



Overview of Reg CF

The SEC requires Dalmore Group, LLC to post educational materials for prospective investors on our site. These materials are a great start to educating yourself and understanding the risks of making crowdfunding investments. However, you must take several additional steps to help you make a responsible investment decision, including completing a thorough investigation of the issuing company and participating in our online forum. The online forum allows you to ask the issuing company questions, interact with other investors, and study each investment opportunity's benefits, detriments, and risks.

Equity crowdfunding allows the general public to participate in venture capital and private equity investing. Companies can use crowdfunding to offer and sell securities to the investing public – anyone can invest in a crowdfunding security offering.

According to Rule 302(b) of Securities and Exchange Commission ("SEC") Regulation Crowdfunding under the Securities Act of 1933 (Title III of the JOBS Act), as amended (the "Securities Act"), it is required that all potential investors who open an account on Dalmore Group, LLC and commit to purchasing securities receive and acknowledge certain educational information from Dalmore Group, LLC related to the posting of securities offerings on the Dalmore Group, LLC platform, including:

- (i) The process for the offer, purchase, and issuance of securities through the intermediary and the risks associated with purchasing securities offered and sold in reliance on section 4(a)(6) of the Securities Act (15 U.S.C. 77d(a)(6));
- (ii) The types of securities offered and sold in reliance on section 4(a)(6) of the Securities Act (15 U.S.C. 77d(a)(6)) available for purchase on the intermediary's platform and the risks associated with each type of security, including the risk of having limited voting power as a result of dilution;
- (iii) The restrictions on the resale of security offered and sold in reliance on section 4(a)(6) of the Securities Act (15 U.S.C. 77d(a)(6));
- (iv) The types of information that an issuer is required to provide under § 227.202, the frequency of the delivery of that information, and the possibility that those obligations may terminate in the future;
- (v) The limitations on the amounts an investor may invest pursuant to § 227.100(a)(2);
- (vi) The limitations on an investor's right to cancel an investment commitment and the circumstances in which the issuer may cancel an investment commitment;
- (vii) The need for the investor to consider whether investing in a security offered and sold in reliance on section 4(a)(6) of the Securities Act (15 U.S.C. 77d(a)(6)) is appropriate for that investor;
- (viii) That following completion of an offering conducted through the intermediary, there may or may not be any ongoing relationship between the issuer and intermediary;



- (ix) That under certain circumstances, an issuer may cease to publish annual reports and, therefore, an investor may not continually have current financial information about the issuer;
- (x) The risks of investing in such securities;
- (xi) How securities are offered and purchased;
- (xii) Investment limits for certain investors;
- (xiii) The types of securities offered and any resale restrictions on such securities;
- (xiv) The disclosure is generally required to be made available by issuers offering securities on the platform; and
- (xv) The relationship among Dalmore Group LLC, the companies issuing securities, and investors.

Please review the important educational information below before you begin to register the platform and before you make any investment commitment.

Dalmore Group, LLC, LLC: A FINRA licensed investment banking platform that connects issuing companies with investors, including equity crowdfunding.

Regulation Crowdfunding (Reg CF): An equity crowdfunding regulation that allows companies to raise capital efficiently and investors to invest capital efficiently.

- Enacted in 2016 and significantly expanded in 2021
- \$5 million per year
- Light disclosure required
- Anyone (including non-accredited investors) can invest
- General solicitation/advertising permitted (subject to restrictions)

Form C: Prior to launching a Section 4(a)(6) equity crowdfunding campaign, the issuer must complete and submit a Form C to the SEC together with required attachments. Companies that file a Form C are required to disclose certain information to the public, which can be used to understand the investment, which helps determine whether a particular investment is appropriate for a specific person. This includes general information about the issuer, its officers and directors, a description of the business, the planned use for the money raised from the offering, often called the use of proceeds, the target offering amount, the deadline for the offering, related-party transactions, risks specific to the issuer or its business, and financial information about the issuer.

Material Changes: If the issuer makes a material change to the offering terms (e.g., the total amount of the offering, the type of security, etc.) or other information disclosed to investors, including if the deadline is extended, each investor will be given five business days to reconfirm their investment commitment. If the investor does not reconfirm, their investment will be canceled, and their funds will be returned. In addition, if the issuer makes a material change, an amendment must be filed with the SEC.



Annual Filing Obligation of Issuers: Each issuer that successfully completes a Title III Regulation Crowdfunding securities offering is required to annually file with the SEC a Form C-AR and financial statements. This must be done no later than 120 days after the end of the Issuer's fiscal year covered by such filing. Each Issuer must also post its Form C-AR and financial statements to its own website, and that link must be provided along with the date by which such report will be available on the issuer's website. The Form C-AR contains updated disclosure substantially similar to that provided in the issuer's initial Form C, including information on the issuer's size, location, principals and employees, business, plan of operations, and the risks of investment in the Issuer's securities; however, offering-specific disclosure is not required to be disclosed in the Form C-AR. Investors should be aware that an issuer may no longer be required to continue its annual reporting obligations under certain circumstances. In the event that an issuer ceases to make annual filings, investors may no longer have current financial information about the Issuer available to them. An issuer must continue to comply with the ongoing reporting requirements until one of the following occurs:

- (1) The issuer is required to file reports under section 13(a) or section 15(d) of the Exchange Act (15 U.S.C. 78m(a) or 78o(d));
- (2) The issuer has filed, since its most recent sale of securities pursuant to this part, at least one annual report pursuant to this section and has fewer than 300 holders of record;
- (3) The issuer has filed, since its most recent sale of securities pursuant to this part, the annual reports required pursuant to this section for at least the three most recent years and has total assets that do not exceed \$10,000,000;
- (4) The issuer or another party repurchases all of the securities issued in reliance on section 4(a)(6) of the Securities Act (15 U.S.C. 77d(a)(6)), including any payment in full of debt securities or any complete redemption of redeemable securities; or
- (5) The issuer liquidates or dissolves its business in accordance with state law.

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

Reviewed Financials: A review of an organization's financial statements provides a report issued by a CPA that expresses that the financial statements are free from material misstatement. A review provides limited assurance on an organization's financial statements. During a review, inquiries and analytical procedures present a reasonable basis for expressing limited assurance that no material modifications to the financial statements are necessary; they conform with generally accepted accounting principles.

GAAP Financials: All companies raising funds under Regulation CF must provide financial statements prepared in accordance with generally accepted accounting principles (GAAP). For companies incorporated over 120 days ago, GAAP financials must include a cover page,



balance sheet, income statement, statement of cash flows, statement of stockholder's equity, and footnotes (typically 2 -5 pages including accounting methodologies used, an explanation of your taxes, a summary of any debt, and a summary of outstanding equity).

Investment Limitations: Because of the risks involved with this type of investing, you are limited in how much you can invest during any 12-month period in these transactions. The limitation on how much you can invest depends on your net worth and annual income. If either your annual income or your net worth is less than \$124,000, then during any 12-month period, you can invest up to the greater of either \$2,500 or 5% of the lesser of your annual income or net worth.

If both your annual income and your net worth are equal to or more than \$124,000, then during any 12-month period, you can invest up to 10% of annual income or net worth, whichever is less, but not to exceed \$124,000 or all crowdfunding offerings in any 12 month period. The following table is an example provided in an [SEC Bulletin about Regulation Crowdfunding](#).

Annual Income	Net Worth	Calculation	12-month Limit
\$30,000	\$40,000	greater of \$2,500 or 5% of \$40,000 (\$2,000)	\$2,500
\$150,000	\$80,000	greater of \$2,500 or 5% of \$150,000 (\$7,500)	\$7,500



\$150,000	\$124,000	10% of \$150,000 (\$15,000)	\$15,000
\$124,000	\$900,000	10% of \$900,000 (\$90,000)	\$90,000

Calculating Net Worth: Each investor in a Reg CF must calculate their net worth. All assets are totaled, and all liabilities are subtracted from that total. For crowdfunding, the investor's primary residence value is not included in the net worth calculation. The SEC's Investor Bulletin Crowdfunding for Investors contains detailed and valuable information about how to perform these calculations.

Cancellation Rule 303(b)(2)(ii):

Changing Your Mind: Each investor has up to 48 hours prior to a rolling close, or 48 hours prior to the offering deadline, to change their mind and cancel the investment commitment for any reason. However, once the offering period is within 48 hours of ending, the investment may not be cancelled for any reason, even if the commitment is made during this period. Following the close on funds, the investor will receive securities in exchange for their investment. If the investment commitment is not cancelled 48 hours prior to the offering deadline or a rolling close, the funds will be released to the company by the escrow agent. If the investment commitment is cancelled before the 48-hour deadline, Dalmore Group, LLC will direct the return of any funds that have been committed.

Cancellation of Investment Commitment by Issuer: The issuer may cancel the investment commitment under the following circumstances:

- For any offering that has not yet been completed or terminated, an issuer may file on Form C/A an amendment to its offering statement to disclose changes, additions, or updates to information. An amendment is required for changes, additions, or updates that are material, and in those required instances the issuer must reconfirm outstanding investment commitments within 5 business days, or the investor's commitment will be considered canceled. If the RedCrow Platform was required to cancel the investment commitment, it must then send a notice of the cancellation to the investor and direct



refusal of the investor's funds.

- Offering fails to reach the target by the specified deadline. If an issuer does not raise the target funds by the deadline it established, the Company has five days to provide investors with notice of the cancellation of the investment commitment, direct the refund of investor funds, and prevent investors from committing any additional funds to the offering.
- The issuer may cancel the offering for another reason including if the issuer experiences sudden financial difficulties, the discovery of fraud, the sudden departure of a key person, or for any other reason in which the offering is not in the best interest of the issuer.

Common Stock: Conveys a portion of the ownership interest in the company to the holder of the security. Stockholders are usually entitled to receive dividends when and if declared, vote on corporate matters, and receive information about the company, including financial statements. This is the riskiest type of equity security since common stock is last in line to be paid if a company fails. You should read our discussion of the risks of early stage investing and pay special attention to the fact that your investment will only make money if the company's business succeeds. Common Stock is a long-term investment.

Preferred Stock: Stock that has priority over common stock as to dividend payments and the distribution of the company's assets. Preferred stock can have the characteristics of either common stock or debt securities. While preferred stock gets paid ahead of common stock, it will still only be repaid on liquidation if there is money left over after the company's debts are paid. In certain circumstances (such as an initial public offering or a corporate takeover) the preferred stock might be convertible into common stock (the riskiest class of equity). You should review the terms of the preferred stock to know when that might happen.

Convertible Note: This form of investment is popular because it allows investors to initially lend money to the company and later receive shares if new professional investors decide to invest. The sort of convertible note that is most often offered on the Dalmore Group, LLC platform may limit the circumstances in which any part of the loan is repaid, and the note may only convert when specified events (such as a preferred stock offering of a specific amount) happens in the future. You will not know how much your investment is "worth" until that time, which may never happen. You should treat this sort of convertible note as having the same risks as common stock.

SAFE: Simple Agreement for Future Equity. The SAFE investor has the right to obtain equity when the company sells shares in a future financing, using a cheap and simple contract. SAFEs solve the complex, time-consuming, and expensive problem of valuing an early-stage startup and documenting a priced equity investment. A SAFE is not a loan, does not have a legal obligation to be repaid, does not accrue interest, and does not have a maturity date.



What is a SAFE: <https://www.investor.gov/introduction-investing/general-resources/newsalerts/alerts-bulletins/investor-bulletins-52>

Side by Side: A Side-by-Side offering refers to a deal that is raising capital under two offering types. For instance, a Side-by-Side offering may involve a raise under Regulation CF and Rule 506(c) of Regulation D.

Valuation Caps: The valuation caps reward early convertible note or SAFE investors. It sets the maximum price that your convertible security will convert into equity. To translate that into a share price, you divide the valuation cap by the series A valuation. Based on the valuation cap investors will be entitled to equity priced at the lower of the valuation cap or the pre-money valuation in the subsequent transaction.

Debt/Revenue Share: Securities in which the seller must repay the investor's original investment amount at maturity plus interest. Debt securities are essentially loans to the company, and the significant risk they bear is that the company does not repay them, in which case they are likely to become worthless.

Post-Money Valuation: The valuation of the company after a new investment. Calculated by adding the pre-money valuation and the amount of the new investment.

Pre-Money Valuation: The valuation of the company prior to a new investment. This does not include the amount of the new investment. The marketplace (supply and demand) determines the pre-money valuation of a private company.

Valuation: What the company is considered to be worth by the marketplace. Based on the valuation, percentage ownership can be calculated. By itself, the price per share of the stock does not provide any meaningful information.

Restrictions on Resale: The securities offered on Dalmore Group, LLC are only suitable for potential investors who are familiar with and willing to accept the high risks associated with increased risk and illiquid private investments. Securities sold through Dalmore Group, LLC are restricted and not publicly traded and, therefore, cannot be sold unless registered with the SEC or an exemption from registration is available. You are generally restricted from reselling your shares for a one-year period after they were issued unless the shares are transferred:

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

Dalmore Group, LLC handles most of the work for you as an issuer:

- You can focus on growing your business



- Broker Dealer support
- Tech options for your Reg CF offering from our whitelabel to solutions to custom development
- Provide you with escrow and transfer agents, introduce you to legal/compliance and accountants, and help facilitate contract signings, payments transfers, escrow, reminders, filings, and many, many more details – including having the funds wired to your corporate account

Benefits of a Reg CF for the issuer:

- Quickly raise a significant amount of capital in an attractive structure
- Makes venture capital investing available to everyone – not just high-net-worth individuals and institutions
- Like-minded people, clients, customers, and friends can invest in your company
- Anyone can invest as little as \$100 in your company (in denominations as little as \$100)
- General solicitation: broadly advertise via email, digital advertising, in the press, or on social media – subject to regulatory compliance
- Entire raise can be consolidated into one or more SPVs (investors get the same economic exposure and information rights as they would from a direct investment in the company)
- You could have a massive crowd of rabid fans with a strong economic incentive to support you

Reg CF Requirements:

- All Reg CF offerings must be made through a FINRA licensed broker/dealer like Dalmore Group, LLC, or a funding portal.
- Form C (a relatively simple information/disclosure document) must be filed with the SEC along with other items, including past fundraising rounds, number of employees, large stakeholders, officers & directors, use of funds, material risks, etc.
- Any statements made to the public (including on LinkedIn, Twitter, Facebook, etc.) before Form C is filed must consist of disclosures, and a screenshot of each statement must be filed with Form C
- Advertisements must direct potential investors to the Dalmore Group, LLC landing page for the offering, be factual, complete, and avoid "forward-looking information," projections, hyperbole, misleading information, or omission of important information.
- Advertisements cannot include the terms of the offering (use of funds, amount of securities offered, price and nature/type of the securities, closing date, status towards fundraising goal, etc.)
- The SEC requires periodic fundraising progress updates on Form C-U and any amendments to the offering statement on Form C/A
- Company financials must include revenues, cost of goods, taxes paid, net income, assets, cash, accounts receivable, short-term debt, and long-term debt
- Investment limits are calculated from self-reported income and net worth and previous



- amounts invested across all Regulation CF offerings
- Two years of GAAP financials – must be reviewed by an independent CPA (audited financials are required for raises above \$1.07 million). If the company was incorporated over six months ago and is raising over \$1.07 million, two years of GAAP format financials and an (insert link the audited financials). Dalmore Group, LLC can introduce you to CPAs and legal/regulatory firms that are well-versed in Reg CF offerings, perform efficiently and quickly and charge reasonable fees – or you may choose your own professionals
- The company must wait 21 days after Form C is filed to withdraw funds
- One year after closing, the company must file an annual report to update investors (includes a business discussion and the CEO self-certified financial statements – no review or audit is required)

Investment Considerations and Risks

Prior to registering on the portal and before making an investment commitment, you must consider the risks of investing in crowdfunded securities offerings and determine whether such an investment is appropriate for you. **No SEC review is involved in Regulation Crowdfunding offerings.**

This means the decision to invest must be based solely on your own individualized consideration and analysis of the risks involved in a particular investment opportunity posted on the portal.

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

Investors must be able to afford to lose their entire investment.

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

EACH INVESTOR IS STRONGLY ADVISED TO CONSULT LEGAL, TAX, INVESTMENT, ACCOUNTING AND/OR OTHER PROFESSIONALS BEFORE INVESTING, AND TO CAREFULLY REVIEW ALL THE SPECIFIC RISK DISCLOSURES PROVIDED AS PART OF ANY OFFERING MATERIALS, AND TO POST ANY QUESTIONS IN THE ISSUER'S COMMENT SECTION OF THEIR CAMPAIGN PAGE PRIOR TO MAKING AN INVESTMENT.

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



- Unlike listed companies that are valued publicly through market-driven stock prices, the [valuation](#) of startups can be difficult to determine and is often subjective. You may risk overpaying for the equity stake you receive.
- There may be additional classes of equity or derivatives with rights that are superior to the class of equity being sold through crowdfunding. Additionally, investments are **subject to dilution**, which is when early investors see a reduction in ownership percentage as new stock is issued.
- **A regulation crowdfunding investment may actually need to be held for an indefinite period of time.** Unlike investing in companies listed on a stock exchange where you can quickly and easily trade securities on a market, you may have to locate an interested buyer privately when you seek to resell your crowdfunded investment even after the one-year restriction expires as there is not an established market for these shares. There is no assurance these securities will ever be publicly tradable.
- An early-stage company **may be able to provide only limited information** about their business plan and operations because they do not have fully developed operations or a long history to provide more disclosure.
- Publicly listed companies generally are required to disclose information about their performance at least on a quarterly and annual basis and on a more frequent basis about material events that affect the Issuer. In contrast, crowdfunding companies are only required to disclose their results of operations and financial statements annually. Therefore, **you may have only limited continuing disclosure** about your crowdfunding investment.
- Investment opportunities posted on the portal, the adequacy of the disclosures, or the fairness of the terms of any such investment opportunity have not been reviewed or approved by a state or federal agency.
- The Issuer in all likelihood will not have an internal control infrastructure and there **cannot be any assurance of no significant deficiencies or material weaknesses in the quality of the Issuer's financial and disclosure controls and procedures.** Indeed, if it were necessary to implement such financial and disclosure controls and procedures, the cost to the Issuer might even have a material adverse effect on the Issuer's operations.
- A portion of your investment may fund the compensation of the Issuer's employees, including its founders and management. Due to inexperience, management may not be able to execute on its business plan. Additionally, unless the Issuer has agreed to a specific use of the proceeds from the offering, the Issuer's management will usually have considerable discretion over how to use the capital raised. **You may not have any assurance the Issuer will use the proceeds appropriately.** You should pay close attention to what the Issuer says about how offering proceeds are to be used.
- Because the Issuer's founders, directors and executive officers may be among its largest stockholders, they may be able to exert significant control or influence over the Issuer's business and affairs and **may even have actual or potential interests that diverge from those of other Investors.** This may worsen as time goes on if the holdings of the Issuer's directors and executive officers increase upon vesting or other maturation of exercise rights under options or warrants they may hold, or in the future be granted. In



addition to holding or controlling board seats and offices, these persons may well have significant influence over and control of corporate actions requiring shareholder approval, separate from how the Issuer's other stockholders, including Investors, may vote in a given offering.

- **The issuing company may have serious risks specific to its industry or its business model.** Demand for a product or service may be seasonal or be impacted by the overall economy. Small businesses, in particular, often depend heavily upon a single customer, supplier, or upon one or a small number of employee(s). It may have difficulty competing against larger companies who can negotiate for better prices from suppliers, produce goods and services on a large scale more economically, or take advantage of bigger marketing budgets.
- In light of the relative ease with which early-stage companies can raise funds through crowdfunding, it may be the case that certain opportunities turn out to be money-losing fraudulent schemes. As with other investments, **there is no guarantee that crowdfunding investments will be immune from fraud.** Even with the portal's careful investigation of companies and their executive teams, there is a risk of fraudulent activity.
- Many successful companies partially attribute their early success to the guidance of professional early-stage investors (e.g., angel investors and venture capital firms). These investors often negotiate for seats on the Issuer's board of directors and play an important role through their resources, contacts and experience in assisting early-stage companies in executing on their business plans. **An early-stage company primarily financed through crowdfunding may not have the benefit of such professional investors.**
- The Issuer may not provide you with annual audited financial statements or quarterly unaudited financial statements, except as required by a particular registration exemption. **The Issuer may not even have its financial statements audited, or even reviewed by outside auditors.** Your decision to make an investment in the Issuer will be based upon the information the Issuer provides in its offering materials, which may not completely or even accurately represent the financial condition of the Issuer.
- As explained above, **an investor may not be able to obtain the information it wants regarding a particular Issuer on a timely basis, or at all.** It is possible that the investor may not be aware of material adverse changes that have occurred to the Issuer. An Investor may not be able to get accurate information about an Issuer's current value at any given time.
- Federal securities law requires securities sold in the United States to be registered with the U.S. Securities and Exchange Commission ("SEC"), unless the sale qualifies for an exemption. The securities offered on RedCrow Securities have not been registered under the Securities Act, and are offered in reliance on an exemptive provisions of the Securities Act. Securities sold on the portal are likely restricted and not publicly traded and are therefore illiquid. No assurance can be given that any investment opportunity will continue to qualify under one or more of such exemptive provisions of the Securities Act due to, among other things, the adequacy of disclosure and the manner of distribution, the existence of similar offerings in the past or in the future, or a change of any securities



law or regulation that has retroactive effect.

The risks highlighted above are non-exhaustive. Investors must carefully review each Issuer's offering materials for a more complete set of risk factors specific to the investment. You should only invest an amount of money you can afford to lose without impacting your lifestyle.

Required Disclosures

The required type of financial disclosure depends on how much an Issuer has already raised, and how much they intend to raise next.

\$124,000 or less: If the current offer plus previous raises amounts to \$124,000 or less, the Issuer provides information from its tax returns (but not the tax returns themselves) certified by the principal executive officer. If financial statements are available they must be provided, too, and again certified by the principal executive officer.

\$124,000.01 to \$618,000: If the current offering plus previous raises is between \$100,000 and \$618,000, financial statements are required and must be reviewed by a CPA. If audited financial statements are available, they must be provided.

\$618,000.01 to \$1.235 million: If current offer plus previous raises amounts to \$618,000.01 or more, the required financial statements must be audited by a CPA. However, if the Issuer has not previously sold securities under Regulation Crowdfunding, the financial statements will only be required to be reviewed by a CPA.

More than \$1.235 million (up to the maximum aggregate of \$5 million): Financial statements audited by an independent public accountant and the accountant's audit report.

Note: An audit provides a level of scrutiny by the accountant that is higher than a review.

The required information is filed with the SEC and posted at the start of the offering and available to the public throughout the offering on the portal and SEC sites. It is available to the general public on both websites throughout the offering period – which must be a minimum of 21 days.

Frequently Asked Questions *What is the Investment Process on Dalmore Group, LLC?*

You must open an account to invest, commit to an investment, or communicate on the Dalmore Group, LLC platform. This requires that you provide certain personal and non-personal information to Dalmore Group, LLC and its affiliates and service providers, including information related to your income and net worth and other investments. This information is used to verify you as a potential investor qualified to invest in investment opportunities posted on Dalmore Group, LLC. For further information regarding the handling of your personal information, please see the [Dalmore Group, LLC](#).



How much can an individual invest in a Reg CF transaction?

Anyone can invest in offerings under Regulation Crowdfunding. However, because of the risks involved with this type of investing, you are limited in how much you can invest during any 12-month period in these transactions. The limitation on how much you can invest depends on your net worth and annual income. Accredited investors have no limit on how much they can invest.

Do investors pay fees?

Dalmore Group, LLC receives fees based on a percentage of each investment made by each investor on the platform. The fee schedule is subject to change at any time and is disclosed in the offering document of the company.

How Does Dalmore Group, LLC Get Paid?

Dalmore Group, LLC makes money by charging a commission on the amount of investments raised by the issuer. This is subject to change at any time and is disclosed in the offering document of the company. The commission is usually a percentage of the capital raised and usually is comprised of a cash fee and an equity fee.

Can Regulation Crowdfunding Securities be Purchased Directly from a Company?

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

What Proof of Ownership does the Investor receive?

The offering is "Book-Entry" – this will operate as the proof of purchase. A tokenized record will be held with the issuing company's transfer agent or cap table management service. Once the stock purchase is complete, the investor will receive a confirmation email with details of the investment, which will include a Subscription Agreement countersigned by the issuing company.

What If the Issuing Company Early Reach the Target Investment Goals?

Dalmore Group, LLC will notify investors by email when the target offering amount has been met. If the issuing company obtains its goal early, it can create a new target deadline at least five business days out. Investors will be notified of the new target deadline via email. The investor will then have the opportunity to cancel up to 48 hours before the new deadline. Regardless of their progress in meeting their funding target, campaigns must be live for a minimum of 21 days.

What Ways Can I Invest?

On the Dalmore Group, LLC platform, you can invest:

1. Individually
2. From a self-directed IRA or 401K
3. As a Trust



4. As an entity (such as an LLC or corporation)

(source for internal use: <https://investorsupport.securitize.io/hc/en-us/articles/7246769953303-Reg-CFEducational-Information>)

(source for internal use: <https://www.redcrow.com/home/educationalmaterial.html>)

(additional resources: <https://www.sec.gov/education/capitalraising/building-blocks/startup-securities>)

(additional resources: <https://www.sec.gov/education/glossary/jargon-z>)

A handwritten signature in black ink, appearing to read "JT Sadler".

Mar 18 2024

Reviewed by: JT Sadler
CCO