holder does not actually or constructively own 10% or more of the total combined voting power of all classes of the Company's stock that are entitled to vote within the meaning of section 871(h)(3) of the Code;

- the non-U.S. holder is not a "controlled foreign corporation" that is related to us (actually or constructively) through stock ownership; and
- either (1) the non-U.S. holder provides its name and address, and certifies, under penalties of perjury, that it is not a U.S. person (which certification may be made on the applicable IRS Form W-8) or (2) the non-U.S. holder holds the Note through certain foreign intermediaries or certain foreign partnerships, and the non-U.S. holder and the foreign intermediary or foreign partnership satisfy the certification requirements of applicable U.S. Treasury regulations.

If a non-U.S. holder cannot satisfy these requirements, payments of interest made to the holder will be subject to the 30% U.S. federal withholding tax, unless the non-U.S. holder provides the applicable withholding agent with a properly executed (1) IRS Form W-8-BEN or W-8BEN-E, as applicable, claiming an exemption from or reduction in withholding under the benefit of an applicable income tax treaty or (2) IRS Form W-8ECI (or other applicable form) stating that interest paid on the Notes is not subject to U.S. federal withholding tax because it is effectively connected with the non-U.S. holder's conduct of a trade or business in the United States. If a non-U.S. holder is engaged in a trade or business in the United States and interest on the Notes is effectively connected with the conduct of that trade or business and, if required by an applicable income tax treaty, is attributable to a U.S. permanent establishment, then, although the non-U.S. holder will be exempt from the 30% withholding tax provided the certification requirements discussed above are satisfied, the non-U.S. holder will be subject to U.S. federal income tax on that interest on a net income basis in the same manner as if the non-U.S. holder were a U.S. holder. In addition, if a non-U.S. holder is a foreign corporation, it may be subject to a branch profits tax equal to 30% (or lesser rate as may be specified under an applicable income tax treaty) of its effectively connected earnings and profits, subject to adjustments.

Sale, Exchange, Redemption, Repurchase or Other Taxable Disposition of the Notes

Subject to the discussion of backup withholding and FATCA below, gain recognized by a non-U.S. holder on the sale, exchange, redemption, repurchase by the Company or other taxable disposition of a Note will not be subject to U.S. federal income tax unless:

- that gain is effectively connected with a non-U.S. holder's conduct of a trade or business in the United States (and, if required by an applicable income treaty, is attributable to a U.S. permanent establishment); or
- the non-U.S. holder is an individual who is present in the United States for 183 days or more in the taxable year of that disposition and certain other conditions are met.

If a non-U.S. holder is an individual or foreign corporation described in the first bullet point above, it will be subject to tax on the net gain derived from the sale, exchange, redemption, repurchase by the Company or other taxable disposition under regular graduated U.S. federal income tax rates and in the same manner as if the non-U.S. holder were a U.S. holder. In addition, if a non-U.S. holder is a foreign corporation that falls under the first bullet point above, it may be subject to the branch profits tax equal to 30% (or lesser rate as may be specified under an applicable income tax treaty) of its effectively connected earnings and profits, subject to adjustments. If a non-U.S. holder is eligible for the benefits of an income tax treaty between the United States and its country of residence, any such gain will be subject to U.S. federal income tax in the manner specified by the treaty and generally will be subject to U.S. federal income tax only if such gain is attributable to a permanent establishment maintained by the non-U.S. holder in the United States.

If a non-U.S. holder is an individual described in the second bullet point above, such non-U.S. holder will be subject to a flat 30% (or lesser rate as may be specified under an applicable income tax treaty) tax on the gain derived from the sale, exchange, redemption, repurchase by us or other taxable disposition, which may be offset by U.S. source capital losses, even though such non-U.S. holder is not considered a resident of the United States.

Information Reporting and Backup Withholding

Generally, the amount of interest paid to non-U.S. holders and the amount of tax, if any, withheld with respect to those payments must be reported annually to the IRS and to non-U.S. holders. Copies of the information returns reporting such interest and withholding may also be made available to the tax authorities in the country in which a non-U.S. holder resides under the provisions of an applicable income tax treaty.

In general, a non-U.S. holder will not be subject to backup withholding with respect to payments of interest that the Company makes, provided the applicable statement described above in the last bullet point under "Taxation of Non-U.S. Holders – Payments of Interest" has been provided and the applicable withholding agent does not have actual

knowledge or reason to know that the holder is a United States person, as defined under the Code, that is not an exempt recipient. In addition, a non-U.S. holder will be subject to information reporting and, depending on the circumstances, backup withholding with respect to payments of the proceeds of the sale, exchange, redemption, repurchase by us or other taxable disposition of a Note within the United States or conducted through certain U.S.-related financial intermediaries, unless the statement described above has been received, and the payor does not have actual knowledge or reason to know that a holder is a United States person, as defined under the Code, that is not an exempt recipient, or the non-U.S. holder otherwise establishes an exemption. Any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against a non-U.S. holder's U.S. federal income tax liability provided the required information is furnished to the IRS in a timely manner.

Foreign Account Tax Compliance Act (FATCA)

A 30% U.S. federal withholding tax may apply to interest income paid on Notes paid to (i) a "foreign financial institution" (as specifically defined in the Code), whether such foreign financial institution is the beneficial owner or an intermediary, unless such foreign financial institution agrees to verify, report and disclose its "United States account" holders (as specifically defined in the Code) and meets certain other specified requirements or (ii) a "non-financial foreign entity" (as specifically defined in the Code). While the withholding under FATCA would have applied also to the gross proceeds from a disposition of Notes occurring after December 31, 2018, recently proposed Treasury regulations eliminate such withholding entirely. Taxpayers generally may rely on these proposed Treasury regulations until final Treasury regulations are issued. whether such non-financial foreign entity is the beneficial owner or an intermediary, unless such non-financial foreign entity provides a certification that the beneficial owner of the payment does not have any substantial U.S. owners or provides the name, address and taxpayer identification number of each substantial U.S. owner and certain other specified requirements are met. In certain cases, the relevant foreign financial institution or non-financial foreign entity may qualify for an exemption from, or be deemed to be in compliance with, these rules. Further, foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States governing FATCA may be subject to different rules. If an interest payment is subject both to withholding under FATCA and to the U.S. federal withholding tax discussed above under "Taxation of Non-U.S. Holders—Payments of Interest," the U.S. federal withholding under FATCA may be credited against, and therefore reduce, such other U.S. federal withholding tax. Holders should consult their tax advisors regarding these rules and whether they may be relevant to their ownership and disposition of Notes.

Reclassification of Notes as Equity

Section 385(a) of the Code, as amended in 1989, authorizes the Secretary of the Treasury to prescribe such regulations "as may be necessary or appropriate" to determine whether an interest in a corporation is treated as stock or indebtedness, in whole or in part, for purposes of the Code. Section 385(b) provides that such regulations shall set forth factors to be taken into account in determining whether a debtor-creditor relationship exists or a corporation-shareholder relationship exists with respect to a particular factual situation. On November 4, 2019, the Department of the Treasury and the Internal Revenue Service published final regulations under Section 385. Section 385, under certain circumstances, recast debt between related parties as equity for U.S. federal income tax purposes. Presently, no regulation under Section 385 would recast the Notes, if held by a person that is not a related party, as equity. The language of Section 385 indicates that, in the absence of a regulation, the IRS is unable to claim that the Notes in the hands of an unrelated party are equity.

Accordingly, the Company believes that, the Notes that are not held by related parties will be characterized as debt instruments, unrelated Noteholders will be treated as creditors of the Company and interest payments received by unrelated Noteholders will be treated as such. However, no assurance can be given that, notwithstanding the requirement of Section 385 that a regulation that permits the reclassification of debt in the hands of an unrelated holder as equity, the IRS will not seek to recharacterize the Notes or that such a regulation, if adopted, would not have retroactive effect.

If the IRS sought to recharacterize the Notes as equity in the face of Section 385 and existing regulation, the Company believes, but cannot assure, that it would prevail in a court proceeding contesting the recharacterization. Numerous court decisions set forth the criteria for determining whether and issuer and the holders of its debt stand in the relationship of creditor and debtor. The determination is a question of fact that based on the individual facts and circumstances of each case. The court in *Dixie Dairies Corp. v. Commissioner of Internal Revenue*, 74 T.C. 476 (1980), set forth a list of 13 factors that have developed in case law in determining whether advances made by a shareholder to a corporation constituted debt or equity. These are (citations to quoted matter omitted):

1. Name or label: "The issuance of a stock certificate indicates an equity contribution; the issuance of a bond, debenture, or note is indicative of a bona fide indebtedness."

2. Fixed maturity date: "The presence of a fixed maturity date indicates a fixed obligation to repay, a characteristic of a debt obligation. The absence of the same on the other hand would indicate that repayment was in some way tied to the fortunes of the business, indicative of an equity advance."

3. Source of repayment: "[I]f repayment is possible only out of corporate earnings, the transaction has the appearance of a contribution of equity capital but if repayment is not dependent upon earnings, the transaction reflects a loan to the corporation."

4. Right to enforce payment: "If there is a definite obligation to repay the advance, the transaction would take on some indicia of a loan."

5. Participation in management (as a result of the loan): "If a stockholder's percentage interest in the corporation or voting rights increase as a result of the transfer, it will contribute to a finding that the transfer was a contribution to capital."

6. Relation to regular corporate creditors: "Whether the advance has a status equal to or inferior to that of regular corporate creditors is, of course, of some import in any determination of whether taxpayer here was dealing as a shareholder or a creditor."

7. Intent of the parties: "It is relevant whether the parties intended, at the time of the issuance of the debentures, to create a debtor-creditor relationship. . . . The intent of the parties, in turn, may be reflected by their subsequent acts; the manner in which the parties treat the instruments is relevant in determining their character."

8. Coincidence of interest between creditor and stockholder: "If advances are made by stockholders in proportion to their respective stock ownership, an equity capital contribution is indicated. . . . A sharply disproportionate ratio between a stockholder's percentage interest in stock and debt is, however, strongly indicative that the debt is bona fide."

9. Thin Capitalization: "[T]hin capitalization is very strong evidence of a capital contribution where (1) the debt to equity ratio was initially high, (2) the parties realized the likelihood that it would go higher, and (3) substantial portions of these funds were used for the purchase of capital assets and for meeting expenses needed to *commence* [italics added] operations."

10. Ability to obtain credit from outside sources: "If a corporation is able to borrow funds from outside sources at the time an advance is made, the transaction has the appearance of a bona fide indebtedness. . . . If no reasonable creditor would have loaned funds to the corporation at the time of the advance, an inference arises that a reasonable shareholder would likewise not so act."

11. Use to which loans were put: "A corporation's use of cash advances to acquire capital assets suggests that an advance is equity [citation omitted]. Use of an advance by an ongoing business to expand its operations, e.g., by acquiring an existing business, suggests that the advance is equity"; [I]t appears that the advances were used to meet the daily operating needs of [the company] and, therefore, indicates a bona fide indebtedness."

12. Failure to repay: "The failure of a corporation to repay principal amounts on the due date indicates that advances were equity."

13. Risk involved in loan: "A reasonable expectation of repayment by the provider of an advance when the advance is made suggests that the advance is debt."

The Court also noted:

> The identified factors are not equally significant . . . nor is any single factor determinative. . . . Moreover, due to the myriad factual circumstances under which debt-equity questions can arise, all of the factors are not relevant to each case. The "real issue for tax purposes has long been held to be the extent to which the transaction complies with arm's length standards and normal business practice." . . . . "The various factors . . . are only aids in answering the ultimate question whether the investment, analyzed in terms of its economic reality, constitutes risk capital entirely subject to the fortunes of the corporate venture or represents a strict debtor-creditor relationship." . . . As expressed by this Court, the ultimate question is "Was there a genuine intention to create a debt,

with a reasonable expectation of repayment, and did that intention comport with the economic reality of creating a debtor-creditor relationship?".

While an analysis of the above factors weighs in favor of a classification of the Notes as debt, some courts have not applied factor-balancing tests, and various jurisdictions apply different tests, emphasizing and de-emphasize various factors. Accordingly, there is some risk, which the Company believes is minimal, that the IRS or some other agency could succeed in reclassifying the Notes as equity.

NO TAX OPINION OR RULING FROM THE IRS HAS BEEN BE OBTAINED WITH RESPECT TO ANY OF THE TAX ISSUES AFFECTING THE NOTEHOLDERS OR THE COMPANY. THEREFORE, EACH INVESTOR MUST SEEK THE ADVICE OF HIS OWN INDEPENDENT TAX ADVISOR BEFORE MAKING AN INVESTMENT IN THE NOTES.

Consequences to Holders if Notes were Reclassified as Equity

If the Notes were reclassified for income tax purposes as equity, the following would occur:

- The deduction by the Company for interest payable under the Notes could be challenged by the IRS.
- The interest received by Noteholder could be treated as dividends
- Certain tax-exempt investors would no longer qualify for an exemption from the Unrelated Business Income Tax ("UBIT") rules as to their investment in the Notes. Such recharacterization have a materially adverse impact on such tax-exempt investors, who are strongly encouraged to seek the advice of an independent tax advisor before making an investment in the Notes.
- A Noteholder would be required to treat items on his individual federal income tax returns that relate to the Notes in a manner consistent with the Company's treatment of these items, unless he Noteholder files a statement with the IRS (on a prescribed form) identifying the inconsistency. Seems to apply only to partnerships, corporations and other pass-through entities.
- The principal amount of the Notes would be treated as capital contributions to the Company.

Original Issue Discount

The Company does not intend to issue Notes for less than their redemption price at maturity (i.e., their par value), but reserves the right to do so. If it does so, the difference between the redemption price will be not considered original issue discount if such difference is less than a *de minimis* amount, defined by applicable Treasury regulations as ¼ of 1 percent of the stated redemption price at maturity multiplied by the number of complete years to maturity or, in the case of an installment obligation (as defined by applicable Treasury regulations), the weighted average maturity. The weighted average maturity is the sum of the following amounts determined for each payment under the note other than a payment of qualified stated interest: (i) the number of complete years from the issue date of the note until the payment is made, multiplied by (ii) a fraction, the numerator of which is the amount of the payment and the denominator of which is the note's stated redemption price at maturity.

A U.S. Holder of Notes issued with a discount greater than such *de minimis* amount will be required to include any qualified stated interest payments in income in accordance with the holder's method of accounting for U.S. federal income tax purposes. U.S. Holders of such Notes will be required to include original issue discount in income for U.S. federal income tax purposes as it accrues, in accordance with a constant yield method based on a compounding of interest, without regard to the timing of the receipt of cash payments attributable to this income. Under this method, U.S. Holders of discount notes generally will be required to include in income increasingly greater amounts of original issue discount in successive accrual periods.

A U.S. Holder may make an election to include in gross income all interest that accrues on any Note (including stated interest, original issue discount and *de minimis* original issue discount, as adjusted by any amortizable bond premium (as defined below)) in accordance with a constant yield method based on the compounding of interest (a "constant yield election"). Such election may be revoked only with the permission of the Internal Revenue Service (the "IRS").

Unrelated Business Taxable Income

Organizations that are recognized as exempt from federal income taxes are nevertheless liable for taxation on its Unrelated Business Taxable Income, which is income from a trade or business, regularly carried on, that is not substantially related to the charitable, educational, or other purpose that is the basis of its exemption. If such

organization has $1,000 or more of gross income from an unrelated business must file Form 990-T and pay estimated tax if it expects its tax for the year to be $500 or more.

State and Local Taxes

In addition to the federal income tax consequences described above, prospective investors may be subject to state and local tax consequences by reason of investment in the Notes. Depending upon applicable state and local laws, tax benefits available to Noteholders for federal income tax purposes may not be available to Noteholders for state or local tax purposes. Investors are urged to consult their personal tax advisors regarding the effect of state and local taxes upon an investment in the Notes. A discussion of state and local tax law is beyond the scope of this Memorandum.

Changes in Tax Laws

The foregoing discussion of various tax issues is based on the law in effect as of the date of this Memorandum. Changes implemented at any time by legislative, judicial, or administrative action could result in material changes to the foregoing discussion. It is impossible to predict what changes may be affected in existing Treasury Regulations or what revisions in IRS policy may occur. No assurance can be given, nor is any given, that legislative, judicial, or administrative changes will not be forthcoming which would significantly modify the statements expressed herein. Any such changes may be retroactive with respect to transactions consummated prior to the date on which such changes are announced. Consequently, no assurance can be given that the federal tax consequences to the Noteholders will be as described above, or as has been experienced with similar investments that the security holders may have made in the past.

Necessity of Investors' Obtaining Professional Advice

THE FOREGOING ANALYSIS IS NOT INTENDED AS A SUBSTITUTE FOR CAREFUL TAX PLANNING. THE TAX MATTERS RELATING TO THE COMPANY AND AN INVESTMENT IN THE NOTES ARE COMPLEX AND ARE SUBJECT TO VARYING INTERPRETATIONS. THE EFFECT OF EXISTING INCOME TAX LAWS AND OF PROPOSED CHANGES IN INCOME TAX LAWS WILL VARY WITH THE PARTICULAR CIRCUMSTANCES OF EACH INVESTOR AND, IN REVIEWING THIS MEMORANDUM (INCLUDING THE EXHIBITS HERETO), THESE MATTERS SHOULD BE CONSIDERED. EACH INVESTOR MUST CONSULT WITH AND RELY ON HIS OWN TAX ADVISORS WITH RESPECT TO THE POSSIBLE TAX CONSEQUENCES OF AN INVESTMENT IN THE COMPANY. IN NO EVENT WILL THE COMPANY OR ANY OF ITS AFFILIATES, OR ANY PROFESSIONAL ADVISORS OR COUNSEL ENGAGED BY ANY OF THEM, BE LIABLE IF FOR ANY REASON IF IT SHALL BE DETERMINED THAT THE TAX CONSEQUENCES OF AN INVESTMENT IN THE COMPANY, AS INDICATED IN THIS MEMORANDUM, DO NOT MATERIALIZE OR ARE LESS FAVORABLE THAN ILLUSTRATED. INVESTORS MUST LOOK SOLELY TO, AND RELY UPON, THEIR OWN ADVISORS WITH RESPECT TO THE TAX CONSEQUENCES OF THEIR INVESTMENT.

ERISA CONSIDERATIONS

The following is a summary of certain considerations associated with the purchase of the Notes by employee benefit plans that are subject to Title I of ERISA, plans, individual retirement accounts ("IRAs") and other arrangements that are subject to Section 4975 of the Code, or provisions under any other federal, state, local, non-U.S. or other laws or regulations that are similar to such provisions of ERISA or the Code (collectively, "Similar Laws"), and entities whose underlying assets are considered to include "plan assets" of any such plan, account or arrangement (each, a "Plan").

General Fiduciary Matters

ERISA and the Code impose certain duties on persons who are fiduciaries of a Plan subject to Title I of ERISA or Section 4975 of the Code (each, a "Covered Plan") and prohibit certain transactions involving the assets of a Covered Plan and its fiduciaries or other interested parties. Under ERISA and the Code, any person who exercises any discretionary authority or control over the administration of a Covered Plan or the management or disposition of the assets of a Covered Plan, or who renders investment advice for a fee or other compensation to a Covered Plan, is generally considered to be a fiduciary of the Covered Plan.

In considering an investment of a portion of the assets of any Plan in the Notes, a fiduciary should determine whether the investment is in accordance with the documents and instruments governing the Plan and the applicable provisions of ERISA, the Code or any Similar Law relating to a fiduciary's duties to the Plan including, without limitation, the

applicable prudence, diversification, delegation of control and prohibited transaction provisions of ERISA and the Code with respect to Covered Plans, and Similar Laws.

Prohibited Transaction Issues

Section 406 of ERISA and Section 4975 of the Code prohibit Covered Plans from engaging in specified transactions involving plan assets with persons or entities who are "parties in interest," within the meaning of ERISA, or "disqualified persons," within the meaning of Section 4975 of the Code, unless an exemption is available. A party in interest or disqualified person who engaged in a non-exempt prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code. In addition, the fiduciary of a Covered Plan that engages in such a non-exempt prohibited transaction may be subject to penalties and liabilities under ERISA and the Code.

The acquisition of the Notes by a Covered Plan with respect to which the Company, members of the Selling Group or any of the Company's management team (each, a "Transaction Party") is considered a party in interest or a disqualified person may constitute or result in a direct or indirect prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code, unless the investment is acquired in accordance with an applicable statutory, class or individual prohibited transaction exemption, of which there are many. There can be no assurance that all of the conditions of any exemption will be satisfied, or that any exemption would apply to all possible transactions in connection with an acquisition of the Notes. Fiduciaries of Covered Plans considering acquiring the Notes in reliance on an exemption should carefully review such exemption to assure it is applicable.

Accordingly, by acceptance of Notes, each purchaser and subsequent transferee will be deemed to have represented and warranted that either (i) no portion of the assets used by such purchaser or subsequent transferee to acquire the Notes constitutes assets of any Plan or (ii) the acquisition of the Notes by such purchaser or subsequent transferee will not result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a similar violation under any applicable Similar Law.

The following representations are intended to comply with the U.S. Department of Labor's Reg. Sections 29 CFR 2510.3-21(a) and (c)(1), as promulgated on April 8, 2016 (81 Fed. Reg. 20,997). If these regulations are revoked, repealed or no longer effective, these representations shall be deemed to be no longer in effect. If a purchaser or transferee is using assets of any Covered Plan to acquire the Notes, such Covered Plan, purchaser and transferee will be deemed to represent and warrant that (i) none of the Transaction Parties has acted or will act as the Covered Plan's fiduciary, or has been or will be relied upon for any advice, with respect to the Covered Plan's decision to acquire, hold, sell, exchange or provide any consent with respect to the Notes and none of the Transaction Parties will at any time be relied on as the Covered Plan's fiduciary with respect to any decision with respect to the Notes and (ii) the decision to invest in the Note has been and at all times will be made at the recommendation or direction of an independent fiduciary ("Independent Fiduciary") within the meaning of 29 CFR Section 2510.3-21(c)(1), as amended from time to time (the "Fiduciary Rule"), who (a) is independent of the Transaction Parties; (b) is capable of evaluating investment risks independently, both in general and with respect to particular transactions and investment strategies (within the meaning of the Fiduciary Rule); (c) is a fiduciary (under ERISA and/or Section 4975 of the Code) with respect to the Covered Plan's investment in the Notes and is responsible for exercising independent judgment in evaluating the investment in the Notes; (d) is either (I) a bank as defined in Section 202 of the Investment Advisers Act of 1940, as amended (the "Advisers Act"), or similar institution that is regulated and supervised and subject to periodic examination by a state or federal agency of the United States; (II) an insurance carrier which is qualified under the laws of more than one state of the United States to perform the services of managing, acquiring or disposing of assets of such a Covered Plan; (III) an investment adviser registered under the Advisers Act or, if not registered as an investment adviser under the Advisers Act by reason of paragraph (1) of Section 203A of the Advisers Act, is registered as an investment adviser under the laws of the state (referred to in such paragraph (1)) in which it maintains its principal office and place of business; (IV) a broker dealer registered under the Exchange Act; and/or (V) an Independent Fiduciary that holds or has under management or control total assets of at least $50 million and will at all times that such Covered Plan holds any of the Notes, hold or have under management or control total assets of at least $50 million and in the case of a Covered Plan that is an IRA, is not the IRA owner, a beneficiary of the IRA or a relative of an owner or beneficiary of the IRA; and (e) is aware of and acknowledges that (I) none of the Transaction Parties are undertaking or will undertake to provide impartial investment advice, or to give advice in a fiduciary capacity, in connection with the Covered Plan's investment in shares, and (II) the Transaction Parties have a financial interest in the Covered Plan's investment in the Notes on account of the fees and other remuneration they expect to receive in connection with the transactions contemplated hereunder and that it has been fairly informed of the existence and

nature of such financial interests. To the extent that the Fiduciary Rule is revoked, repealed or no longer effective, these representations shall be deemed to be no longer in effect.

The foregoing discussion is general in nature and is not intended to be all-inclusive. Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries, or other persons considering purchasing the Notes on behalf of, or with the assets of, any Plan, consult with their counsel to determine whether such employee benefit plan is subject to Title I of ERISA, Section 4975 of the Code or any Similar Laws.

Certain special rules now apply to certain simplified savings plans (referred to as "Savings Incentive Match Plans for Employers," or "SIMPLE" plans) that are adopted pursuant to ERISA related legislation. Sponsors of such plans who are considering investing in the Notes should consult their own tax advisors regarding the effect of such an investment in their specific plans.

If a fiduciary of a Plan covered breaches a fiduciary responsibility or permits a prohibited transaction to occur as a result of an investment in the Company, or if the assets of the Company are "plan assets" of an employee benefit plan that is subject to ERISA and the Company engages in a prohibited transaction, then under ERISA the fiduciary who breaches his fiduciary responsibility (including the Company) would be liable to (i) restore to the plan any profit realized by such person on the transaction and (ii) compensate the plan for any losses incurred by the plan as a result of such breach. A party-in-interest with respect to a pension or profit-sharing plan qualified under Section 401(a) of the Code that is involved in a prohibited transaction which is not corrected could also be liable for an additional annual excise tax in an amount equal to 10% of the amount involved (100% if the transaction is not timely corrected). A similar penalty may be imposed under ERISA for employee benefit plans that are subject to ERISA but are not qualified plans (e.g., welfare plans). If an employee benefit plan, the plan sponsor, or any participant therein, becomes the owner of an interest in the Company, any loan to the Company, or participation in any such loan, by such employee benefit plan or the plan sponsor constitutes a prohibited transaction.

The above-described excise tax rules, but not ERISA's fiduciary liability provisions, also extend to IRAs. If the beneficiary of an IRA engages in a transaction involving assets of the Company and thereby is considered to have engaged in a "prohibited transaction," the tax-exempt status of the IRA will be lost in lieu of the above-described excise taxes.

Employee benefit plans are not subject to ERISA's fiduciary liability provisions if the only participants in such plans are partners in the plan sponsor and spouses or if the plan sponsor, whether incorporated or not, is wholly owned by an individual or by the individual and the spouse who are the only participants in the plans. Such plans, however, are still subject to the excise tax provisions of the Code described above if the plans are qualified under Section 401(a) of the Code. Fiduciaries of SIMPLE plans (referred to above) that allow one or more participants or beneficiaries to exercise control over the plans' assets are generally shielded from fiduciary liability after they have been in existence for at least one year.

An additional issue relating to the "plan assets" and "prohibited transaction" concepts of ERISA may arise if certain entities and individuals related to the Company previously have provided services to an investing plan and thus are characterized as "parties-in-interest" under ERISA with respect to such plan. If such a relationship exists, it could be argued that, because these entities or individuals share in certain Company distributions and tax benefits in a manner disproportionate to their capital contributions, these entities or individuals are being compensated directly out of the plan's assets, rather than Company assets, in exchange for the provision of services to the plan such as establishing the Company and making it available as an investment to the plan. If this occurs, absent a specific exemption applicable to the transaction, a prohibited transaction could be determined to have occurred between the investing plan and these entities or individuals. The Company will not permit a plan to purchase Notes if these entities or individuals or an Affiliate thereof is a fiduciary of such plan.

ADDITIONAL INFORMATION

Prior to a prospective investor's purchase of Notes pursuant to the Offering, the prospective investor and such investor's professional advisors, if any, are invited to ask questions of the Company's management concerning this Offering, the Company, it's management or any other matter that the prospective investor and such investor's professional advisors deem necessary to verify the accuracy of the information referred to in this Memorandum. The Company will make every effort to respond fully to such questions and to supply all information available to it that the investor and the investor's professional advisors may reasonably request.