

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM C/A**

**UNDER THE SECURITIES ACT OF 1933**

(Mark one.)

- Form C: Offering Statement
- Form C-U: Progress Update
  - Form C/A: Amendment to Offering Statement
  - Check box if Amendment is material and investors must reconfirm within five business days.
- Form C-AR: Annual Report
- Form C-AR/A: Amendment to Annual Report
- Form C-TR: Termination of Reporting

***Name of issuer***

Ace Care Pharmacy Management and Consulting Inc.

***Legal status of issuer***

***Form***

Corporation

***Jurisdiction of Incorporation/Organization***

California

***Date of organization***

January 6, 2017

***Physical address of issuer***

1028 N. Cherry Street, Tulare, California 93274

***Website of issuer***

www.cherryrx.com

***Address of counsel to the issuer for copies of notices***

BEVILACQUA PLLC

1050 Connecticut Avenue, NW

Suite 500

Washington, DC 20036

Attention: Louis A. Bevilacqua, Esq.

Email: lou@bevilacquaplhc.com

**Name of intermediary through which the Offering will be conducted**  
MicroVenture Marketplace Inc.

**CIK number of intermediary**  
0001478147

**SEC file number of intermediary**  
008-68458

**CRD number, if applicable, of intermediary**  
152513

**Amount of compensation to be paid to the intermediary, whether as a dollar amount or a percentage of the Offering amount, or a good faith estimate if the exact amount is not available at the time of the filing, for conducting the Offering, including the amount of referral and any other fees associated with the Offering**

The issuer shall pay to the intermediary a fee consisting of five percent (5%) commission based on the amount raised in the Offering and paid upon disbursement of funds from escrow after the conclusion of the Offering.

**Any other direct or indirect interest in the issuer held by the intermediary, or any arrangement for the intermediary to acquire such an interest**

The intermediary will receive a number of Crowd Notes of the issuer that is equal to two percent (2%) of the total number of Crowd Notes sold by the issuer in the Offering.

**Name of qualified third party "Escrow Agent" which the Offering will utilize**  
Evolve Bank & Trust

**Type of security offered**  
Crowd Note

**Target number of Securities to be offered**  
25,000

*Affiliates of the issuer may invest in the offering and their investment would be counted toward achieving the target amount.*

**Price (or method for determining price)**  
\$1.00

**Target offering amount**  
\$25,000.00

**Oversubscriptions accepted:**

- Yes
- No

**Oversubscriptions will be allocated:**

- Pro-rata basis
- First-come, first-served basis

Other: At the Company's discretion

**Maximum offering amount (if different from target offering amount)**

\$1,070,000.00

**Deadline to reach the target offering amount**

January 11, 2021

**NOTE: If the sum of the investment commitments does not equal or exceed the target offering amount at the Offering deadline, no Securities will be sold in the Offering, investment commitments will be cancelled and committed funds will be returned.**

**Current number of employees**

18

|                                    | <b>Most recent fiscal year-end</b> | <b>Prior fiscal year-end</b> |
|------------------------------------|------------------------------------|------------------------------|
| <b>Total Assets</b>                | \$576,084                          | \$246,206                    |
| <b>Cash &amp; Cash Equivalents</b> | \$163,202                          | \$78,202                     |
| <b>Accounts Receivable</b>         | \$213,234                          | \$95,699                     |
| <b>Short-term Debt</b>             | \$193,903                          | \$5,036                      |
| <b>Long-term Debt</b>              | \$16,686                           | \$35,641                     |
| <b>Revenues/Sales</b>              | \$2,997,239                        | \$1,457,419                  |
| <b>Cost of Goods Sold</b>          | \$2,023,771                        | \$1,050,344                  |
| <b>Taxes Paid</b>                  | \$28,243                           | \$9,684                      |
| <b>Net Income</b>                  | \$199,110                          | \$116,128                    |

Investors should review the complete set of offering materials, including previously omitted financial information, prior to making an investment decision.

***The jurisdictions in which the issuer intends to offer the Securities:***

Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, District Of Columbia, Florida, Georgia, Guam, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Puerto Rico, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virgin Islands, U.S., Virginia, Washington, West Virginia, Wisconsin, Wyoming, American Samoa, and Northern Mariana Islands

**October 15, 2020**

**FORM C/A**

**Up to \$1,070,000.00**

**Ace Care Pharmacy Management and Consulting, Inc**



**Cherry Street Pharmacy**

### **Explanatory Meeting**

Ace Care Pharmacy Management and Consulting, Inc., (the "Company") is filing this Amendment to its Form C, which was filed with the Securities and Exchange Commission on August 18, 2020. This Amendment is filed to include the 2018 and 2019 financial statements for the Company (Exhibit A), add a video transcript attached hereto (Exhibit F), update the Company Summary and Pitch Deck, and add information related to an asset purchase.

### **Crowd Note**

This Form C/A (including the cover page and all exhibits attached hereto, the "Form C/A") is being furnished by Ace Care Pharmacy Management and Consulting Inc, a California corporation (the "Company," as well as references to "we," "us," or "our"), to prospective investors for the sole purpose of providing certain information about a potential investment in Crowd Note Crowd Note of the Company (the "Securities"). Investors in Securities are sometimes referred to herein as "Purchasers." The Company intends to raise at least \$25,000.00 and up to \$1,070,000.00 from Investors in the offering of Securities described in this Form C/A (this "Offering"). The minimum amount of Securities that can be purchased is \$100.00 per Investor (which may be waived by the Company, in its sole and absolute discretion). The offer made hereby is subject to modification, prior sale and withdrawal at any time.

The rights and obligations of the holders of Securities of the Company are set forth below in the section entitled "*The Offering and the Securities--The Securities*". In order to purchase Securities, a prospective investor must complete the subscription process through the Intermediary's platform, which may be accepted or rejected by the Company, in its sole and absolute discretion. The Company has the right to cancel or rescind its offer to sell the Securities at any time and for any reason.

The Offering is being made through MicroVenture Marketplace, Inc. (the "Intermediary"). At the conclusion of the Offering, the Issuer shall pay to the Intermediary a fee consisting of five percent

(5%) commission based on the amount of investments raised in the Offering and paid upon distribution of funds from escrow at the time of closing. The Intermediary will receive a number of Crowd Notes of the Issuer equal to two percent (2%) of the total number of Securities sold by the Issuer in the Offering

|   | Price to Investors | Service Fees and Commissions <sup>(1)</sup> | Net Proceeds   |
|---|--------------------|---|----------------|
| <b>Minimum Individual Purchase Amount</b> | \$100.00           | \$5.00                                      | \$95.00        |
| <b>Aggregate Minimum Offering Amount</b>  | \$25,000.00        | \$1,250.00                                  | \$23,750.00    |
| <b>Aggregate Maximum Offering Amount</b>  | \$1,070,000.00     | \$53,500.00                                 | \$1,016,500.00 |

(1) This excludes fees to Company's advisors, such as attorneys and accountants.

**A crowdfunding investment involves risk. You should not invest any funds in this Offering unless you can afford to lose your entire investment. In making an investment decision, investors must rely on their own examination of the issuer and the terms of the Offering, including the merits and risks involved. These Securities have not been recommended or approved by any federal or state securities commission or regulatory authority. Furthermore, these authorities have not passed upon the accuracy or adequacy of this document. The U.S. Securities and Exchange Commission does not pass upon the merits of any Securities offered or the terms of the Offering, nor does it pass upon the accuracy or completeness of any Offering document or other materials. These Securities are offered under an exemption from registration; however, neither the U.S. Securities and Exchange Commission nor any state securities authority has made an independent determination that these Securities are exempt from registration. The Company filing this Form C/A for an offering in reliance on Section 4(a)(6) of the Securities Act and pursuant to Regulation CF (§ 227.100 et seq.) must file a report with the Commission annually and post the report on its website at [www.cherryrx.com](http://www.cherryrx.com) no later than 120 days after the end of the company's fiscal year. The Company may terminate its reporting obligations in the future in accordance with Rule 202(b) of Regulation CF (§ 227.202(b)) by 1) being required to file reports under Section 13(a) or Section 15(d) of the Exchange Act of 1934, as amended, 2) filing at least one annual report pursuant to Regulation CF and having fewer than 300 holders of record, 3) filing annual reports for three years pursuant to Regulation CF and having assets equal to or less than \$10,000,000, 4) the repurchase of all the Securities sold in this Offering by the Company or another party, or 5) the liquidation or dissolution of the Company.**

The date of this Form C/A is October 15, 2020.

The Company has certified that all of the following statements are TRUE for the Company in connection with this Offering:

- (1) Is organized under, and subject to, the laws of a State or territory of the United States or the District of Columbia;
- (2) Is not subject to the requirement to file reports pursuant to section 13 or section 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d));
- (3) Is not an investment company, as defined in section 3 of the Investment Company Act of 1940 (15 U.S.C. 80a-3), or excluded from the definition of investment company by section 3(b) or section 3(c) of that Act (15 U.S.C. 80a-3(b) or 80a-3(c));
- (4) Is not ineligible to offer or sell securities in reliance on section 4(a)(6) of the Securities Act (15 U.S.C. 77d(a)(6)) as a result of a disqualification as specified in § 227.503(a);
- (5) Has filed with the Commission and provided to investors, to the extent required, any ongoing annual reports required by law during the two years immediately preceding the filing of this Form C/A; and
- (6) Has a specific business plan, which is not to engage in a merger or acquisition with an unidentified company or companies.

THERE ARE SIGNIFICANT RISKS AND UNCERTAINTIES ASSOCIATED WITH AN INVESTMENT IN THE COMPANY AND THE SECURITIES. THE SECURITIES OFFERED HEREBY ARE NOT PUBLICLY-TRADED AND ARE SUBJECT TO TRANSFER RESTRICTIONS. THERE IS NO PUBLIC MARKET FOR THE SECURITIES AND ONE MAY NEVER DEVELOP. AN INVESTMENT IN THE COMPANY IS HIGHLY SPECULATIVE. THE SECURITIES SHOULD NOT BE PURCHASED BY ANYONE WHO CANNOT BEAR THE FINANCIAL RISK OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME AND WHO CANNOT AFFORD THE LOSS OF THEIR ENTIRE INVESTMENT. SEE THE SECTION OF THIS FORM C/A ENTITLED "RISK FACTORS."

THESE SECURITIES INVOLVE A HIGH DEGREE OF RISK THAT MAY NOT BE APPROPRIATE FOR ALL INVESTORS.

THIS FORM C/A DOES NOT CONSTITUTE AN OFFER IN ANY JURISDICTION IN WHICH AN OFFER IS NOT PERMITTED.

PRIOR TO CONSUMMATION OF THE PURCHASE AND SALE OF ANY SECURITY THE COMPANY WILL AFFORD PROSPECTIVE INVESTORS AN OPPORTUNITY TO ASK QUESTIONS OF AND RECEIVE ANSWERS FROM THE COMPANY AND ITS MANAGEMENT CONCERNING THE TERMS AND CONDITIONS OF THIS OFFERING AND THE COMPANY. NO SOURCE OTHER THAN THE INTERMEDIARY HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS FORM C/A, AND IF GIVEN OR MADE BY ANY OTHER SUCH PERSON OR ENTITY, SUCH INFORMATION MUST NOT BE RELIED ON AS HAVING BEEN AUTHORIZED BY THE COMPANY.

PROSPECTIVE INVESTORS ARE NOT TO CONSTRUE THE CONTENTS OF THIS FORM C/A AS LEGAL, ACCOUNTING OR TAX ADVICE OR AS INFORMATION NECESSARILY APPLICABLE TO EACH PROSPECTIVE INVESTOR'S PARTICULAR FINANCIAL SITUATION. EACH INVESTOR SHOULD CONSULT HIS OR HER OWN FINANCIAL ADVISER, COUNSEL AND ACCOUNTANT AS TO LEGAL, TAX AND RELATED MATTERS CONCERNING HIS OR HER INVESTMENT.

THE SECURITIES OFFERED HEREBY WILL HAVE TRANSFER RESTRICTIONS. NO SECURITIES MAY BE PLEDGED, TRANSFERRED, RESOLD OR OTHERWISE

DISPOSED OF BY ANY INVESTOR EXCEPT PURSUANT TO RULE 501 OF REGULATION CF. INVESTORS SHOULD BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

### **NASAA UNIFORM LEGEND**

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE PERSON OR ENTITY ISSUING THE SECURITIES AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED.

THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

### **SPECIAL NOTICE TO FOREIGN INVESTORS**

IF THE INVESTOR LIVES OUTSIDE THE UNITED STATES, IT IS THE INVESTOR'S RESPONSIBILITY TO FULLY OBSERVE THE LAWS OF ANY RELEVANT TERRITORY OR JURISDICTION OUTSIDE THE UNITED STATES IN CONNECTION WITH ANY PURCHASE OF THE SECURITIES, INCLUDING OBTAINING REQUIRED GOVERNMENTAL OR OTHER CONSENTS OR OBSERVING ANY OTHER REQUIRED LEGAL OR OTHER FORMALITIES. THE COMPANY RESERVES THE RIGHT TO DENY THE PURCHASE OF THE SECURITIES BY ANY FOREIGN INVESTOR.

### **SPECIAL NOTICE TO CANADIAN INVESTORS**

IF THE INVESTOR LIVES WITHIN CANADA, IT IS THE INVESTOR'S RESPONSIBILITY TO FULLY OBSERVE THE LAWS OF A CANADA, SPECIFICALLY WITH REGARD TO THE TRANSFER AND RESALE OF ANY SECURITIES ACQUIRED IN THIS OFFERING.

### **NOTICE REGARDING ESCROW AGENT**

EVOLVE BANK & TRUST, THE ESCROW AGENT SERVICING THE OFFERING, HAS NOT INVESTIGATED THE DESIRABILITY OR ADVISABILITY OF AN INVESTMENT IN THIS OFFERING OR THE SECURITIES OFFERED HEREIN. THE ESCROW AGENT MAKES NO REPRESENTATIONS, WARRANTIES, ENDORSEMENTS, OR JUDGEMENT ON THE MERITS OF THE OFFERING OR THE SECURITIES OFFERED HEREIN. THE ESCROW AGENT'S CONNECTION TO THE OFFERING IS SOLELY FOR THE LIMITED PURPOSES OF ACTING AS A SERVICE PROVIDER.

### ***Forward Looking Statement Disclosure***

*This Form C/A and any documents incorporated by reference herein or therein contain forward-looking statements and are subject to risks and uncertainties. All statements other than statements of historical fact or relating to present facts or current conditions included in this Form C/A are forward-looking statements. Forward-looking statements give the Company's current reasonable expectations and projections relating to its financial condition, results of operations,*

*plans, objectives, future performance and business. You can identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. These statements may include words such as "anticipate," "estimate," "expect," "project," "plan," "intend," "believe," "may," "should," "can have," "likely" and other words and terms of similar meaning in connection with any discussion of the timing or nature of future operating or financial performance or other events.*

*The forward-looking statements contained in this Form C/A and any documents incorporated by reference herein or therein are based on reasonable assumptions the Company has made in light of its industry experience, perceptions of historical trends, current conditions, expected future developments and other factors it believes are appropriate under the circumstances. As you read and consider this Form C/A, you should understand that these statements are not guarantees of performance or results. They involve risks, uncertainties (many of which are beyond the Company's control) and assumptions. Although the Company believes that these forward-looking statements are based on reasonable assumptions, you should be aware that many factors could affect its actual operating and financial performance and cause its performance to differ materially from the performance anticipated in the forward-looking statements. Should one or more of these risks or uncertainties materialize, or should any of these assumptions prove incorrect or change, the Company's actual operating and financial performance may vary in material respects from the performance projected in these forward-looking statements.*

*Any forward-looking statement made by the Company in this Form C/A or any documents incorporated by reference herein or therein speaks only as of the date of this Form C/A. Factors or events that could cause our actual operating and financial performance to differ may emerge from time to time, and it is not possible for the Company to predict all of them. The Company undertakes no obligation to update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by law.*

## **ONGOING REPORTING**

The Company will file a report electronically with the Securities & Exchange Commission annually and post the report on its website, no later than 120 days after the end of the company's fiscal year.

Once posted, the annual report may be found on the Company's website at: [www.cherryrx.com](http://www.cherryrx.com)

The Company must continue to comply with the ongoing reporting requirements until:

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

## **About this Form C/A**

You should rely only on the information contained in this Form C/A. We have not authorized anyone to provide you with information different from that contained in this Form C/A. We are offering to sell, and seeking offers to buy the Securities only in jurisdictions where offers and sales are permitted. You should assume that the information contained in this Form C/A is accurate only as of the date of this Form C/A, regardless of the time of delivery of this Form C/A or of any sale of Securities. Our business, financial condition, results of operations, and prospects may have changed since that date.

Statements contained herein as to the content of any agreements or other document are summaries and, therefore, are necessarily selective and incomplete and are qualified in their entirety by the actual agreements or other documents. The Company will provide the opportunity to ask questions of and receive answers from the Company's management concerning terms and conditions of the Offering, the Company or any other relevant matters and any additional reasonable information to any prospective Investor prior to the consummation of the sale of the Securities.

This Form C/A does not purport to contain all of the information that may be required to evaluate the Offering and any recipient hereof should conduct its own independent analysis. The statements of the Company contained herein are based on information believed to be reliable. No warranty can be made as to the accuracy of such information or that circumstances have not changed since the date of this Form C/A. The Company does not expect to update or otherwise revise this Form C/A or other materials supplied herewith. The delivery of this Form C/A at any time does not imply that the information contained herein is correct as of any time subsequent to the date of this Form C/A. This Form C/A is submitted in connection with the Offering described herein and may not be reproduced or used for any other purpose.

## **SUMMARY**

The following summary is qualified in its entirety by more detailed information that may appear elsewhere in this Form C/A and the Exhibits hereto. Each prospective Investor is urged to read this Form C/A and the Exhibits hereto in their entirety.

Ace Care Pharmacy Management and Consulting Inc (the "Company") is a California corporation, formed on January 6, 2017. The Company is currently also conducting business under the name of Cherry Street Pharmacy.

The Company is located at 1028 N. Cherry Street in Tulare, California 93274.

The Company's website is [www.cherryrx.com](http://www.cherryrx.com).

The information available on or through our website is not a part of this Form C/A. In making an investment decision with respect to our Securities, you should only consider the information contained in this Form C/A.

## **The Business**

Cherry Street Pharmacy is a pharmacy that actively manages formularies, offers free prescription deliveries, pet care, immunizations, and other services to the local Tulare community.

## The Offering

|   |   |
|---|---|
| <b>Minimum amount of Crowd Note Crowd Note being offered</b>                              | \$25,000 Principal Amount                                     |
| <b>Total Crowd Note Crowd Note outstanding after Offering (if minimum amount reached)</b> | \$25,000 Principal Amount                                     |
| <b>Maximum amount of Crowd Note Crowd Note</b>  | \$1,070,000 Principal Amount                                  |
| <b>Total Crowd Note Crowd Note outstanding after Offering (if maximum amount reached)</b> | \$1,070,000 Principal Amount                                  |
| <b>Purchase price per Security</b>  | \$1.00  |
| <b>Minimum investment amount per investor</b>   | \$100.00  |
| <b>Offering deadline</b>  | January 11, 2021  |
| <b>Use of proceeds</b>  | See the description of the use of proceeds on page 23 hereof. |
| <b>Voting Rights</b>  | See the description of the voting rights on page 32 hereof.   |

The price of the Securities has been determined by the Company and does not necessarily bear any relationship to the assets, book value, or potential earnings of the Company or any other recognized criteria or value.

## RISK FACTORS

### Risks Related to the Company's Business and Industry

*We have a limited operating history upon which you can evaluate our performance, and accordingly, our prospects must be considered in light of the risks that any new company encounters.*

We were incorporated under the laws of California on January 6, 2017. Accordingly, we have no history upon which an evaluation of our prospects and future performance can be made. Our proposed operations are subject to all business risks associated with a new enterprise. The likelihood of our creation of a viable business must be considered in light of the problems, expenses, difficulties, complications, and delays frequently encountered in connection with the inception of a business, operation in a competitive industry, and the continued development of advertising, promotions, and a corresponding client base. We anticipate that our operating expenses will increase for the near future. There can be no assurances that we will ever operate profitably. You should consider the Company's business, operations and prospects in light of the risks, expenses and challenges faced as an early-stage company.

***In order for the Company to compete and grow, it must attract, recruit, retain and develop the necessary personnel who have the needed experience.***

Recruiting and retaining highly qualified personnel is critical to our success. These demands may require us to hire additional personnel and will require our existing management personnel to develop additional expertise. We face intense competition for personnel. The failure to attract and retain personnel or to develop such expertise could delay or halt the development and commercialization of our product candidates. If we experience difficulties in hiring and retaining personnel in key positions, we could suffer from delays in product development, loss of customers and sales and diversion of management resources, which could adversely affect operating results. Our consultants and advisors may be employed by third parties and may have commitments under consulting or advisory contracts with third parties that may limit their availability to us.

***We intend to implement new lines of business or offer new products and services within existing lines of business.***

There are substantial risks and uncertainties associated with these efforts, particularly in instances where the markets are not fully developed. In developing and marketing new lines of business and/or new products and services, we may invest significant time and resources. Initial timetables for the introduction and development of new lines of business and/or new products or services may not be achieved and price and profitability targets may not prove feasible. We may not be successful in introducing new products and services in response to industry trends or developments in technology, or those new products may not achieve market acceptance. As a result, we could lose business, be forced to price products and services on less advantageous terms to retain or attract clients, or be subject to cost increases. As a result, our business, financial condition or results of operations may be adversely affected.

***Through our operations, we collect and store certain personal information that our customers provide to purchase products or services, enroll in promotional programs, register on our web site, or otherwise communicate and interact with us.***

We may share information about such persons with vendors that assist with certain aspects of our business. Security could be compromised and confidential customer or business information misappropriated. Loss of customer or business information could disrupt our operations, damage our reputation, and expose us to claims from customers, financial institutions, payment card associations and other persons, any of which could have an adverse effect on our business, financial condition and results of operations. In addition, compliance with tougher privacy and information security laws and standards may result in significant expense due to increased investment in technology and the development of new operational processes.

***The use of individually identifiable data by our business, our business associates and third parties is regulated at the state, federal and international levels.***

Costs associated with information security – such as investment in technology, the costs of compliance with consumer protection laws and costs resulting from consumer fraud – could cause our business and results of operations to suffer materially. Additionally, the success of our online operations depends upon the secure transmission of confidential information over public networks, including the use of cashless payments. The intentional or negligent actions of employees, business associates or third parties may undermine our security measures. As a result, unauthorized parties may obtain access to our data systems and misappropriate confidential data. There can be no assurance that advances in computer capabilities, new discoveries in the field of cryptography or other developments will prevent the compromise of our customer transaction processing capabilities and personal data. If any such compromise of our security or the security of

information residing with our business associates or third parties were to occur, it could have a material adverse effect on our reputation, operating results and financial condition. Any compromise of our data security may materially increase the costs we incur to protect against such breaches and could subject us to additional legal risk.

***We are subject to income taxes as well as non-income based taxes, such as payroll, sales, use, value-added, net worth, property and goods and services taxes.***

Significant judgment is required in determining our provision for income taxes and other tax liabilities. In the ordinary course of our business, there are many transactions and calculations where the ultimate tax determination is uncertain. Although we believe that our tax estimates are reasonable: (i) there is no assurance that the final determination of tax audits or tax disputes will not be different from what is reflected in our income tax provisions, expense amounts for non-income based taxes and accruals and (ii) any material differences could have an adverse effect on our financial position and results of operations in the period or periods for which determination is made.

***Successful development of our products is uncertain.***

The product candidates that we expect to develop are based on processes and methodologies that are not currently widely employed. Our development of current and future product candidates is subject to the risks of failure and delay inherent in the development of new products and products based on new technologies, including:

- delays in product development, clinical testing, or manufacturing;
- unplanned expenditures in product development, clinical testing, or manufacturing;
- failure to receive regulatory approvals;
- inability to manufacture on our own, or through any others, product candidates on a commercial scale;
- failure to achieve market acceptance; and
- emergence of superior or equivalent products.

Because of these risks, our research and development efforts may not result in any commercially viable products. If a significant portion of these development efforts are not successfully completed, required regulatory approvals are not obtained, or any approved products are not commercially successful, our business, financial condition, and results of operations may be materially harmed.

***Certain provisions of the Health Care Reform Law could affect us adversely.***

The Patient Protection and Affordable Care Act as amended by the Health Care and Education Reconciliation Act (the Healthcare Reform Law), each enacted in March 2010, generally known as the Health Care Reform Law, significantly expand health insurance coverage to uninsured Americans and changes the way health care is financed by both governmental and private payers. Additionally, further federal and state proposals for health care reform are likely. Such regulation could have a negative effect on our business, financial condition, and results of operations.

***Political, economic and regulatory influences are subjecting the healthcare industry to potential fundamental changes that could substantially affect our results of operations.***

Government and private sector initiatives to limit the growth of healthcare costs, including price regulation, competitive pricing, coverage and payment policies, comparative effectiveness of therapies, technology assessments and alternative payment models, are continuing in many

countries, including the U.S. These changes are causing the marketplace to put increased emphasis on the delivery of more cost-effective treatments. As a U.S. headquartered company with significant sales in the U.S., current and future healthcare reform legislation is expected to materially impact us. Certain provisions of the legislation will not be effective for a number of years and it is unclear what the full impact of the legislation will be. Provisions of this legislation, including Medicare provisions aimed at improving quality and decreasing costs, comparative effectiveness research, an independent payment advisory board, and pilot programs to evaluate alternative payment methodologies, could meaningfully change the way healthcare is developed and delivered, and may adversely affect our business and results of operations. Further, we cannot predict what healthcare programs and regulations will be ultimately implemented at the federal or state level, or the effect of any future legislation or regulation in the U.S. or internationally. However, any changes that lower reimbursements for our products, reduce medical procedure volumes or increase cost containment pressures on us or other participants in the healthcare industry could adversely affect our business and results of operations.

***A significant portion of our patient volume is derived from government health care programs, principally Medicare and Medicaid.***

Specifically, we derived significant amount of our revenues from the Medicare and Medicaid programs in 2019. Changes in government health care programs may reduce the reimbursement we receive and could adversely affect our business and results of operations. The Budget Control Act of 2011 (BCA) provides for new spending on program integrity initiatives intended to reduce fraud and abuse under the Medicare program. The BCA requires automatic spending reductions of \$1.2 trillion for federal fiscal years 2013 through 2021, minus any deficit reductions enacted by Congress and debt service costs. However, the percentage reduction for Medicare may not be more than 2% for a fiscal year, with a uniform percentage reduction across all Medicare programs. We are unable to predict how these spending reductions will be structured, and any other deficit reduction initiatives that may be proposed, but they could adversely affect our business and results of operations.

***Changes to government health care programs that reduce payments under Medicare and Medicaid may negatively impact payments from commercial third-party payers.***

The Healthcare Reform Law will result in increased state legislative and regulatory changes in order for states to comply with new federal mandates, such as the requirement to establish or participate in Exchanges and to participate in grants and other incentive opportunities. In its June 28, 2012 ruling, the U.S. Supreme Court struck down the portion of the Health Reform Law that would have allowed the Department of Health and Human Services to penalize states that do not implement the Medicaid expansion provisions with the loss of existing federal Medicaid funding. Thus, states may opt not to implement the expansion. In some cases, commercial third-party payors rely on all or portions of Medicare payment systems to determine payment rates. Current or future health care reform and deficit reduction efforts, changes in laws or regulations regarding government health care programs, other changes in the administration of government health care programs and changes to commercial third-party payers in response to health care reform and other changes to government health care programs could have a material, adverse effect on our financial position and results of operations.

***Privacy laws and regulations could restrict our ability or the ability of our customers to obtain, use or disseminate patient information, or could require us to incur significant additional costs to re-design our products.***

State, federal and foreign laws, such as the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA), regulate the confidentiality of sensitive personal information and the

circumstances under which such information may be released. These and future laws could have an adverse impact on our results of operations. Other health information standards, such as regulations under HIPAA, establish standards regarding electronic health data transmissions and transaction code set rules for specified electronic transactions, for example transactions involving claims submissions to third party payors. These also continue to evolve and are often unclear and difficult to apply. In addition, under the federal Health Information Technology for Economic and Clinical Health Act (HITECH Act), which was passed in 2009, many businesses that were previously only indirectly subject to federal HIPAA privacy and security rules became directly subject to such rules because the businesses serve as "business associates" to our customers. On January 17, 2013, the Office for Civil Rights of the Department of Health and Human Services released a final rule implementing the HITECH Act and making certain other changes to HIPAA privacy and security requirements. Compliance has increased the requirements applicable to some of our businesses. Failure to maintain the confidentiality of sensitive personal information in accordance with the applicable regulatory requirements, or to abide by electronic health data transmission standards, could expose us to breach of contract claims, fines and penalties, costs for remediation and harm to our reputation.

***The healthcare industry is highly regulated.***

We are subject to regulation in the U.S. at both the federal and state level and in foreign countries. In addition, the U.S. federal and state governments have allocated greater resources to the enforcement of these laws. If we fail to comply with these regulatory requirements, or if allegations are made that we failed to comply, our results of operations and financial condition could be adversely affected.

***The sales, marketing and pricing of products and relationships that pharmaceutical and medical device companies have with healthcare providers are under increased scrutiny by federal, state and foreign government agencies.***

Compliance with the Anti-Kickback Statute, False Claims Act, Food, Drug and Cosmetic Act (including as these laws relate to off-label promotion of products) and other healthcare related laws, as well as competition, data and patient privacy and export and import laws is under increased focus by the agencies charged with overseeing such activities, including FDA, Office of Inspector General (OIG), Department of Justice (DOJ) and the Federal Trade Commission. The DOJ and the Securities and Exchange Commission have also increased their focus on the enforcement of the U.S. Foreign Corrupt Practices Act (FCPA), particularly as it relates to the conduct of pharmaceutical companies.

***Federal and State Laws Pertaining to Healthcare Fraud and Abuse Could Adversely Affect Our Business.***

We are subject to various federal and state laws targeting fraud and abuse in the healthcare industry, including anti-kickback laws, false claims laws, laws constraining the sales, marketing and other promotional activities of manufacturers of medical devices by limiting the kinds of financial arrangements we may enter into with physicians, hospitals, laboratories and other potential purchasers of medical devices, laws requiring the reporting of certain transactions between us and healthcare professionals and HIPAA, as amended by HITECH, which governs the conduct of certain electronic healthcare transactions and protects security and privacy of protected health information. Violations of these laws are punishable by criminal or civil sanctions, including substantial fines, imprisonment and exclusion from participation in government healthcare programs such as Medicare and Medicaid. Many of the existing requirements are new and have not been definitively interpreted by state authorities or courts, and available guidance is limited. Unless and until we are in full compliance with these laws, we could face enforcement action and

fines and other penalties, and could receive adverse publicity, all of which could materially harm our business. In addition, changes in or evolving interpretations of these laws, regulations, or administrative or judicial interpretations, may require us to change our business practices or subject our business practices to legal challenges, which could have a material adverse effect on our business, financial condition and results of operations.

***The commercial success of our products will depend in part upon the level of reimbursement we receive from third parties for the cost of our products to users.***

The commercial success of any product will depend, in part, on the extent to which reimbursement for the costs of our products and related treatments will be available from third-party payors such as government health administration authorities, private health insurers, managed care programs, and other organizations. Adequate third-party insurance coverage may not be available for us to establish and maintain price levels that are sufficient for us to continue our business or for realization of an appropriate return on investment in product development.

***If third-party payors do not provide adequate coverage and reimbursement for the use of our products, our revenues will be negatively impacted.***

Our success in marketing our products depends in large part on whether U.S. and international government health administrative authorities, private health insurers and other organizations will adequately cover and reimburse customers for the cost of our products. In the United States, a third-party payor's decision to provide coverage for our products does not imply that an adequate reimbursement rate will be obtained. Further, one third-party payor's decision to cover our products does not assure that other payors will also provide coverage for the products or provide coverage at an adequate reimbursement rate. Reimbursement systems in international markets vary significantly by country and by region within some countries, and reimbursement approvals must be obtained on a country-by-country basis. In many international markets, a product must be approved for reimbursement before it can be approved for sale in that country. Further, many international markets have government-managed healthcare systems that control reimbursement for new devices and procedures. In most markets there are private insurance systems as well as government-managed systems. If sufficient coverage and reimbursement is not available for our current or future products, in either the United States or internationally, the demand for our products and our revenues will be adversely affected.

***If we are found to have violated laws protecting the privacy or security of patient health information, we could be subject to civil or criminal penalties, which could increase our liabilities and harm our reputation or our business.***

There are a number of U.S. federal and state laws and foreign laws protecting the privacy and security of individually identifiable health information, or "protected health information" including patient records, and restricting the use and disclosure of that protected health information that we are subject to. In the United States, the U.S. Department of Health and Human Services promulgated health information privacy and security rules under the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and then significantly strengthened and broadened the applicability of HIPAA under the Health Information Technology for Economic and Clinical Health Act (HITECH, together HIPAA). HIPAA applies to health care providers engaging in certain standard transactions electronically; health plans and health care clearing houses. These entities are referred to as "covered entities." Certain HIPAA provisions also apply to "business associates" of covered entities, or third party providers of services to covered entities that involve the use or disclosure of protected health information. HIPAA's privacy rules protect medical records and protected health information in all forms by limiting its use and disclosure, giving individuals the right to access, amend and seek accounting of their own health information and

limiting, in some circumstances, the use and disclosure of protected health information to the minimum amount reasonably necessary to accomplish the intended purpose of the use or disclosure. HIPAA's security standards require both covered entities and business associates to implement administrative, physical and technical security measures to maintain the security of protected health information in electronic form. Covered entities and business associates must conduct initial and ongoing risk assessments to ensure the ongoing effectiveness of security measures and maintain a written information security plan. We are a covered entity, and as such, we must comply with HIPAA and ensure that all aspects of our operations comply with relevant HIPAA standards. We are subject to random audit by federal authorities, and enforcement by both state and federal regulators. We are also subject to investigation in response to complaints. If we are found to be in violation of the HIPAA requirements, we could be subject to civil or criminal penalties as well as fines, which could increase our liabilities and harm our reputation or our business.

Beyond HIPAA, most states have adopted data security laws protecting the personal data of state residents. Personal data subject to protection typically includes name coupled with social security number, state-issued identification number, or financial account number. Most states require specific, technical security measures for the protection of all personal data, including employee data, and impose their own breach notification requirements in the event of a loss of personal data. State data security laws generally overlap and apply simultaneously with HIPAA.

***Healthcare legislative reform measures may have a material adverse effect on our business and results of operations.***

In the United States, there have been and continue to be a number of legislative initiatives to contain healthcare costs. For example, in March 2010, the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act, or the Affordable Care Act, was passed, which substantially changed the way health care is financed by both governmental and private insurers, and significantly impacted the U.S. pharmaceutical industry. The Affordable Care Act, among other things, subjected biologic products to potential competition by lower-cost biosimilars, addressed a new methodology by which rebates owed by manufacturers under the Medicaid Drug Rebate Program are calculated for drugs that are inhaled, infused, instilled, implanted or injected, increased the minimum Medicaid rebates owed by manufacturers under the Medicaid Drug Rebate Program and extended the rebate program to individuals enrolled in Medicaid managed care organizations, established annual fees and taxes on manufacturers of certain branded prescription drugs, and a new Medicare Part D coverage gap discount program, in which manufacturers must agree to offer 50% point-of-sale discounts off negotiated prices of applicable brand drugs to eligible beneficiaries during their coverage gap period, as a condition for the manufacturer's outpatient drugs to be covered under Medicare Part D.

We expect that additional state and federal healthcare reform measures will be adopted in the future, any of which could limit the amounts that federal and state governments will pay for healthcare products and services, which could result in reduced demand for our products or additional pricing pressures, which would negatively affect our business.

***We are subject to complex government healthcare legislation and reimbursement programs, as well as other cost-containment pressures.***

Many of our products are purchased or reimbursed by federal and state government authorities, private health insurers and other organizations, including health maintenance and managed care organizations. These third-party payors increasingly challenge pharmaceutical and medical device

product pricing, which could result in lower reimbursement rates and a reduction in demand for our products.

In addition, legislative and regulatory proposals and enactments to reform healthcare insurance programs could significantly influence the manner in which pharmaceutical products, biologic products and medical devices are prescribed and purchased. Individual states have also become increasingly aggressive in passing legislation and implementing regulations designed to control pharmaceutical product pricing, including price or patient reimbursement constraints, discounts, restrictions on certain product access, and to encourage importation from other countries and bulk purchasing. Furthermore, regional healthcare authorities and individual hospitals are increasingly using bidding procedures to determine what pharmaceutical products and which suppliers will be included in their prescription drug and other healthcare programs. Any legally mandated price controls or utilization of bidding procedures could negatively and materially impact our revenues, results of operations and financial condition.

***Failure to execute our inventory management process could adversely affect our business.***

We must also properly execute our inventory management strategies by appropriately allocating merchandise among our stores, timely and efficiently distributing inventory to stores, maintaining an appropriate mix and level of inventory in stores, appropriately changing the allocation of floor space of stores among product categories to respond to customer demand and effectively managing pricing and markdowns, and there is no assurance we will be able to do so. Failure to effectively execute our inventory management strategies could adversely affect our performance and our relationship with our customers.

***Our business and results of operations may be adversely affected if we are unable to maintain our customer experience or provide high quality customer service.***

The success of our business largely depends on our ability to provide superior customer experience and high quality customer service, which in turn depends on a variety of factors, such as our ability to continue to provide a reliable and user-friendly website interface for our customers to browse and purchase our products, reliable and timely delivery of our products, and superior after sales services. Our sales may decrease if our website services are severely interrupted or otherwise fail to meet our customer requests. Should we or our third-party delivery companies fail to provide our product delivery and return services in a convenient or reliable manner, or if our customers are not satisfied with our product quality, our reputation and customer loyalty could be negatively affected. In addition, we also depend on our call center and online customer service representatives to provide live assistance to our customers. If our call center or online customer service representatives fail to satisfy the individual needs of customers, our reputation and customer loyalty could be negatively affected and we may lose potential or existing customers and experience a decrease in sales. As a result, if we are unable to continue to maintain our customer experience and provide high quality customer service, we may not be able to retain existing customers or attract new customers, which could have an adverse effect on our business and results of operations.

***We are subject to rapid technological change and dependence on new product development.***

Our industry is characterized by rapid and significant technological developments, frequent new product introductions and enhancements, continually evolving business expectations and swift changes. To compete effectively in such markets, we must continually improve and enhance our products and services and develop new technologies and services that incorporate technological advances, satisfy increasing customer expectations and compete effectively on the basis of performance and price. Our success will also depend substantially upon our ability to anticipate,

and to adapt our products and services to our collaborative partner's preferences. There can be no assurance that technological developments will not render some of our products and services obsolete, or that we will be able to respond with improved or new products, services, and technology that satisfy evolving customers' expectations. Failure to acquire, develop or introduce new products, services, and enhancements in a timely manner could have an adverse effect on our business and results of operations. Also, to the extent one or more of our competitors introduces products and services that better address a customer's needs, our business would be adversely affected.

***The Company has indicated that it has engaged in certain transactions with related persons.***

Please see the section of this Form C/A entitled "Transactions with Related Persons and Conflicts of Interest" for further details.

### **Risks Related to the Securities**

***Neither the Offering nor the Securities have been registered under federal or state securities laws, leading to an absence of certain regulation applicable to the Company.***

No governmental agency has reviewed or passed upon this Offering, the Company or any Securities of the Company. The Company also has relied on exemptions from securities registration requirements under applicable state securities laws. Investors in the Company, therefore, will not receive any of the benefits that such registration would otherwise provide. Prospective investors must therefore assess the adequacy of disclosure and the fairness of the terms of this Offering on their own or in conjunction with their personal advisors.

### ***No Guarantee of Return on Investment***

There is no assurance that a Purchaser will realize a return on its investment or that it will not lose its entire investment. For this reason, each Purchaser should read the Form C/A and all Exhibits carefully and should consult with its own attorney and business advisor prior to making any investment decision.

***Upon conversion of the Crowd Notes, Purchasers who are not "Major Investors" will grant a proxy to vote their underlying securities to the intermediary or its affiliate, and, thus, will not have the right to vote on any matters coming before the shareholders of the Company for a vote. By granting this proxy you are giving up your right to vote on important matters, including significant corporate actions like mergers, amendments to our certificate of incorporation, a liquidation of our company and the election of our directors.***

Upon conversion of the Crowd Notes and by virtue of a provision contained in the Crowd Notes, if you are not a Major Investor, that is, an investor who has purchased at least \$25,000 in principal amount of the Crowd Notes, you will grant a proxy to the intermediary or its affiliate to vote the underlying securities that you will acquire upon conversion on all matters coming before the shareholders for a vote. The intermediary does not have any fiduciary duty to you to vote shares in a manner that is in your best interests. Accordingly, the intermediary may vote its proxy in a manner that may not be in the best interests of you as a security holder. For example, the intermediary may vote the proxy in favor of an amendment to our charter that adversely affects the rights of the holders of your class of securities in order to allow for a new investment to occur where the new investor requires senior rights.

***The Crowd Note will not be freely tradable until one year from the initial purchase date. Although the Crowd Note may be tradable under federal securities law, state securities regulations may apply and each Purchaser should consult with his or her attorney.***

You should be aware of the long-term nature of this investment. There is not now and likely will not be a public market for the Crowd Note. Because the Crowd Note have not been registered under the Securities Act of 1933, as amended (the "Securities Act") or under the securities laws of any state or non-United States jurisdiction, the Crowd Note have transfer restrictions and cannot be resold in the United States except pursuant to Rule 501 of Regulation CF. It is not currently contemplated that registration under the Securities Act or other securities laws will be effected. Limitations on the transfer of the Crowd Note may also adversely affect the price that you might be able to obtain for the Crowd Note in a private sale. Purchasers should be aware of the long-term nature of their investment in the Company. Each Purchaser in this Offering will be required to represent that it is purchasing the Securities for its own account, for investment purposes and not with a view to resale or distribution thereof.

***You will not have a vote or influence on the management of the Company.***

All decisions with respect to the management of the Company will be made exclusively by the officers, directors, managers or employees of the Company. You, as a Purchaser of Crowd Notes, will have no ability to vote on issues of Company management and will not have the right or power to take part in the management of the company and will not be represented on the board of directors or managers of the Company. Accordingly, no person should purchase a Security unless he or she is willing to entrust all aspects of management to the Company.

***The Company has the right to extend the Offering deadline.***

The Company may extend the Offering deadline beyond what is currently stated herein. This means that your investment may continue to be held in escrow while the Company attempts to raise the Minimum Amount even after the Offering deadline stated herein is reached. Your investment will not be accruing interest during this time and will simply be held until such time as the new Offering deadline is reached without the Company receiving the Minimum Amount, at which time it will be returned to you without interest or deduction, or the Company receives the Minimum Amount, at which time it will be released to the Company to be used as set forth herein. Upon or shortly after release of such funds to the Company, the Securities will be issued and distributed to you.

***There is no present market for the Securities, and we have arbitrarily set the price.***

We have arbitrarily set the price of the Securities. The Offering price for the Securities should not be considered an indication of the actual value of the Securities and is not based on our net worth or prior earnings. We cannot assure you that the Securities could be resold by you at the Offering price or at any other price.

***Purchasers will be unable to declare the Security in "default" and demand repayment.***

Unlike convertible notes and some other securities, the Securities do not have any "default" provisions upon which the Purchasers will be able to demand repayment of their investment. With respect to Purchasers who invest less than \$25,000 in the Securities, the Company has ultimate discretion as to whether or not to convert the Securities upon a future equity financing and such Purchasers have no right to demand such conversion. Only in limited circumstances, such as a liquidity event, may Such Purchasers demand payment and even then, such payments will be limited to the amount of cash available to the Company.

***The Company may never elect to convert the Securities or undergo a liquidity event.***

The Company may never receive a future equity financing or, with respect to those Purchasers who invest less than \$25,000, elect to convert the Securities upon such future financing. In addition, the Company may never undergo a liquidity event such as a sale of the Company or an IPO. If neither the conversion of the Securities nor a liquidity event occurs, the Purchasers could be left holding the Securities in perpetuity. The Securities have numerous transfer restrictions and will likely be highly illiquid, with no secondary market on which to sell them. The Securities are not equity interests, have no ownership rights, have no rights to the Company's assets or profits and have no voting rights or ability to direct the Company or its actions.

***A majority of the Company is owned by a small number of owners.***

Prior to the Offering, the Company's current owners of 20% or more beneficially own 100% of the Company. Subject to any fiduciary duties owed to our other owners or investors under California law, these owners may be able to exercise significant influence over matters requiring owner approval, including the election of directors or managers and approval of significant Company transactions, and will have significant control over the Company's management and policies. Some of these persons may have interests that are different from yours. For example, these owners may support proposals and actions with which you may disagree. The concentration of ownership could delay or prevent a change in control of the Company or otherwise discourage a potential acquirer from attempting to obtain control of the Company, which in turn could reduce the price potential investors are willing to pay for the Company. In addition, these owners could use their voting influence to maintain the Company's existing management, delay or prevent changes in control of the Company, or support or reject other management and board proposals that are subject to owner approval.

***Affiliates of the Company, including officers, directors and existing shareholders of the Company, may invest in this Offering and their funds will be counted toward the Company achieving the Minimum Amount.***

There is no restriction on affiliates of the Company, including its officers, directors and existing shareholders, investing in the Offering. As a result, it is possible that if the Company has raised some funds, but not reached the Minimum Amount, affiliates can contribute the balance so that there will be a closing. The Minimum Amount is typically intended to be a protection for investors and gives investors confidence that other investors, along with them, are sufficiently interested in the Offering and the Company and its prospects to make an investment of at least the Minimum Amount. By permitting affiliates to invest in the offering and make up any shortfall between what non-affiliate investors have invested and the Minimum Amount, this protection is largely eliminated. Investors should be aware that no funds other than their own and those of affiliates investing along with them may be invested in this Offering.

In addition to the risks listed above, businesses are often subject to risks not foreseen or fully appreciated by the management. It is not possible to foresee all risks that may affect us. Moreover, the Company cannot predict whether it will successfully effectuate the its current business plan. Each prospective Purchaser is encouraged to carefully analyze the risks and merits of an investment in the Securities and should take into consideration when making such analysis, among other things, the Risk Factors discussed above.

THE SECURITIES OFFERED INVOLVE A HIGH DEGREE OF RISK AND MAY RESULT IN THE LOSS OF YOUR ENTIRE INVESTMENT. ANY PERSON CONSIDERING THE PURCHASE OF THESE SECURITIES SHOULD BE AWARE OF THESE AND OTHER FACTORS SET FORTH IN THIS FORM C/A AND SHOULD CONSULT WITH HIS OR HER

LEGAL, TAX AND FINANCIAL ADVISORS PRIOR TO MAKING AN INVESTMENT IN THE SECURITIES. THE SECURITIES SHOULD ONLY BE PURCHASED BY PERSONS WHO CAN AFFORD TO LOSE ALL OF THEIR INVESTMENT.

**BUSINESS**

**Description of the Business**

Cherry Street Pharmacy is a pharmacy that offers formularies, free prescription deliveries, pet care products and services, immunizations, and other services to the local Tulare community.

**Business Plan**

Our Company is committed to bringing the best pharmacy and healthcare services to our customers through innovative hardware, software, and services. The Company currently has a retail location in Tulare, California, and offers a mobile application for patients to check on their prescriptions, speak with a pharmacist, and much more. In the future, we hope to offer telemedicine services for patients that are seeking additional care virtually.

**History of the Business**

**The Company’s Products and/or Services**

| Product / Service | Description  | Current Market                                |
|-------------------|--|---|
| Local Pharmacy    | We offer medication services, immunizations, prescription fulfillment, and other retail pharmacy services. We also offer free prescription delivery. | We currently operate in the Tulare, CA market |

We intend to expand our geographic area of service and expand our product offerings. We hope to acquire another retail location in a market in the Central California valley that is currently underserved by other pharmacies. Additionally, we hope to begin offering telemedicine services in the future, so patients can gain additional care virtually.

We offer prescription medications and other pharmacy services through our retail location in Tulare, CA. We also deliver prescriptions throughout the area.

**Competition**

The Company’s primary competitors are CVS Health, Walmart, Walgreens Boots Alliance, and PharMerica.

The markets for the Company’s products and services are competitive, and the Company is confronted by some competition in a few areas of its business. We believe we are differentiated

through our free delivery services, enhanced customer service through the mobile app, as well as a focus on serving underserved communities.

### **Customer Base**

The Company's customers are located in the Tulare, California area. We serve a wide-range of customers that are seeking out free delivery services and the convenience of a mobile app.

### **Intellectual Property**

None.

### **Governmental/Regulatory Approval and Compliance**

Changes in laws, regulations and related interpretations, including changes in accounting standards, taxation requirements and increased enforcement actions and penalties may alter the environment in which we do business. Our ability to continue to meet these challenges could have an impact on our legal, reputational, and business risk.

### **Licenses**

| <b>Licensor</b>                    | <b>Licensee</b> | <b>Description of Rights Granted</b>                     | <b>Expiration Date</b> |
|------------------------------------|-----------------|--|------------------------|
| California State Board of Pharmacy | PHY<br>55587    | Ability to operate a pharmacy in the State of California | May 1, 2021            |
| California State Board of Pharmacy | RPH<br>69505    | Registered Pharmacist                                    | April 30, 2021         |

### **Litigation**

There are no existing legal suits pending, or to the Company's knowledge, threatened, against the Company.

### **Other**

The Company's principal address is 1028 N. Cherry Street in Tulare, California 93274.

The Company conducts business in California.

Because this Form C/A focuses primarily on information concerning the Company rather than the industry in which the Company operates, potential Purchasers may wish to conduct their own separate investigation of the Company's industry to obtain greater insight in assessing the Company's prospects.

**Exhibit B** to this Form C/A is a detailed Company summary. Purchasers are encouraged to review Exhibit B carefully to learn more about the business of the Company, its industry and future plans and prospects. **Exhibit B** is incorporated by reference into this Form C/A.

## USE OF PROCEEDS

The following table lists the use of proceeds of the Offering if the Minimum Amount and Maximum Amount are raised.

| Use of Proceeds                                      | % of Minimum Proceeds Raised | Amount if Minimum Raised | % of Maximum Proceeds Raised | Amount if Maximum Raised |
|--|------------------------------|--------------------------|------------------------------|--------------------------|
| Intermediary Fees                                    | 5.00%                        | \$1,250                  | 5.00%                        | \$53,500                 |
| Campaign marketing expenses or related reimbursement | 4.00%                        | \$1,000                  | 5.00%                        | \$50,000                 |
| General Marketing                                    | 4.00%                        | \$1,000                  | 2.00%                        | \$20,000                 |
| Research and Development                             | 12.00%                       | \$3,000                  | 23.00%                       | \$250,000                |
| Equipment Purchases                                  | 12.00%                       | \$3,000                  | 1.00%                        | \$10,000                 |
| Future Wages   | 39.00%                       | \$9,750                  | 37.00%                       | \$396,500                |
| General Working Capital                              | 24.00%                       | \$6,000                  | 27.00%                       | \$290,000                |
| <b>Total</b>   | <b>100.00%</b>               | <b>\$25,000</b>          | <b>100.00%</b>               | <b>\$1,070,000</b>       |

\*The Use of Proceeds chart is not inclusive of fees paid for use of the iDisclose Form C generation system, payments to financial and legal service providers, and escrow related fees, all of which were incurred in preparation of the campaign and are due in advance of the closing of the campaign.

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The Company does have discretion to alter the use of proceeds as set forth above. The Company has the discretion to alter the use of proceeds based on general economic conditions or a change in business needs.

## DIRECTORS, OFFICERS AND EMPLOYEES

### Directors and Officers

| <b>Name</b> | <b>Cherry Street Pharmacy Positions</b> | <b>Employment Responsibilities</b>  | <b>Education &amp; Qualifications</b>   |
|-------------|---|---|---|
| Wenbo Liu   | CEO, Director                           | Cherry Street Pharmacy<br>CEO<br>January 2017 – Present<br>Management, product leadership, general strategic vision | Bachelor's,<br>Biochemistry,<br>Molecular Biophysics –<br>University of Arizona<br><br>Doctor of Pharmacy –<br>University of Hawaii |

### ***Indemnification***

Indemnification is authorized by the Company to directors, officers or controlling persons acting in their professional capacity pursuant to California law. Indemnification includes expenses such as attorney's fees and, in certain circumstances, judgments, fines and settlement amounts actually paid or incurred in connection with actual or threatened actions, suits or proceedings involving such person, except in certain circumstances where a person is adjudged to be guilty of gross negligence or willful misconduct, unless a court of competent jurisdiction determines that such indemnification is fair and reasonable under the circumstances.

### **Employees**

The Company currently has 18 employees in the State of California.

## **CAPITALIZATION AND OWNERSHIP**

### **Capitalization**

The Company has issued the following outstanding Securities:

|   |                    |
|---|--------------------|
| <b>Type of security</b>   | Common Stock       |
| <b>Amount Authorized</b>  | 1,000,000          |
| <b>Amount Outstanding</b>   | 1,000,000          |
| <b>Voting Rights</b>  | One vote per share |
| <b>Anti-Dilution Rights</b>   | N/A                |
| <b>How this Security may limit, dilute or qualify the Notes/Bonds issued pursuant to Regulation CF</b>  | N/A                |
| <b>Percentage ownership of the Company by the holders of such Securities (assuming conversion prior to the Offering if convertible securities).</b> | 100%               |

|   |                 |
|---|-----------------|
| <b>Type of security</b>   | Preferred Stock |
| <b>Amount Authorized</b>  | 4,000,000       |
| <b>Amount Outstanding</b>   | 0               |
| <b>Voting Rights</b>  | None            |
| <b>Anti-Dilution Rights</b>   | N/A             |
| <b>How this Security may limit, dilute or qualify the Notes/Bonds issued pursuant to Regulation CF</b>  | N/A             |
| <b>Percentage ownership of the Company by the holders of such Securities (assuming conversion prior to the Offering if convertible securities).</b> | 0%              |

The Company has the following debt outstanding:

|   |                                 |
|---|---------------------------------|
| <b>Type of debt</b>                       | Line of Credit                  |
| <b>Name of creditor</b>                   | Capital One Spark Business Card |
| <b>Amount outstanding</b>                 | \$64,384.00                     |
| <b>Interest rate and payment schedule</b> | 29.40% APR                      |
| <b>Payment Schedule</b>                   | Payment is made monthly         |
| <b>Other material terms</b>               | None                            |

|  |   |
|--|---|
| <b>Type of debt</b>                        | SBA PPP loan  |
| <b>Name of creditor</b>                    | Bank of America   |
| <b>Amount outstanding</b>                  | \$75,300.00   |
| <b>Interest rate and payment schedule</b>  | 1% per Annum  |
| <b>Describe any collateral or security</b> | N/A   |
| <b>Maturity date</b>                       | May 31, 2022  |
| <b>Other material terms</b>                | Loan may be subject to forgiveness provision stating the principal and any subsequent interest payments of this loan may be forgiven upon request of the company assuming certain measures are followed. Measures include |

|  |  |
|--|--|
|  | spending at least 75% of the forgiven loan amount on payroll-related expenses. |
|--|--|

|   |   |
|---|---|
| <b>Type of debt</b>                       | EIDL Advance  |
| <b>Name of creditor</b>                   | U.S. Small Business Association   |
| <b>Amount outstanding</b>                 | \$10,000.00   |
| <b>Interest rate and payment schedule</b> | 0% per Annum  |
| <b>Other material terms</b>               | The amount of the EIDL Advance was determined by the number of employees indicated on the EIDL application at \$1,000 per employee, up to a maximum of \$10,000. The EIDL Advance does not have to be repaid. |

|   |   |
|---|---|
| <b>Type of debt</b>                       | Dept HHS Stimulus   |
| <b>Name of creditor</b>                   | U.S. Department of Health and Human Services  |
| <b>Amount outstanding</b>                 | \$57,805.12   |
| <b>Interest rate and payment schedule</b> | 0% per Annum  |
| <b>Other material terms</b>               | These payments do not need to be repaid to the U.S. government, assuming providers comply with the terms and conditions. Provider Relief Fund payments may be used to cover lost revenue attributable to COVID-19 or health-related expenses purchased to prevent, prepare for, and respond to coronavirus. HHS will require recipients to submit future reports relating to the recipient's use of Provider Relief Fund money. |

|                             |   |
|-----------------------------|---|
| <b>Type of debt</b>         | Payroll Liabilities                     |
| <b>Name of creditor</b>     | Cherry Rx Employees                     |
| <b>Amount outstanding</b>   | \$10,819.72                             |
| <b>Interest rate</b>        | 0% per Annum                            |
| <b>Other material terms</b> | Payroll is paid in full every two weeks |

|  |                                      |
|--|--------------------------------------|
| <b>Type of debt</b>                        | Note Payable - POS                   |
| <b>Name of creditor</b>                    | Banleaco Equipment Finance Agreement |
| <b>Amount outstanding</b>                  | \$10,102.11                          |
| <b>Interest rate and payment schedule</b>  | 0% per Annum<br>36 Monthly Payments  |
| <b>Describe any collateral or security</b> | Guaranteed by CEO, Wenbo Liu         |
| <b>Maturity date</b>                       | January 2022                         |
| <b>Other material terms</b>                | N/A                                  |

### Ownership

The Company is currently owned by Wenbo Liu.

Below the beneficial owners of 20% percent or more of the Company's outstanding voting equity securities, calculated on the basis of voting power, are listed along with the amount they own.

| <b>Name</b> | <b>Percentage Owned Prior to Offering</b> |
|-------------|---|
| Wenbo Liu   | 100.0%                                    |

### FINANCIAL INFORMATION

**Please see the financial information listed on the cover page of this Form C/A and attached hereto in addition to the following information. Financial statements are attached hereto as Exhibit A.**

#### Operations

The Offering proceeds are beneficial to helping us expand our business into new geographies and offer new products. We have operated profitably and are using the Offering to sustainably grow our business.

#### Liquidity and Capital Resources

The Offering proceeds will have a beneficial effect on our liquidity. In July 2020, we had \$809,000 cash on hand. We plan to use the proceeds as set forth above under "Use of Proceeds", which is an indispensable element of our business strategy.

The Company does not have any additional sources of capital other than the proceeds from the Offering.

## **Capital Expenditures and Other Obligations**

In August 2020, Cherry Care, a 503b non-profit controlled by Wenbo Liu, purchased a second pharmacy location in Cutler, CA. This pharmacy will operate under the Cherry Street Pharmacy brand and will include telemedicine capabilities.

## **Material Changes and Other Information**

### **Trends and Uncertainties**

After reviewing the above discussion of the steps the Company intends to take, potential Purchasers should consider whether achievement of each step within the estimated time frame is realistic in their judgment. Potential Purchasers should also assess the consequences to the Company of any delays in taking these steps and whether the Company will need additional financing to accomplish them.

## **THE OFFERING AND THE SECURITIES**

### **The Offering**

The Company is offering up to \$1,070,000 in principal amount of Crowd Notes for up to \$1,070,000.00. The Company is attempting to raise a minimum amount of \$25,000.00 in this Offering (the "Minimum Amount"). The Company must receive commitments from investors in an amount totaling the Minimum Amount by January 11, 2021 (the "Offering Deadline") in order to receive any funds. If the sum of the investment commitments does not equal or exceed the Minimum Amount by the Offering Deadline, no Securities will be sold in the Offering, investment commitments will be cancelled and committed funds will be returned to potential investors without interest or deductions. The Company has the right to extend the Offering Deadline at its discretion. The Company will accept investments in excess of the Minimum Amount up to \$1,070,000.00 (the "Maximum Amount") and the additional Securities will be allocated on a At the Company's discretion.

The price of the Securities does not necessarily bear any relationship to the Company's asset value, net worth, revenues or other established criteria of value, and should not be considered indicative of the actual value of the Securities.

In order to purchase the Securities, you must make a commitment to purchase by completing the Subscription Agreement. Purchaser funds will be held in escrow with Evolve Bank & Trust until the Minimum Amount of investments is reached. Purchasers may cancel an investment commitment until 48 hours prior to the Offering Deadline or the Closing, whichever comes first using the cancellation mechanism provided by the Intermediary. The Company will notify Purchasers when the Minimum Amount has been reached. If the Company reaches the Minimum Amount prior to the Offering Deadline, it may close the Offering at least five (5) days after reaching the Minimum Amount and providing notice to the Purchasers. If any material change (other than reaching the Minimum Amount) occurs related to the Offering prior to the Offering Deadline, the Company will provide notice to Purchasers and receive reconfirmations from Purchasers who have already made commitments. If a Purchaser does not reconfirm his or her investment commitment after a material change is made to the terms of the Offering, the Purchaser's investment commitment will be cancelled and the committed funds will be returned

without interest or deductions. If a Purchaser does not cancel an investment commitment before the Minimum Amount is reached, the funds will be released to the Company upon closing of the Offering and the Purchaser will receive the Securities in exchange for his or her investment. Any Purchaser funds received after the initial closing will be released to the Company upon a subsequent closing and the Purchaser will receive Securities via Digital Registry in exchange for his or her investment as soon as practicable thereafter.

Subscription Agreements are not binding on the Company until accepted by the Company, which reserves the right to reject, in whole or in part, in its sole and absolute discretion, any subscription. If the Company rejects all or a portion of any subscription, the applicable prospective Purchaser's funds will be returned without interest or deduction.

The price of the Securities was determined arbitrarily. The minimum amount that a Purchaser may invest in the Offering is \$100.00.

The Offering is being made through MicroVenture Marketplace Inc., the Intermediary. The following two fields below sets forth the compensation being paid in connection with the Offering.

### ***Commission/Fees***

At the conclusion of the Offering, the Issuer shall pay to the Intermediary a fee consisting of five percent (5%) commission based on the amount of investments raised in the Offering and paid upon distribution of funds from escrow at the time of closing.

### ***Stock, Warrants and Other Compensation***

The Intermediary will receive a number of Crowd Notes of the Issuer equal to two percent (2%) of the total number of Securities sold by the Issuer in the Offering.

### ***Transfer Agent and Registrar***

The Company will act as transfer agent and registrar for the Securities.

### **The Securities**

We request that you please review our organizational documents in conjunction with the following summary information.

See "CAPITALIZATION AND OWNERSHIP" above.

### **Not Currently Equity Interests**

The Securities are not currently equity interests in the Company and can be thought of as the right to receive shares at some point in the future upon the occurrence of certain events.

### **Valuation Cap**

For the first \$25,000.00 in principal amount of Securities sold in the Offering, the Valuation Cap is equal to \$13,000,000.00 (\$13 million). For Securities sold in the offering between \$25,000.00 and \$1,070,000.00, the Valuation Cap is equal to \$15,000,000.00 (\$15 million).

**Discount**

20.0%

**Conversion of the Crowd Notes.**

Upon the occurrence of a Qualified Equity Financing, the Crowd Notes will convert into Conversion Shares pursuant to the following:

- a. If the investor is not a Major Investor, the Crowd Notes will convert into Conversion Shares upon the earlier of (i) the Company's election or (ii) a Corporate Transaction.
- b. If the investor is a Major Investor, the Company will convert the Crowd Notes into Conversion Shares prior to the closing of the Qualified Equity Financing.

**"Qualified Equity Financing"** shall mean the first sale (or series of related sales) by the Company of its Preferred Stock following the Date of Issuance from which the Company receives gross proceeds of not less than \$1,000,000.00 (excluding the aggregate amount of securities converted into Preferred Stock in connection with such sale (or series of related sales)).

**Conversion Mechanics.** Company shall convert the Crowd Notes into Conversion Shares equal to the quotient obtained by dividing the Outstanding Principal by the Conversion Price. The issuance of Conversion Shares pursuant to the conversion of the Crowd Notes shall be upon and subject to the same terms and conditions applicable to the stock sold in the Qualified Equity Financing; provided, however, that if the investor is not a Major Investor, the investor shall receive shares of a Shadow Series with certain limited rights.

**"Conversion Shares"** shall mean with respect to a conversion of the Crowd Notes, shares of the Company's Preferred Stock issued in the Qualified Equity Financing.

**"Shadow Series"** shall mean shares of a series of the Company's Preferred Stock that is identical in all respects to the shares of Preferred Stock issued in the Qualified Equity Financing (e.g., if the Company sells Series A Preferred Stock in the Qualified Equity Financing, the Shadow Series would be Series A-1 Preferred Stock), except that the liquidation preference per share of the Shadow Series shall equal the Conversion Price (as determined pursuant to Section 2) and the following additional differences:

- i. Shadow Series shareholders shall grant their vote on any matter that is submitted to a vote or for the consent of the stockholders of the Company (except for on matters required by law) by Irrevocable Proxy;
- ii. Shadow Series shareholders shall receive quarterly business updates from the company through the Platform but will have no additional information or inspection rights (except with respect to such rights which are required by law).

**"Conversion Price"** with respect to a conversion pursuant to a Qualified Equity Financing shall equal the lower of (A) the product of (1) one minus the Discount and (2) the price paid per share for Preferred Stock by the investors in the Qualified Equity Financing, or (B) the quotient resulting from dividing (1) the Valuation Cap by (2) the Fully-Diluted Capitalization immediately prior to the closing of the Qualified Equity Financing.

**"Irrevocable Proxy"** shall mean the agreement appointing the Platform or an affiliate of the Platform as the sole and exclusive attorney and proxy of the Shadow Series shareholder, with full

power of substitution and re-substitution, to vote and exercise all voting and related rights with respect to all of the securities of the Company that now are or hereafter may be beneficially owned by Shadow Series shareholder.

**“Major Investor”** shall mean any investor in Crowd Notes in which the Purchase Price is equal to or greater than \$25,000.00.

**“Outstanding Principal”** shall mean the total of the Purchase Price.

### **Corporate Transaction**

In the event of a Corporate Transaction, the Company shall notify the investor in writing of the terms of the Corporate Transaction.

- a. If the Corporate Transaction occurs prior to a Qualified Equity Financing, the investor shall receive the higher value received by either:
  - i. Quotient obtained by dividing the product of (1) the Outstanding Principal and the Fully-Diluted Capitalization immediately prior to the closing of the Corporate Transaction by the (2) the Valuation Cap; or
  - ii. Obtaining the Corporate Transaction Payment.
- b. If the Corporate Transaction occurs after a Qualified Equity Financing the Company shall convert the Crowd Notes into Conversion Shares pursuant to Conversion Mechanics described above.

**“Corporate Transaction”** shall mean:

- i. the closing of the sale, transfer or other disposition of all or substantially all of the Company’s assets,
- ii. the consummation of the merger or consolidation of the Company with or into another entity (except a merger or consolidation in which the holders of capital stock of the Company immediately prior to such merger or consolidation continue to hold at least 50% of the voting power of the capital stock of the Company or the surviving or acquiring entity),
- iii. the closing of the transfer (whether by merger, consolidation or otherwise), in one transaction or a series of related transactions, to a person or group of affiliated persons (other than an underwriter of the Company’s securities), of the Company’s securities if, after such closing, such person or group of affiliated persons would hold 50% or more of the outstanding voting stock of the Company (or the surviving or acquiring entity), or
- iv. the IPO, liquidation, dissolution or winding up of the Company; provided, however, that a transaction shall not constitute a Corporate Transaction if its sole purpose is to change the state of the Company’s incorporation or to create a holding company that will be owned in substantially the same proportions by the persons who held the Company’s securities immediately prior to such transaction.

**“Corporate Transaction Payment”** shall mean an amount equal to two times (2X) the Purchase Price. If there are not enough funds to pay the investors in full, then proceeds from the respective transaction will be distributed with equal priority and pro rata among Purchasers in proportion to their Purchase Price.

## **Termination**

The Crowd Notes will terminate upon the earlier of: (a) a conversion of the entire Purchase Price under the Crowd Notes into Conversion Shares; or (b) the payment of amounts due to the investor pursuant to a Corporate Transaction.

In addition, the Purchaser may not transfer the Securities or any Securities into which they are convertible to any of the Company's competitors, as determined by the Company in good faith.

Furthermore, upon the event of an IPO, the equity interest into which the Securities are converted will be subject to a lock-up period and may not be sold for up to 180 days following such IPO.

## **Voting and Control**

The Securities do not have any voting rights. Further, upon conversion of the Crowd Notes into Conversion Shares, Shadow Series shareholders shall grant their vote on any matter that is submitted to a vote or for the consent of the members of the Company (except for on matters required by law) by Irrevocable Proxy.

The Company does not have any shareholder/equity holder agreements in place.

## **Anti-Dilution Rights**

The Securities do not have anti-dilution rights.

## **Restrictions on Transfer**

Any Securities sold pursuant to Regulation CF being offered may not be transferred by any Purchaser of such Securities during the one-year holding period beginning when the Securities were issued, unless such Securities were transferred: 1) to the Company, 2) to an accredited investor, as defined by Rule 501(d) of Regulation D of the Securities Act of 1933, as amended, 3) as part of an Offering registered with the SEC or 4) to a member of the family of the Purchaser or the equivalent, to a trust controlled by the Purchaser, to a trust created for the benefit of a family member of the Purchaser or the equivalent, or in connection with the death or divorce of the Purchaser or other similar circumstances. "Member of the family" as used herein means a child, stepchild, grandchild, parent, stepparent, grandparent, spouse or spousal equivalent, sibling, mother/father/daughter/son/sister/brother-in-law, and includes adoptive relationships. Remember that although you may legally be able to transfer the Securities, you may not be able to find another party willing to purchase them.

## **Other Material Terms**

The Company does not have the right to repurchase the Crowd Notes. The investor agrees to take any and all actions determined in good faith by the Company's Manager to be advisable to reorganize the instrument and any shares issued pursuant to the terms of the Crowd Notes into a special purpose vehicle or other entity designed to aggregate the interests of holders of Crowd Notes.

## **TAX MATTERS**

**EACH PROSPECTIVE INVESTOR SHOULD CONSULT WITH HIS OR HER OWN TAX AND ERISA ADVISOR AS TO THE PARTICULAR CONSEQUENCES TO THE INVESTOR OF THE PURCHASE, OWNERSHIP AND SALE OF THE INVESTOR'S SECURITIES, AS WELL AS POSSIBLE CHANGES IN THE TAX LAWS.**

**TO ENSURE COMPLIANCE WITH THE REQUIREMENTS IMPOSED BY THE INTERNAL REVENUE SERVICE, WE INFORM YOU THAT ANY TAX STATEMENT IN THIS FORM C/A CONCERNING UNITED STATES FEDERAL TAXES IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, BY ANY TAXPAYER FOR THE PURPOSE OF AVOIDING ANY TAX-RELATED PENALTIES UNDER THE UNITED STATES INTERNAL REVENUE CODE. ANY TAX STATEMENT HEREIN CONCERNING UNITED STATES FEDERAL TAXES WAS WRITTEN IN CONNECTION WITH THE MARKETING OR PROMOTION OF THE TRANSACTIONS OR MATTERS TO WHICH THE STATEMENT RELATES. EACH TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.**

**Potential Investors who are not United States residents are urged to consult their tax advisors regarding the United States federal income tax implications of any investment in the Company, as well as the taxation of such investment by their country of residence. Furthermore, it should be anticipated that distributions from the Company to such foreign investors may be subject to UNITED STATES withholding tax.**

**EACH POTENTIAL INVESTOR SHOULD CONSULT HIS OR HER OWN TAX ADVISOR CONCERNING THE POSSIBLE IMPACT OF STATE TAXES.**

## **TRANSACTIONS WITH RELATED PERSONS AND CONFLICTS OF INTEREST**

### **Related Person Transactions**

From time to time the Company may engage in transactions with related persons. Related persons are defined as any director or officer of the Company; any person who is the beneficial owner of 10 percent or more of the Company's outstanding voting equity securities, calculated on the basis of voting power; any promoter of the Company; any immediate family member of any of the foregoing persons or an entity controlled by any such person or persons.

The Company has conducted the following transactions with related persons:

|  |  |
|--|--|
| <b>Type of debt</b>                        | Promissory Note                                |
| <b>Name of creditor</b>                    | Wenbo Liu                                      |
| <b>Amount outstanding</b>                  | \$2,426.87                                     |
| <b>Interest rate and payment schedule</b>  | 0% per Annum<br>Principal due at Maturity Date |
| <b>Describe any collateral or security</b> | N/A  |
| <b>Maturity date</b>                       | June 2020                                      |
| <b>Other material terms</b>                | N/A  |

|  |  |
|--|--|
| <b>Related Person/Entity</b>                               | Wenbo Liu, Cherry Care, a 503b organization                          |
| <b>Relationship to the Company</b>                         | CEO  |
| <b>Total Amount of Money Involved</b>                      | \$280,000  |
| <b>Benefits or Compensation Received by Related Person</b> | None   |
| <b>Benefits or Compensation Received by the Company</b>    | Secondary location and expansion for Cherry Street Pharmacy brand    |
| <b>Description of the Transaction</b>                      | August 2020 commercial property purchase of a building in Cutler, CA |
| <b>Other material terms</b>                                | N/A  |

### **Conflicts of Interest**

To the best of our knowledge the Company has not engaged in any transactions or relationships, which may give rise to a conflict of interest with the Company, its operations or its security holders.

### **OTHER INFORMATION**

#### **Bad Actor Disclosure**

The Company is not subject to any Bad Actor Disqualifications under any relevant U.S. securities laws.

## SIGNATURE

Pursuant to the requirements of Sections 4(a)(6) and 4A of the Securities Act of 1933 and Regulation Crowdfunding (§ 227.100 et seq.), the issuer certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form C/A and has duly caused this Form to be signed on its behalf by the duly authorized undersigned.

/s/Wenbo Liu

(Signature)

Wenbo Liu

(Name)

CEO

(Title)

Pursuant to the requirements of Sections 4(a)(6) and 4A of the Securities Act of 1933 and Regulation Crowdfunding (§ 227.100 et seq.), this Form C/A has been signed by the following persons in the capacities and on the dates indicated.

/s/Wenbo Liu

(Signature)

Wenbo Liu

(Name)

CEO

(Title)

10/15/2020

(Date)

I, Wenbo Liu, being the founder of Ace Care Pharmacy Management and Consulting Company, Inc., a Corporation (the “Company”), hereby certify as of this that:

(i) the accompanying unaudited financial statements of the Company, which comprise the balance sheet as of December 31, 2019 and 2018 and the related statements of income (deficit), stockholder’s equity and cash flows for the years ended December 31, 2019 and 2018, and the related notes to said financial statements (collectively, the “Financial Statement”), are true and complete in all material respects; and

(ii) the tax return information in the Financial Statements for the years ending December 31, 2019 and 2018 reflects accurately the information that would be reported in such tax returns.

/s/Wenbo Liu

(Signature)

Wenbo Liu

(Name)

CEO

(Title)

10/15/2020

(Date)



## **EXHIBITS**

- Exhibit A Financial Information
- Exhibit B Company Summary
- Exhibit C Subscription Agreement
- Exhibit D Crowd Note
- Exhibit E Pitch Deck
- Exhibit F Video Transcript

**EXHIBIT A**

*Financial Information*

**ACE CARE PHARMACY MANAGEMENT & CONSULTING, INC.**

Reviewed Financial Statements For The Years Ended December 31, 2019 and 2018



## Independent Accountant's Review Report

To Management  
Ace Care Pharmacy Management & Consulting, Inc.  
Tulare, California

We have reviewed the accompanying balance sheet of Ace Care Pharmacy Management & Consulting, Inc. as of December 31, 2019 and 2018, and the related statements of income, retained earnings, and cash flows for the period then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

### ***Accountant's Responsibility***

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of my procedures provide a reasonable basis for our report.

### ***Accountant's Conclusion***

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Jason M. Tyra, CPA, PLLC  
Dallas, TX  
July 23, 2020

**ACE CARE PHARMACY MANAGEMENT & CONSULTING, INC.**  
**BALANCE SHEET**  
**DECEMBER 31, 2019 AND 2018**

|                           | <u>2019</u> | <u>2018</u> |
|---------------------------|-------------|-------------|
| <u>ASSETS</u>             |             |             |
| <b>CURRENT ASSETS</b>     |             |             |
| Cash                      | \$ 163,202  | \$ 78,202   |
| Accounts Receivable       | 213,234     | 95,699      |
| Inventory                 | 104,500     | 48,000      |
| Pre-Paid Expenses         | 47,721      | -           |
| TOTAL CURRENT ASSETS      | 528,658     | 221,901     |
| <b>NON-CURRENT ASSETS</b> |             |             |
| Security Deposits         | 2,500       | 2,500       |
| Equipment                 | 26,609      | 6,310       |
| Furniture                 | 14,719      | 9,858       |
| Vehicles                  | 9,733       | -           |
| Leasehold Improvements    | 3,303       | 3,303       |
| Website                   | 11,000      | 11,000      |
| Accumulated Depreciation  | (12,239)    | (4,135)     |
| Accumulated Amortization  | (8,198)     | (4,531)     |
| TOTAL NON-CURRENT ASSETS  | 47,427      | 24,305      |
| TOTAL ASSETS              | 576,084     | 246,206     |

**ACE CARE PHARMACY MANAGEMENT & CONSULTING, INC.**  
**BALANCE SHEET**  
**DECEMBER 31, 2019 AND 2018**

|  | <u>2019</u> | <u>2018</u> |
|--|-------------|-------------|
| <b><u>LIABILITIES AND SHAREHOLDERS' EQUITY</u></b>                             |             |             |
| <b>CURRENT LIABILITIES</b>   |             |             |
| Accounts Payable   | 136,225     | 5,036       |
| Pension Liability  | 51,298      | -           |
| Note Payable, Current  | 6,380       | -           |
| TOTAL CURRENT LIABILITIES  | 193,903     | 5,036       |
| <b>NON-CURRENT LIABILITIES</b>   |             |             |
| Related Party Loan   | 9,774       | 35,641      |
| Note Payable   | 6,912       | -           |
| TOTAL LIABILITIES  | 210,589     | 40,677      |
| <b>SHAREHOLDERS' EQUITY</b>  |             |             |
| Common Stock (4,000,000 shares authorized;<br>30,000 issued; \$3.00 par value) | 30,000      | 30,000      |
| Additional Paid in Capital   | 153,143     | 153,143     |
| Retained Earnings (Deficit)  | 182,352     | 22,385      |
| TOTAL SHAREHOLDERS' EQUITY   | 365,495     | 205,528     |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY                                     | \$ 576,084  | \$ 246,206  |

See Independent Accountant's Review Report and accompanying notes, which are an integral part of these financial statements.

**ACE CARE PHARMACY MANAGEMENT & CONSULTING, INC.**  
**INCOME STATEMENT**  
**FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

|                                   | <u>2019</u>  | <u>2018</u>  |
|-----------------------------------|--------------|--------------|
| <b>Operating Income</b>           |              |              |
| Sales, Net                        | \$ 2,997,239 | \$ 1,457,419 |
| Cost of Goods Sold                | (2,023,771)  | (1,050,344)  |
| <b>Gross Profit</b>               | 973,468      | 407,074      |
| <b>Operating Expense</b>          |              |              |
| Salaries & Wages                  | 368,795      | 77,839       |
| General & Administrative          | 203,047      | 86,863       |
| Professional Fees                 | 157,291      | 94,714       |
| Rent                              | 23,410       | 16,035       |
| Selling & Marketing               | 8,281        | 7,813        |
| Depreciation                      | 8,104        | 2,830        |
| Amortization                      | 3,667        | 3,667        |
|                                   | 772,595      | 289,760      |
| <b>Net Income from Operations</b> | 200,874      | 117,314      |
| <b>Other Income (Expense)</b>     |              |              |
| Interest Income                   | 32           | -            |
| Interest Expense                  | -            | (957)        |
| Other Income                      | 4            | 1,175        |
| Tax Expense                       | (1,800)      | (1,404)      |
| <b>Net Income</b>                 | \$ 199,110   | \$ 116,128   |

**ACE CARE PHARMACY MANAGEMENT & CONSULTING, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

|   | <u>2019</u> | <u>2018</u> |
|---|-------------|-------------|
| <b>Cash Flows From Operating Activities</b>     |             |             |
| Net Income (Loss) For The Period                | \$ 199,110  | \$ 116,128  |
| Change in Accounts Payable                      | 131,189     | 3,691       |
| Change in Pension Liability                     | 51,298      | -           |
| Depreciation                                    | 8,104       | 2,830       |
| Amortization                                    | 3,667       | 3,667       |
| Change in Pre-Paid Expenses                     | (47,721)    | -           |
| Change in Inventory                             | (56,500)    | (46,103)    |
| Change in Accounts Receivable                   | (117,535)   | (60,531)    |
|   | 171,612     | 19,681      |
| <b>Net Cash Flows From Operating Activities</b> |             |             |
| <b>Cash Flows From Investing Activities</b>     |             |             |
| Change in Furniture                             | (4,861)     | -           |
| Change in Vehicles                              | (9,733)     | -           |
| Change in Equipment                             | (20,299)    | -           |
| Change in Leasehold Improvements                | -           | (3,303)     |
|   | (34,893)    | (3,303)     |
| <b>Net Cash Flows From Investing Activities</b> |             |             |
| <b>Cash Flows From Financing Activities</b>     |             |             |
| Change in Note Payable                          | 13,292      | -           |
| Change in Related Party Loan                    | (25,867)    | 23,539      |
| Dividends Paid                                  | (39,143)    | -           |
| Change in Additional Paid In Capital            | -           | 10,143      |
|   | (51,718)    | 33,683      |
| <b>Net Cash Flows From Investing Activities</b> |             |             |
| <b>Cash at Beginning of Period</b>              | 78,202      | 28,141      |
| <b>Net Increase (Decrease) In Cash</b>          | 85,001      | 50,061      |
| <b>Cash at End of Period</b>                    | \$ 163,202  | \$ 78,202   |

See Independent Accountant's Review Report and accompanying notes, which are an integral part of these financial statements.

**ACE CARE PHARMACY MANAGEMENT & CONSULTING, INC.**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

|                              | Common Stock<br>Number | Amount    | Preferred Stock<br>Number | Amount | Additional Paid<br>in Capital | Retained Earnings | Total Shareholders'<br>Equity |
|------------------------------|------------------------|-----------|---------------------------|--------|-------------------------------|-------------------|-------------------------------|
| Balance at December 31, 2017 | 10,000                 | \$ 30,000 |                           | \$ -   | \$ 143,000                    | \$ (93,743)       | \$ 79,257                     |
| Additional Paid In Capital   |                        |           |                           |        | 10,143                        |                   | 10,143                        |
| Net Income                   |                        |           |                           |        |                               | 116,128           | 116,128                       |
| Balance at December 31, 2018 | 10,000                 | \$ 30,000 |                           | \$ -   | \$ 153,143                    | \$ 22,385         | \$ 205,528                    |
| Dividends Paid               |                        |           |                           |        |                               |                   | (39,143)                      |
| Net Income                   |                        |           |                           |        |                               | 199,110           | 199,110                       |
| Balance at December 31, 2019 | 10,000                 | \$ 30,000 |                           | \$ -   | \$ 153,143                    | \$ 221,495        | \$ 365,494                    |

See Independent Accountant's Review Report and accompanying notes, which are an integral part of these financial statements.

ACE CARE PHARMACY MANAGEMENT & CONSULTING, INC.  
NOTES TO FINANCIAL STATEMENTS (REVIEWED)  
DECEMBER 31, 2019 & 2018

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NOTE A- ORGANIZATION AND NATURE OF ACTIVITIES

Ace Care Pharmacy Management & Consulting, Inc. (“the Company”) is a corporation organized under the laws of the State of California. The Company operates a pharmacy located in Tulare, California.

Prior to December 31, 2019, the Company was organized as a limited liability company. The financial statements have been prepared to reflect the Company’s current structure as a corporation.

NOTE B- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“US GAAP”). The Company’s fiscal year ends December 31.

Significant Risks and Uncertainties

The Company is subject to customary risks including, but not limited to, dependence on key personnel, costs of services provided by third parties, the need to obtain additional financing, and limited operating history.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Changes in estimates are recorded in the period they are made. Actual results could differ from those estimates. Significant estimates inherent in the preparation of these financial statements include, but are not limited to, estimates of useful lives.

Cash and Cash Equivalents

Cash and cash equivalents include all cash balances, and highly liquid investments with maturities of three months or less when purchased.

Revenue

Revenue is recognized when control of the promised goods or services is transferred to customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services.

The Company’s main line of business is revenues from filled prescriptions.

ACE CARE PHARMACY MANAGEMENT & CONSULTING, INC.  
NOTES TO FINANCIAL STATEMENTS (REVIEWED) (CONTINUED)

Accounts Receivable

The Company grants trade credit to certain customers when business conditions warrant. Management's experience suggests that losses on accounts receivables are likely to be infrequent. As of December 31, 2019, the Company has accrued a reserve of \$0 for doubtful accounts.

Inventory

The Company values inventory at the lower of historic cost or market value.

Fixed Assets

The Company capitalizes assets with an expected useful life of one year or more. Depreciation is calculated on a straight-line basis over management's estimate of each asset's useful life.

Rent

The Company currently occupies office space under a non-cancellable operating lease. The lease expires in 2021 and may be renewed at the option of the Company at the then-current market rate. The lease bears a monthly payment of \$2,500. Future minimum payments due are as follows:

2021- \$30,000

Pension Liability

The Company has a profit share plan with its employees. As a part of the plan, the Company will contribute 20% of net profit to employees' 401k plans. This plan was established in 2019 and the recognized a \$51,298 liability as a result of this plan.

Advertising

The Company records advertising expenses in the year incurred.

Income Taxes

The Company applies ASC 740 Income Taxes ("ASC 740"). Deferred income taxes are recognized for the tax consequences in future years of differences between the tax bases of assets and liabilities and their financial statement reported amounts at each period end, based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized. The provision for income taxes represents the tax expense for the period, if any and the change during the period in deferred tax assets and liabilities. ASC 740 also provides criteria for the recognition, measurement, presentation and disclosure of uncertain tax positions. A tax benefit from an uncertain position is recognized only if it is "more likely than not" that the position is sustainable upon examination by the relevant taxing authority based on its technical merit.

During fiscal years 2019 and 2018, the Company was organized as a partnership. As such, all items of income and expense were reported by the Company's members on their individuals tax returns. The Company is currently subject to tax filing requirements as a corporation in the federal jurisdiction of the United States.

ACE CARE PHARMACY MANAGEMENT & CONSULTING, INC.  
NOTES TO FINANCIAL STATEMENTS (REVIEWED) (CONTINUED)

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The Company is subject to franchise and income tax filing requirements in the State of California.

Net Income Per Share

Net earnings or loss per share is computed by dividing net income or loss by the weighted-average number of common shares outstanding during the period, excluding shares subject to redemption or forfeiture. The Company presents basic and diluted net earnings or loss per share. Diluted net earnings or loss per share reflect the actual weighted average of common shares issued and outstanding during the period, adjusted for potentially dilutive securities outstanding. Potentially dilutive securities are excluded from the computation of the diluted net loss per share if their inclusion would be anti-dilutive.

Recently Adopted Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board, or FASB, or other standard setting bodies and adopted by the Company as of the specified effective date. Unless otherwise discussed, the Company believes that the impact of recently issued standards that are not yet effective will not have a material impact on its financial position or results of operations upon adoption.

In May 2014, the FASB issued ASU, 2014-09—*Revenue from Contracts with Customers (Topic 606)*, or ASU 2014-09, and further updated through ASU 2016-12, or ASU 2016-12, which amends the existing accounting standards for revenue recognition. ASU 2014-09 is based on principles that govern the recognition of revenue at an amount to which an entity expects to be entitled to when products are transferred to customers. This guidance is effective for annual reporting periods, and interim periods within those years, beginning December 15, 2018 for non-public entities. The new revenue standard may be applied retrospectively to each prior period presented or retrospectively with the cumulative effect recognized as of the date of adoption. The adoption of ASU 2014-09 had no material impact on the Company's financial statements and related disclosures.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, or ASU 2016-02, which supersedes the guidance in ASC 840, *Leases*. The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases today. This guidance is effective for annual reporting periods beginning after December 15, 2019 for non-public entities. The adoption of ASU 2016-02 had no material impact on the Company's financial statements and related disclosures.

NOTE D- DEBT

In 2019, the Company issued a promissory note in exchange for \$19,141 for the purpose of purchasing a point-of-sale system ("the Note"). The Note has a term of three years and bears a monthly payment of \$532. Future minimum payments amount to:

2020: \$6,380

ACE CARE PHARMACY MANAGEMENT & CONSULTING, INC.  
NOTES TO FINANCIAL STATEMENTS (REVIEWED) (CONTINUED)

2021: \$6,380

In 2019, the Company received a loan totaling \$9,773 from Wenbo Liu. The loan bears an interest of 2.72% per annum and will mature one year from date of issue.

NOTE E- EQUITY

The Company's articles of incorporation authorize the Company to issue 1,000,000 shares of \$3 par value Common Stock and 4,000,000 shares of \$3 par value Preferred Stock.

The Company currently has one class of equity outstanding.

Common Stock: Holders of common stock shall be entitled to receive dividends when and as declared by the Board of Directors. Common shareholders have the right to vote on certain items of Company business at the rate of one vote per share.

In the event of liquidation, the order of preference shall be preferred stock then common stock.

As of December 31, 2019, the number of shares issued and outstanding by class was as follows:

|              |        |
|--------------|--------|
| Common Stock | 10,000 |
|--------------|--------|

NOTE G- FAIR VALUE MEASUREMENTS

Fair value is an exit price, representing the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants based on the highest and best use of the asset or liability. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. The Company uses valuation techniques to measure fair value that maximize the use of observable inputs and minimize the use of unobservable inputs. These inputs are prioritized as follows:

*Level 1* - Observable inputs, such as quoted prices for identical assets or liabilities in active markets;  
*Level 2* - Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly, such as quoted prices for similar assets or liabilities, or market-corroborated inputs; and  
*Level 3* - Unobservable inputs for which there is little or no market data which require the reporting entity to develop its own assumptions about how market participants would price the assets or liabilities.

The valuation techniques that may be used to measure fair value are as follows:

*Market approach* - Uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.

*Income approach* - Uses valuation techniques to convert future amounts to a single present amount based on current market expectations about those future amounts, including present value techniques, option-pricing models, and excess earnings method.

*Cost approach* - Based on the amount that currently would be required to replace the service capacity of an asset (replacement cost).

ACE CARE PHARMACY MANAGEMENT & CONSULTING, INC.  
NOTES TO FINANCIAL STATEMENTS (REVIEWED) (CONTINUED)

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NOTE G- CONCENTRATIONS OF RISK

Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents. The Company places its cash and cash equivalents with a limited number of high-quality financial institutions and at times may exceed the amount of insurance provided on such deposits.

NOTE H- SUBSEQUENT EVENTS

Management considered events subsequent to the end of the period but before July 23, 2020, the date that the financial statements were available to be issued.

**EXHIBIT B**

*Company Summary*



**MICROVENTURES**



**Company:** Cherry Street Pharmacy

**Market:** Healthcare

**Product:** One-stop pharmacy for prescription drugs, medication delivery, vaccinations, pet care, and more

### Company Highlights

- Generated nearly \$3 million in revenue in the 2019 calendar year, with only ~\$5,000 in advertising and marketing spend
- Acquired a second brick-and-mortar location in August 2020, with a targeted launch in 2021
- The company filled 6,170 prescriptions in July 2020, a record high
- Grown revenue 106% year-over-year and 603% year-over-year in 2019 and 2018, respectively, without any outside equity capital investment

### EXECUTIVE SNAPSHOT

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Founded in 2017, Cherry Street Pharmacy is a California Central Valley-based company that aims to deliver wide-ranging healthcare services to underserved areas. The company offers a robust selection of services like prescription delivery, personalized health programs, pet care, and health content that customers can access both online and from the company's brick-and-mortar location. The company has grown quickly without much spend on advertising and with no outside equity capital investment. Highlights include:

- The company filled 6,170 prescriptions in July 2020, a record high
- Generated \$512,900 in net operating income in 2020 through July
- Grown revenue 106% year-over-year and 603% year-over-year in 2019 and 2018, respectively, without any outside equity capital investment
- Since April 2019, company has filled nearly 79,000 prescriptions
- Acquired a second brick-and-mortar location in August 2020, with a targeted launch in 2021
- Company also plans to add telehealth services in 2021 to further serve their patients

### PERKS

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Investors that purchase the first 25,000 Crowd Notes, and thereby fund the first \$25,000, will receive Crowd Notes with a conversion provision based on a \$13 million valuation cap instead of a \$15 million valuation cap. That means, in connection with equity financing of at least \$1,000,000 (a "Qualified Equity Financing"), the company has the option to convert the Crowd Note into shares of non-voting preferred stock (Conversion Shares) at a price based on the lower of (A) a 20% discount to the price per unit paid for Preferred Stock by investors in the Qualified Equity Financing or (B) the price per share based on a \$13 million valuation cap (instead of \$15 million).



## **Opportunity**

Many industries have been greatly affected by changing consumer preferences for delivery and digital offerings. The pharmacy industry is no different. Experts in the industry believe that Amazon’s acquisition of PillPack was a signal of a greater trend towards delivery in this decade. Additionally, many believe technology will play an important role in distinguishing successful and innovative pharmacists from their counterparts. Technology – through video chat, mobile apps, and secure text message – can play a crucial responsibility in helping patients manage their medications, educating them on point-of-care testing, as well as providing a more convenient point-of-contact for both patients and pharmacists. By 2030, the pharmacy industry is expected to be even more influenced by technology.<sup>i</sup>

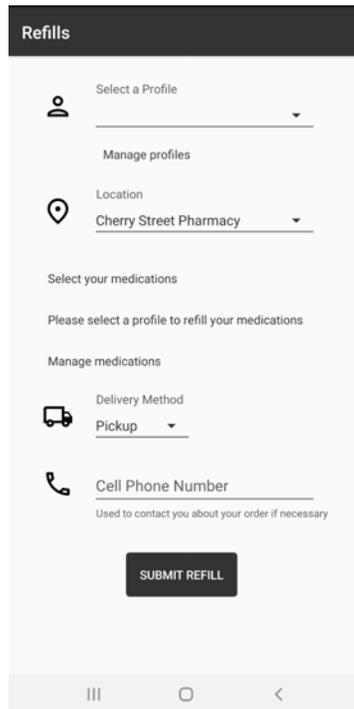
Cherry Street Pharmacy is a one-stop pharmacy solution designed to help patients more conveniently access their healthcare needs. At the company’s single location, patients can pick up their prescription, speak with pharmacists, set up personalized adherence and other medication management programs, get care for their pets (supplies, medications, and compounding), get vaccinations, and much more. In addition to the company’s physical footprint at its pharmacy in Tulare, CA, it offers prescription delivery six days a week, as well as a mobile app where patients can check on prescriptions, read health news, and communicate with the pharmacy. For patients that don’t have a smartphone, Cherry Street offers two-way text messaging capabilities. Looking ahead, Cherry Street Pharmacy has ambitions to expand into telehealth services, as well as launch a second pharmacy location.

## **Product**

Cherry Street Pharmacy has designed its product suite to make the pharmacy experience more efficient and streamlined for the end consumer. At Cherry Street Pharmacy, customers are presented with a one-stop pharmacy solution. The company selected the California Central Valley for its initial location as it is a medically underserved area with a shortage of healthcare providers.<sup>ii</sup> In addition to traditional pharmacy services, the company offers a host of other products like home delivery, vaccinations, pet care services, immunizations, and much more. Customers can simply set up an account online or in-person, and then Cherry Street will manage the back-end administrative tasks in transferring their prescription. Once their account is set up, customers can use the Cherry Street Pharmacy mobile app to manage their pharmacy experience, receive reminders, and consume health-related content.



MICROVENTURES



### *Prescription Services*

Customers can use Cherry Street Pharmacy for many of their medication needs. They can get prescription refills and transfers, over-the-counter medications, or discount generic prescriptions. On top of the wide selection of medication selection, Cherry Street Pharmacy offers free prescription delivery for patients in the Tulare area from Monday through Saturday. Customers can also pick up their medication at the brick-and-mortar location.



Cherry Street Pharmacy also has packaging services that are designed to help patients keep better track of their medications. For example, the company can provide multi-dose packaging that bundles a patient's medications together by date and time (e.g. all medications that are to be taken in the evening will be packaged together in one pack).



### *Customized Programs*

Cherry Street Pharmacy pharmacists are trained to help patients adhere to and manage their prescriptions and medications.

Additionally, Cherry Street can create medication synchronization programs for patients that find it difficult to keep up with medication refills. This program will synchronize all medication refills so that a patient can pick up or receive all of their medications on a single day each month.



### *Long-Term Care*

Cherry Street is also a long-term care pharmacy, in that they provide consulting pharmacy services and medications to long-term care facilities, like nursing homes. The company works with these long-term care facilities to provide continuous access to pharmacists, as well as emergency delivery services.

### *Vaccinations and Immunizations*

The company offers travel vaccinations to patients who are looking to get vaccinated before an international trip. Patients can also get immunizations for many diseases including the flu, measles, shingles, HPV, and more. Patients can simply set up an appointment for these vaccinations at Cherry Street Pharmacy's brick-and-mortar location.

### *Pet Care*

Cherry Street Pharmacy also offers pet care products like supplies, medications, and compounding. Compounding is where Cherry Street's pharmacists provide personalized prescription services to veterinarians in the treatment of numerous animals. Working with the prescribing veterinarian, pharmacists can create dosages that are patient-specific in strength and formulation. Compounding can also help medicating animals easier through flavored chews or capsules.

### *Customer Service*

Cherry Street Pharmacy has invested in digital customer service to more efficiently serve their customers through a more convenient medium. The company's two-way text message service offers patients another touchpoint with the pharmacy, reducing the amount of time employees spend answering the phone.



**Use of Proceeds**

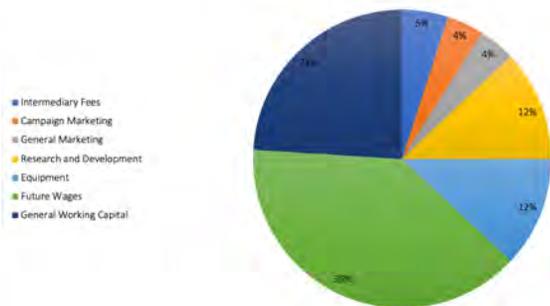
**Minimum Raised**

Should Cherry Street Pharmacy raise a minimum of \$25,000 in this crowdfunding offering, the company will allocate funds across a variety of functions, including: intermediary fees (5%), campaign marketing (4%), general marketing (4%), research and development (12%), equipment (12%), future wages (39%), and general working capital (24%).

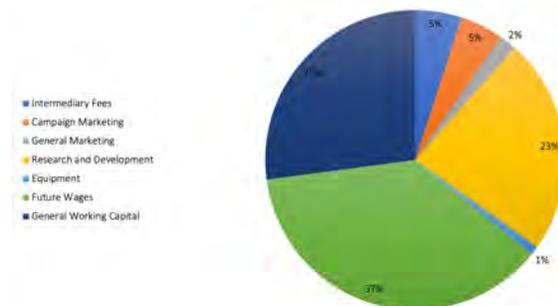
**Maximum Raised**

Should Cherry Street Pharmacy raise a maximum of \$1,070,000 in this crowdfunding offering, the company will allocate funds across a variety of functions, including: intermediary fees (5%), campaign marketing (5%), general marketing (2%), research and development (23%), equipment (1%), future wages (37%), and general working capital (27%).

Use of Proceeds: Minimum Raised (\$25k)



Use of Proceeds: Maximum Raised (\$1.07m)



|   |   |  |
|---|---|--|
| <p align="center"><b>General Marketing</b></p> <p>The company intends to use a portion of funds towards general marketing purposes to gain new customers.</p>   | <p align="center"><b>Research and Development</b></p> <p>Cherry Street plans to use capital towards the development of future products, namely the company's telemedicine platform.</p>         | <p align="center"><b>Equipment</b></p> <p>The company aims to use funds to purchase additional equipment for its brick-and-mortar location to support potential future growth.</p> |
| <p align="center"><b>Future Wages</b></p> <p>Cherry Street anticipates using a percentage of funds from this raise towards future wages for new employees, as it hopes to expand and grow its business.</p> | <p align="center"><b>General Working Capital</b></p> <p>The company intends to reserve funds for the general working capital needs of the business.</p>   |  |
| <p align="center"><b>Intermediary Fees</b></p> <p>The company has earmarked a portion of funds from this raise towards intermediary fees from the campaign.</p>   | <p align="center"><b>Campaign Marketing</b></p> <p>Campaign marketing funds will be used to hire and consult marketing professionals with the goal of maximizing the crowdfunding offering.</p> |  |



## **Product Roadmap**

Cherry Street Pharmacy's roadmap for the rest of 2020 is focused on two primary goals; the launch of its telehealth platform and service and the launch of a new brick-and-mortar location.

### *Telehealth*

Cherry Street Pharmacy has initiated development of telehealth software that it hopes will provide another access for its patients. The company aims to provide virtual clinic services to current and new clients through this infrastructure. The company plans to hire nurse practitioners and physicians assistants to provide services through Cherry Street Pharmacy's telehealth software. Additionally, the company plans to create telemedicine booths in its brick-and-mortar location to support telemedicine visits for patients that are already at a Cherry Street location. The company hopes to launch this product in 2021.

### *Location Expansion*

The Cherry Street team purchased a second pharmacy location in the California Central Valley. It's anticipated that it will take nine months to accommodate its new telehealth booths and update the pharmacy footprint to match Cherry Street's operational focus. It hopes to have the second location up and running by Q2 2021, so it can capitalize on flu and pneumonia season.

## **Business Model**

Cherry Street Pharmacy generates revenue from its prescription drug services, contracted services, and clinical services. The company is focused on being cost-competitive, particularly since it is primarily focused on underserved communities.

- **Prescription Drug Services:** The sale of prescription drugs to patients, including Lipitor, amoxicillin, and others.
- **Contracted/Clinical Services:** The sale of clinical services that Cherry Street pharmacists and other employees provide to outside healthcare facilities and medical professionals.

Additionally, the company has focused on serving underserved areas. Cherry Street Pharmacy's first brick-and-mortar location is in Tulare, CA, which is an area that has a shortage of healthcare providers.<sup>iii</sup> When analyzing expansion, the company is again focusing on underserved communities, as it believes there is high demand for medical services in these areas.

## **USER TRACTION**

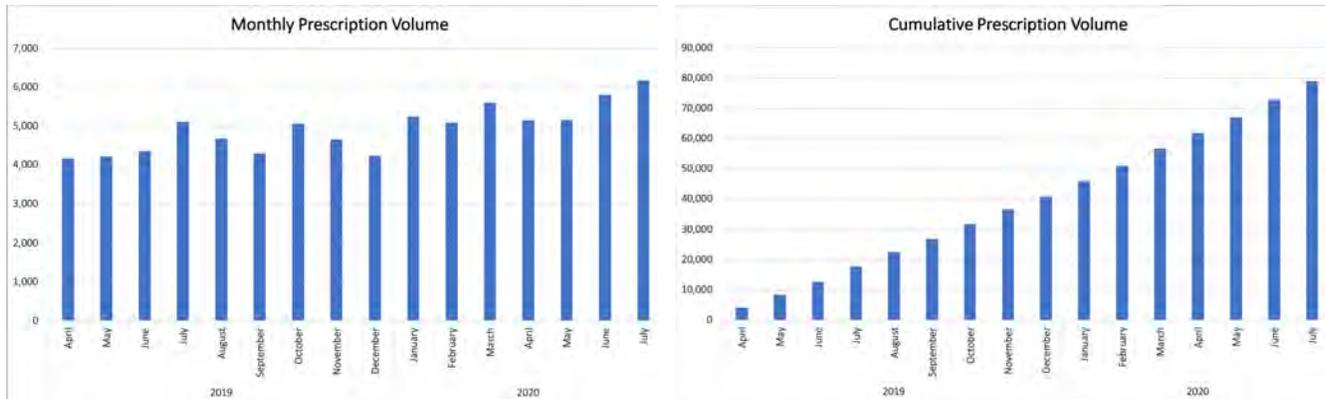
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Since April 2019, Cherry Street Pharmacy has fulfilled over 78,900 prescriptions for its patients. Additional metrics include:



## MICROVENTURES

- July 2020 was a record month, with 6,170 prescriptions filled
- In the first half of 2020, the company has filled 14% more prescriptions when compared to the second half of 2019
- Every month in 2020 has surpassed total monthly prescriptions filled in the second half of 2019
- The largest month over month increase was from September 2019 to October 2019, when prescription volume jumped 18%



In August 2020, Cherry Street Pharmacy entered into an agreement with NimbleRx, an on-demand digital prescription platform that recently inked a pharmaceutical delivery expansion partnership with Uber.<sup>iv</sup> Anyone within a specified area of the Cherry Street Pharmacy location that uses Uber services will be asked if they would use Cherry Street Pharmacy's pharmacy to get their medications delivered. If the person chooses yes, then Uber will send the data to NimbleRx, then NimbleRx will compare that person's information against our system patient database. The NimbleRx functionality is expected to be live midway through Q4 2020.

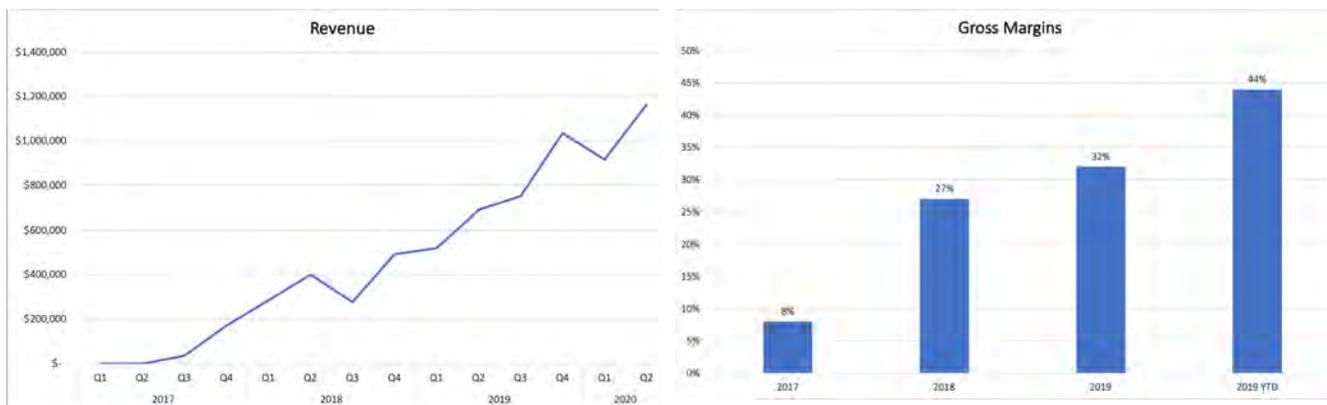
## HISTORICAL FINANCIALS

Cherry Street Pharmacy has generated ~\$7.11 million in revenue from inception through July 2020. The vast majority of revenue (~90%) is generated from its prescription drug sales, with contracted and clinical services representing the remaining difference. Additional notable information on the company's revenue includes:

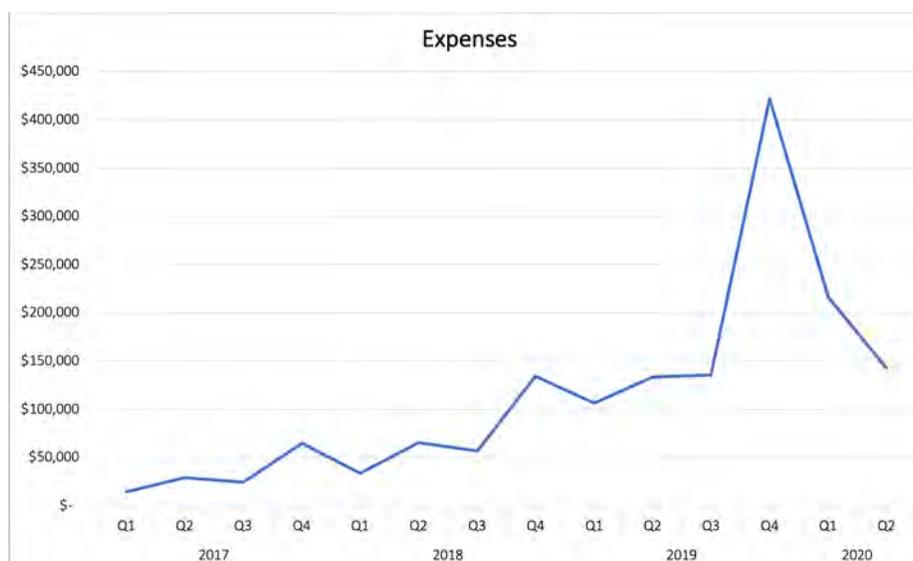


**MICROVENTURES**

|   | 2020 YTD – Through July                  | 2019            | 2018            | 2017 – Began Generating Revenue in Q3 |
|---|--|-----------------|-----------------|---------------------------------------|
| <b>Revenue Generated</b>                            | ~\$2.47 million                          | ~\$2.99 million | ~\$1.45 million | ~\$207,000                            |
| <b>Gross Margins</b>                                | 43%                                      | 32%             | 27%             | 8%                                    |
| <b>Year-over-Year Percent Change</b>                | 68% - When compared to 2019 through July | 106%            | 603%            | N/A                                   |
| <b>Advertising as a Percentage of Total Revenue</b> | 0.54%                                    | 0.27%           | 0.45%           | 3%                                    |

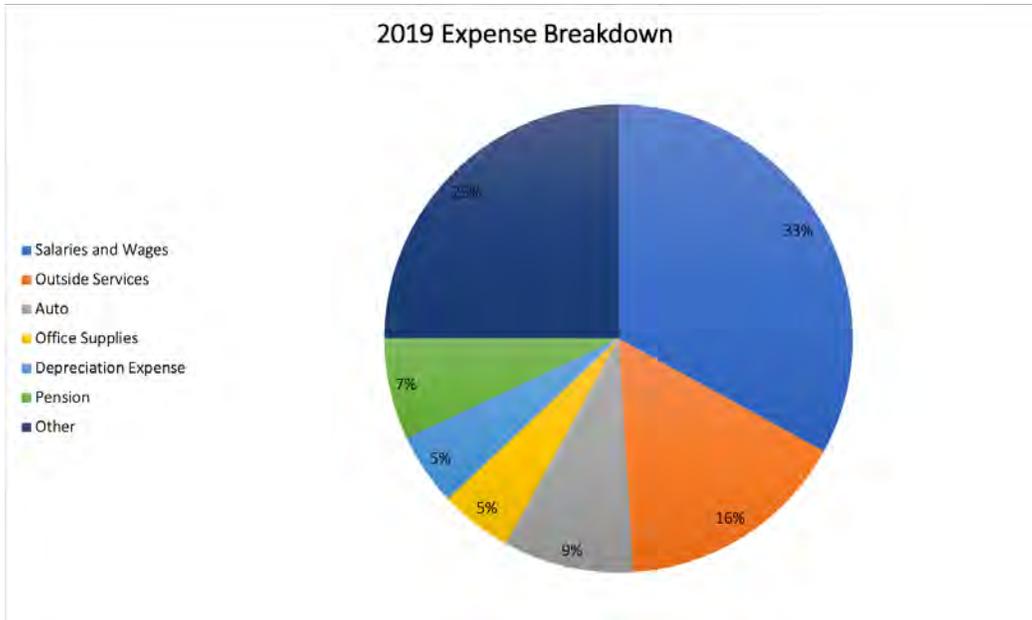


In 2020 through July, Cherry Street Pharmacy has incurred about \$550,000 in total expenses, up about 98% compared to the same period in 2019. Expenses have increased in 2020 as the company has increased spend on salaries and wages to build out the team, as well as on outside services. In 2019, the company incurred \$772,595 in expenses, up from 2018 when the company incurred \$289,760 in total expenses. In 2017, Cherry Street Pharmacy incurred \$133,643 in total expenses.

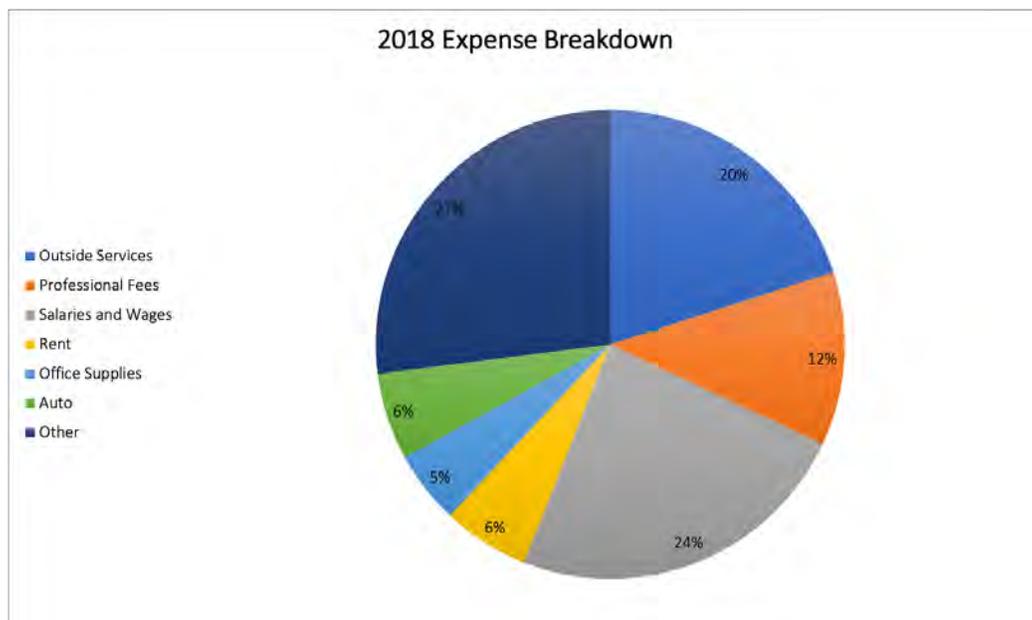




A breakdown of all expenses that represented at least 5% of total expenses in 2019:

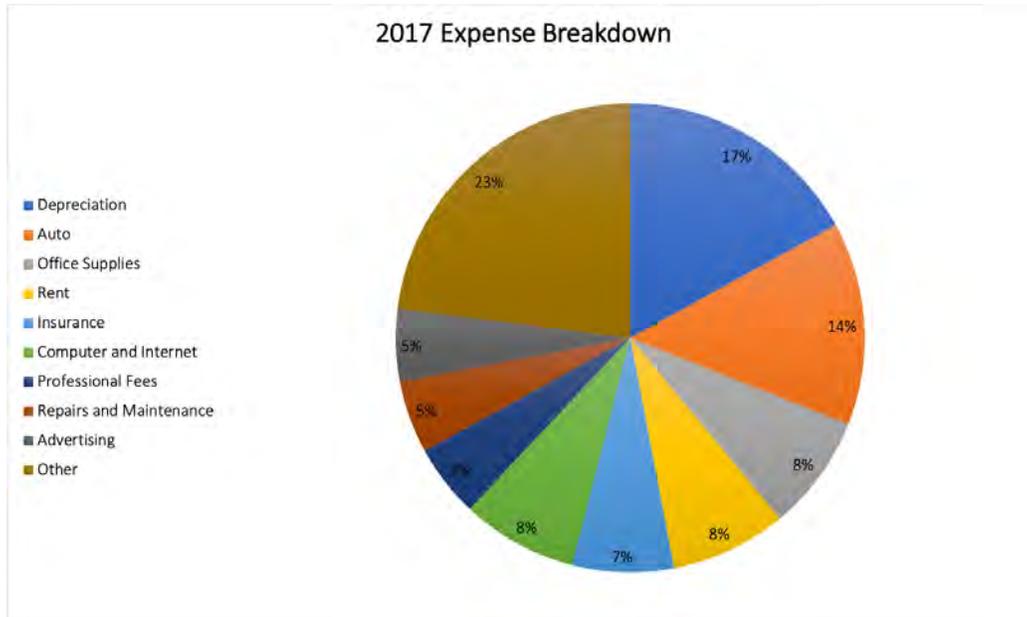


A breakdown of all expenses that represented at least 5% of total expenses in 2018:

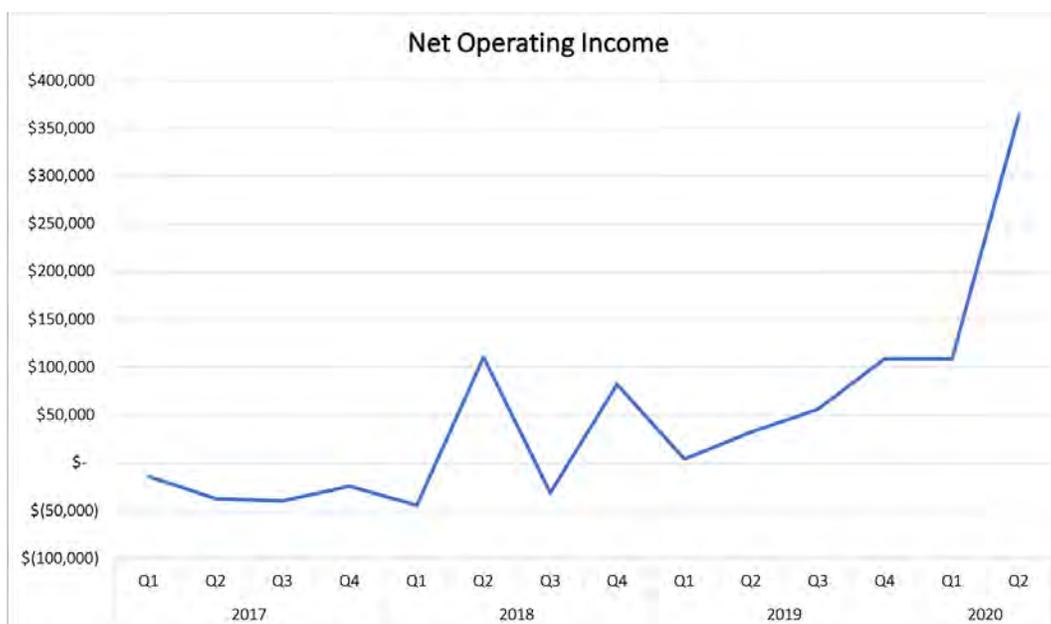




A breakdown of all expenses that represented at least 5% of total expenses in 2017:



In 2020 through July, Cherry Street Pharmacy has generated \$512,900 in net operating income. In all of 2019, the company generated a \$200,874 in net operating income, up from \$117,314 in 2018. In 2017, Cherry Street Pharmacy experienced a net operating loss of \$116,655. As of October 2020, the company had ~\$755,700 in cash assets.





### *Pharmaceuticals*

In 2019, the global pharmaceuticals market was worth \$1.25 trillion, with the U.S. the leading market in the industry. Emerging markets for the pharmaceuticals market include Brazil, India, Russia, Columbia, and Egypt. Additionally, the sales of drugs for autoimmune diseases and diabetes have experienced some of the largest growth in spending in recent years.<sup>v</sup> Report Linker projects the industry will be worth \$1.57 trillion by 2023, with growth fueled by growing and aging populations in key, large markets. Growth is also projected to be spurred by improving access to quality healthcare and pharmaceuticals worldwide.<sup>vi</sup>

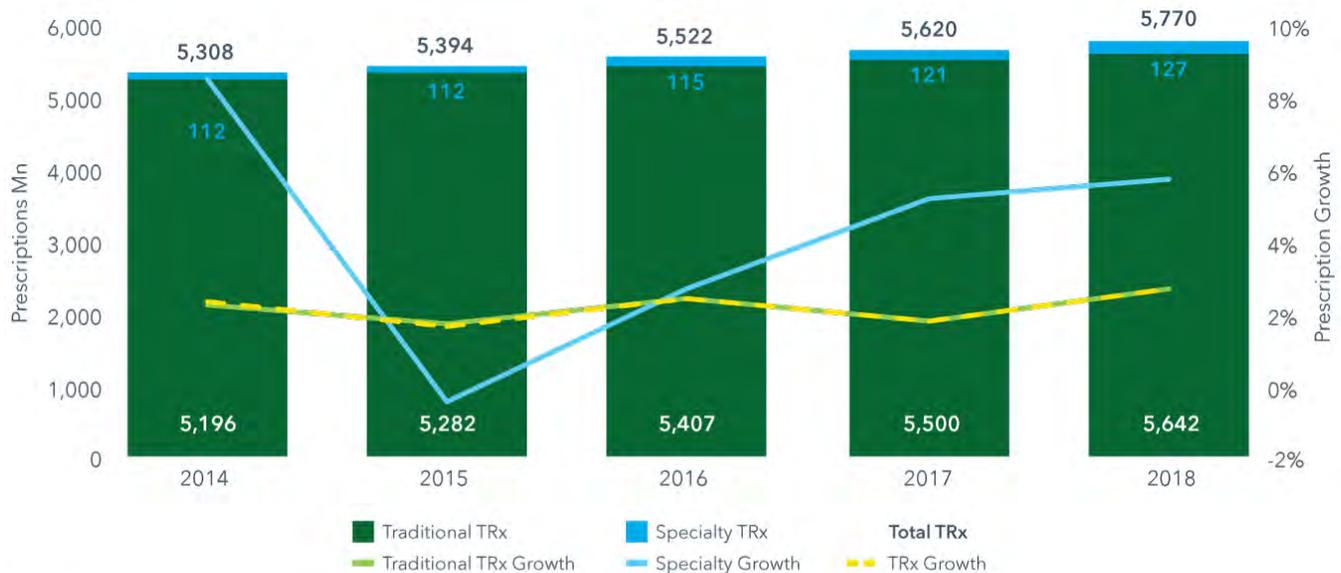
The global ePharmacy market size was worth \$42.32 billion in 2019 and is projected to reached \$107.53 billion by 2024, according to Market Data Forecast. From 2019-2024, the industry is forecast to grow at a 14.2% compound annual growth rate. The research firm reports that the growing scope of eCommerce has made it easier for ePharmacy organizations to capture customers. The U.S. is the largest segment for the ePharmacy market given the prevalence of eCommerce, reliable internet connections, and the adoption of technology and software in the medical sector.<sup>vii</sup>

American spending on prescription medication is also on the rise:

- In 2018, Americans filled 5.8 billion 30-day equivalent prescriptions, an average of 17.6 prescriptions per person, up 2.7% from 2017.<sup>viii</sup>
- Total spending on prescription medicines increased 4.5% in 2018 to reach \$344 billion, with \$47 billion coming out-of-pocket for patients.<sup>ix</sup>
- Per capita, Americans spent a total of \$1,044 on prescriptions in 2018, up 0.9% or \$10 from 2017.
- This growth in spending was mostly due to more patients receiving existing branded drugs as well as the launch of new drugs.<sup>x</sup>



## MICROVENTURES



Source: IQVIA National Prescription Audit, IQVIA Institute, Jan 2019  
Report: Medicine Use and Spending in the U.S. – A Review of 2018 and Outlook to 2023. IQVIA Institute for Human Data Science, May 2019

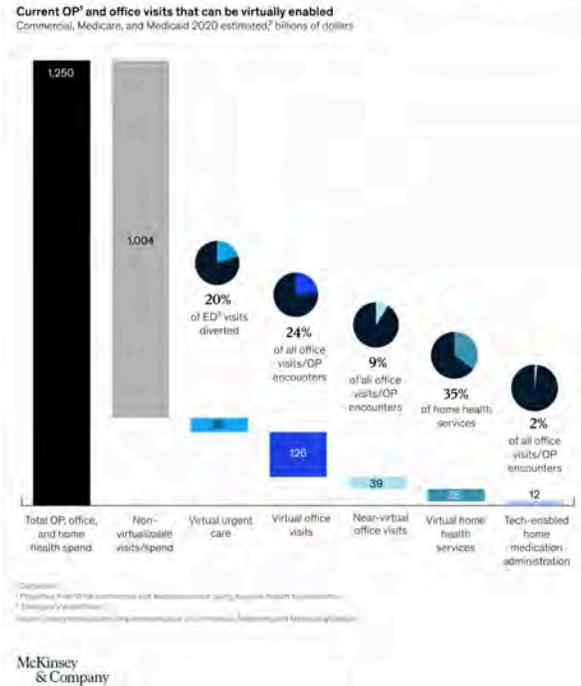
### Telehealth

The global telemedicine market size was approximately \$41 billion in 2019 and is projected to grow at a 15.1% CAGR from 2020 to 2027. The market is divided into three general concepts: real-time synchronous telemedicine, store and forward asynchronous telemedicine, and other patient monitoring, home-based telemedicine methods. North American is the largest market globally, with the region expected to grow at a similar rate due to rising healthcare awareness and acceptance of cloud technologies. The mobile-based delivery model segment is expected to witness significant growth due to rising smartphone penetration and other factors.<sup>xi</sup>

The COVID-19 pandemic has caused a significant acceleration in the use of telehealth. Consumer adoption has quickly jumped from 11% of U.S. consumers using telehealth in 2019 to 46% in 2020. Accordingly, providers have scaled their offerings and are now seeing between 50 to 175 times the number of patients from telehealth than they did previously. Both consumers and providers alike are more interested in using telehealth moving forward. In fact, McKinsey recently reported that given the current trends of consumer and provider adoption of telehealth, as well as the extension of services telehealth can provide, up to \$250 billion of current U.S. healthcare spend could be virtualized.<sup>xii</sup>



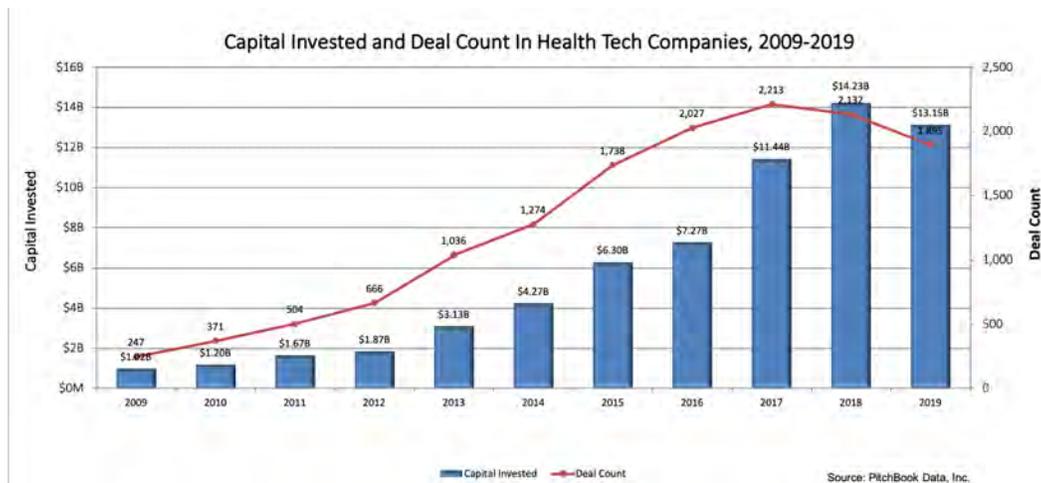
Approximately \$250 billion—or ~20%—of all Medicare, Medicaid, and Commercial OP, office, and home health spend, could potentially be virtualized.



Venture Capital Financings

Highlights from venture capital financings into health tech companies from 2009 to 2019 include:<sup>xiii</sup>

- Capital invested totaled \$13.15 billion in 2019, down from 2018, where it peaked at \$14.23 billion
- Deal count was also down in 2019, totaling 1,895 deals from 2,132 deals in 2018
- Deal count peaked in 2017, with 2,213 total deals
- From 2009 to 2019, there was over \$65.5 billion invested across more than 14,100 deals in health tech companies





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COMPETITORS

**CVS Health (NYSE: CVS):** CVS Health is an American healthcare company that provides a range of healthcare services including retail pharmacy, pharmacy benefits management, clinical, specialty pharmacy, and digital services. The company has more than 9,900 retail pharmacy locations across the U.S. that enable patients to pick up their prescriptions and interact with pharmacists.<sup>xiv</sup> In May 2020, CVS partnered with Nuro, the autonomous vehicle startup, to deliver prescriptions and other products to CVS Pharmacy customers.<sup>xv</sup> In 2019, the company filled 1.4 billion prescriptions<sup>xvi</sup> and earned \$141.49 billion in revenue from its pharmacy services segment.<sup>xvii</sup>

**Walmart (NYSE: WMT):** Founded in 1962, Walmart is a multi-national retail corporation that operates a chain of department stores. The company also offers eCommerce purchasing options for customers who prefer to order online. In addition to its broader selection, customers can also access Walmart Pharmacy in-store or via their mobile application to refill and pickup their prescription. Additionally, patients can get flu shots and other immunizations at the Walmart Pharmacy. In 2019, Walmart generated \$523.9 billion in revenue.<sup>xviii</sup>

**Walgreens Boots Alliance (NASDAQ: WBA):** Chicago-based Walgreens Boots Alliance is an American holding company that owns Walgreens and a number of other pharmaceutical manufacturing, wholesale, and distribution companies. Customers can pick up household and grocery items, as well as their prescription at Walgreens pharmacy locations. Walgreens also has a free mobile app and a website, where patients can schedule appointments, chat with pharmacists, check on the status of their prescription, and more.<sup>xix</sup> In 2019, the company earned \$136.9 billion in sales.<sup>xx</sup>

**PharMerica:** PharMerica provides pharmacy services across a range of segments including long-term care, hospital pharmacy management services, specialty home infusion and oncology pharmacy markets. PharMerica partners with these senior communities to deliver medication dispensing, delivery, pharmacist access, and over-the-counter drugs to residents. The institutional pharmacy company works with more than 100 long-term care pharmacies nationally and reached nearly \$2 billion in annual revenues.<sup>xxi</sup> In December 2017, the company was acquired by a newly-formed company that is controlled by KKR.<sup>xxii</sup>

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EXECUTIVE TEAM



**Dr. Wenbo Liu, Founder and CEO:** Wenbo founded Cherry Street Pharmacy in 2017 after a career in clinical pharmacy. Before founding the company, he worked in the Walmart specialty pharmacy program, where he led a variety of efforts, including the development of the specialty pharmacy program and its expansion to multiple states. At Cherry Street Pharmacy, he has led, developed, and coordinated pharmacy operations and services at the company, in addition to other strategic initiatives. Wenbo holds a BS degree in Biochemistry and Molecular Biophysics from the University of Arizona and a Doctor of Pharmacy degree from the University of Hawaii.

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PAST FINANCING

To date, Cherry Street Pharmacy has not raised any outside equity capital.



**Security Type:** Crowd Note

**Round Size:** Min: \$25,000 Max: \$1,070,000

**Discount Rate:** 20%

**Valuation Cap:** \$13,000,000 or \$15,000,000

**Conversion Provisions:** In connection with equity financing of at least \$1,000,000, the Company has the option to convert the Crowd Note into non-voting preferred stock (Conversion Shares) at a price based on the lower of (A) a 20% discount to the price per share for Preferred Stock by investors in the Qualified Equity Financing or (B) the price per share paid on a \$13,000,000 or \$15,000,000 valuation cap. Please refer to the Crowd Note for a complete description of the terms of the Crowd Note, including the conversion provisions.

**Transaction Type:** Primary

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RISKS

Investment Risk

***An investment in the company is speculative, and as such is not suitable for anyone without a high tolerance for risk and a low need for liquidity. You should invest only if you are able to bear the risk of losing your entire investment.*** There can be no assurance that that investors will receive any return of capital or profit. Investors should have the financial ability and willingness to accept the risks (including, among other things, the risk of loss of their entire investment and the risks of lack of liquidity) that are characteristic of private placement investments. There will be no public market for the securities being offered, applicable securities laws will restrict any transfer of the securities, and the securities will not be transferable without the company's consent.

The information provided herein is not intended to be, nor should it be construed or used as, investment, tax or legal advice, a recommendation to purchase, or an offer to sell securities of the company. You should rely on the offering statement and documents attached as exhibits to the offering statement when making any investment decision. An investment in the company is not suitable for all investors.

Company Risk

The company's industry is highly competitive, and the company may not be able to compete effectively against the other businesses in its industry. The company is subject to a number of significant risks that could result in a reduction in its value and the value of the company securities, potentially including, but not limited to:

- Rapidly changing consumer preferences and market trends,
- Inability to expand and maintain market acceptance for the company's services and products,
- Inability to gain access to international markets and comply with all applicable local laws and regulations,
- Inability to achieve management's projections for growth, to maintain or increase historical rates of growth, to achieve growth based on past or current trends, or to effectively manage rapid growth,
- Inability to develop, maintain and expand successful marketing relationships, affiliations, joint ventures and partnerships that may be needed to continue and accelerate the company's growth and market penetration,
- Inability to keep pace with rapid industry, technological and market changes that could affect the company's services, products and business,



- Technological problems, including potentially widespread outages and disruptions in Internet and mobile commerce,
- Potential costs and business disruption that may result if the company's customers complain or assert claims regarding the company's technology,
- Failure to adequately address data security and privacy concerns in compliance with U.S. and international laws, rules and policies,
- Performance issues arising from infrastructure changes, human or software errors, website or third-party hosting disruptions, network disruptions or capacity constraints due to a number of potential causes including technical failures, cyber-attacks, security vulnerabilities, natural disasters or fraud,
- Inability to adequately secure and protect intellectual property rights,
- Potential claims and litigation against the company for infringement of intellectual property rights and other alleged violations of law,
- Difficulties in complying with applicable laws and regulations, and potential costs and business disruption if the company becomes subject to claims and litigation for legal non-compliance,
- Changes in laws and regulations materially affecting the company's business,
- Liability risks and labor costs and requirements that may jeopardize the company's business,
- Dependence on and inability to hire or retain key members of management and a qualified workforce,
- Ongoing need for substantial additional capital to support operations, to finance expansion and/or to maintain competitive position,
- Issuance of additional company equity securities at prices dilutive to existing equity holders,
- Potential significant and unexpected declines in the value of company equity securities, including prior to, during, and after an initial public offering, and
- Inability of the company to complete an initial public offering of its securities, merger, buyout or other liquidity event.

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<sup>i</sup> <https://www.drugtopics.com/view/look-ahead-what-expect-pharmacy-landscape-2020>

<sup>ii</sup> [https://www.bakersfield.com/opinion/community-voices-bringing-more-health-care-providers-to-the-valley/article\\_5c30bbf2-8b0c-11ea-961e-0bd90b57b5bf.html](https://www.bakersfield.com/opinion/community-voices-bringing-more-health-care-providers-to-the-valley/article_5c30bbf2-8b0c-11ea-961e-0bd90b57b5bf.html)

<sup>iii</sup> [https://www.bakersfield.com/opinion/community-voices-bringing-more-health-care-providers-to-the-valley/article\\_5c30bbf2-8b0c-11ea-961e-0bd90b57b5bf.html](https://www.bakersfield.com/opinion/community-voices-bringing-more-health-care-providers-to-the-valley/article_5c30bbf2-8b0c-11ea-961e-0bd90b57b5bf.html)

<sup>iv</sup> <https://www.mobihealthnews.com/news/uber-health-launches-prescription-delivery-service-nimblex>

<sup>v</sup> <https://www.statista.com/statistics/263102/pharmaceutical-market-worldwide-revenue-since-2001/>

<sup>vi</sup> <https://www.reportlinker.com/p05750669/Global-Pharmaceuticals-Industry-Analysis-and-Trends.html>

<sup>vii</sup> <https://www.marketdataforecast.com/market-reports/global-e-pharmacy-market>

<sup>viii</sup> <https://www.healthpopuli.com/2019/05/09/iqvia-on-rx-spending-2018-2023/>

<sup>ix</sup> <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/Downloads/ForecastSummary.pdf>

<sup>x</sup> <https://www.healthpopuli.com/2019/05/09/iqvia-on-rx-spending-2018-2023/>

<sup>xi</sup> <https://www.grandviewresearch.com/industry-analysis/telemedicine-industry>

<sup>xii</sup> <https://www.mckinsey.com/industries/healthcare-systems-and-services/our-insights/telehealth-a-quarter-trillion-dollar-post-covid-19-reality>

<sup>xiii</sup> Pitchbook Data, Inc; Downloaded on June 22, 2020

<sup>xiv</sup> <https://cvshealth.com/about/our-offerings/cvs-pharmacy>

<sup>xv</sup> <https://cvshealth.com/news-and-insights/press-releases/nuro-securely-deliver-cvs-pharmacy-prescriptions-autonomous>



**MICROVENTURES**

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<sup>xvi</sup> <https://cvshealth2019inreview.com/>

<sup>xvii</sup> [https://s2.q4cdn.com/447711729/files/doc\\_financials/2019/annual/FINAL-CVS-AR-bookmarked.pdf](https://s2.q4cdn.com/447711729/files/doc_financials/2019/annual/FINAL-CVS-AR-bookmarked.pdf)

<sup>xviii</sup> <http://d18rn0p25nwr6d.cloudfront.net/CIK-0000104169/af5415d9-0e07-4ba1-a6cc-bb3058a7f4e8.pdf>

<sup>xix</sup> <https://www.walgreens.com/>

<sup>xx</sup> <https://investor.walgreensbootsalliance.com/news-and-events/financial-news/financial-news-details/2019/Walgreens-Boots-Alliance-Reports-Fiscal-Year-2019-Results-in-Line-with-Guidance/>

<sup>xxi</sup> <https://www.linkedin.com/company/pharmerica/about/>

<sup>xxii</sup> <https://www.businesswire.com/news/home/20171207005802/en/KKR-Completes-Acquisition-PharMerica>

**EXHIBIT C**

*Subscription Agreement*

## *Subscription Agreement*

THE SECURITIES ARE BEING OFFERED PURSUANT TO SECTION 4(A)(6) OF THE SECURITIES ACT OF 1933 (THE "SECURITIES ACT") AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE OR ANY OTHER JURISDICTION. THERE ARE FURTHER RESTRICTIONS ON THE TRANSFERABILITY OF THE SECURITIES DESCRIBED HEREIN.

THE PURCHASE OF THE SECURITIES INVOLVES A HIGH DEGREE OF RISK AND SHOULD BE CONSIDERED ONLY BY PERSONS WHO CAN BEAR THE RISK OF THE LOSS OF THEIR ENTIRE INVESTMENT.

Ace Care Pharmacy Management and Consulting Inc.  
1028 N. Cherry Street  
Tulare, California 93274

Ladies and Gentlemen:

The undersigned understands that Ace Care Pharmacy Management and Consulting Inc., a Corporation organized under the laws of California (the "Company"), is offering up to \$1,070,000.00 of Crowd Note (the "Securities") in a Regulation CF Offering. This Offering is made pursuant to the Form C, dated October 15, 2020 (the "Form C"). The undersigned further understands that the Offering is being made pursuant to Section 4(a)(6) of the Securities Act and Regulation CF under the JOBS Act of 2012 and without registration of the Securities under the Securities Act of 1933, as amended (the "Securities Act").

**1. Subscription.** Subject to the terms and conditions hereof and the provisions of the Form C/A, the undersigned hereby irrevocably subscribes for the Securities set forth on the signature page hereto for the aggregate purchase price set forth on the signature page hereto, which is payable as described in Section 4 hereof. The undersigned acknowledges that the Securities will be subject to restrictions on transfer as set forth in this subscription agreement (the "Subscription Agreement").

**2. Acceptance of Subscription and Issuance of Securities.** It is understood and agreed that the Company shall have the sole right, at its complete discretion, to accept or reject this subscription, in whole or in part, for any reason and that the same shall be deemed to be accepted by the Company only when it is signed by a duly authorized officer of the Company and delivered to the undersigned at the Closing referred to in Section 3 hereof. Subscriptions need not be accepted in the order received, and the Securities may be allocated among subscribers.

**3. The Closing.** The closing of the purchase and sale of the Securities (the "Closing") shall take place at 11:59 pm Pacific Time on January 11, 2021, or at such other time and place as the Company may designate by notice to the undersigned.

**4. Payment for Securities.** Payment for the Securities shall be received by Evolve Bank and Trust (the "Escrow Agent") from the undersigned of immediately available funds or other means approved by the Company at least two days prior to the Closing, in the amount as set forth on the signature page hereto. Upon the Closing, the Escrow Agent shall release such funds to the Company. The undersigned shall receive notice and evidence of the entry of the number of the

Securities owned by undersigned reflected on the books and records of the Company, which shall bear a notation that the Securities were sold in reliance upon an exemption from registration under the Securities Act.

**5. Representations and Warranties of the Company.** As of the Closing, the Company represents and warrants that:

a) The Company is duly formed and validly existing under the laws of Delaware, with full power and authority to conduct its business as it is currently being conducted and to own its assets; and has secured any other authorizations, approvals, permits and orders required by law for the conduct by the Company of its business as it is currently being conducted.

b) The Securities have been duly authorized and, when issued, delivered and paid for in the manner set forth in this Subscription Agreement, will be validly issued, fully paid and nonassessable, and will conform in all material respects to the description thereof set forth in the Form C/A.

c) The execution and delivery by the Company of this Subscription Agreement and the consummation of the transactions contemplated hereby (including the issuance, sale and delivery of the Securities) are within the Company's powers and have been duly authorized by all necessary corporate action on the part of the Company. Upon full execution hereof, this Subscription Agreement shall constitute a valid and binding agreement of the Company, enforceable against the Company in accordance with its terms, except (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies and (iii) with respect to provisions relating to indemnification and contribution, as limited by considerations of public policy and by federal or securities, "blue sky" or other similar laws of such jurisdiction (collectively referred to as the "State Securities Laws").

d) Assuming the accuracy of the undersigned's representations and warranties set forth in Section 6 hereof, no order, license, consent, authorization or approval of, or exemption by, or action by or in respect of, or notice to, or filing or registration with, any governmental body, agency or official is required by or with respect to the Company in connection with the execution, delivery and performance by the Company of this Subscription Agreement except (i) for such filings as may be required under Regulation CF promulgated under the Securities Act, or under any applicable State Securities Laws, (ii) for such other filings and approvals as have been made or obtained, or (iii) where the failure to obtain any such order, license, consent, authorization, approval or exemption or give any such notice or make any filing or registration would not have a material adverse effect on the ability of the Company to perform its obligations hereunder.

**6. Representations and Warranties of the Undersigned.** The undersigned hereby represents and warrants to and covenants with the Company that:

***a) General.***

i. The undersigned has all requisite authority (and in the case of an individual, the capacity) to purchase the Securities, enter into this Subscription Agreement and to perform all the obligations required to be performed by the undersigned hereunder, and such purchase will not contravene any law, rule or regulation binding on the undersigned or any investment guideline or restriction applicable to the undersigned.

- ii. The undersigned is a resident of the state set forth on the signature page hereto and is not acquiring the Securities as a nominee or agent or otherwise for any other person.
- iii. The undersigned will comply with all applicable laws and regulations in effect in any jurisdiction in which the undersigned purchases or sells Securities and obtain any consent, approval or permission required for such purchases or sales under the laws and regulations of any jurisdiction to which the undersigned is subject or in which the undersigned makes such purchases or sales, and the Company shall have no responsibility therefor.
- iv. Including the amount set forth on the signature page hereto, in the past twelve (12) month period, the undersigned has not exceeded the investment limit as set forth in Rule 100(a)(2) of Regulation CF.

***b) Information Concerning the Company.***

- i. The undersigned has received a copy of the Form C/A. With respect to information provided by the Company, the undersigned has relied solely on the information contained in the Form C/A to make the decision to purchase the Securities.
- ii. The undersigned understands and accepts that the purchase of the Securities involves various risks, including the risks outlined in the Form C/A and in this Subscription Agreement. The undersigned represents that it is able to bear any and all loss associated with an investment in the Securities.
- iii. The undersigned confirms that it is not relying and will not rely on any communication (written or oral) of the Company, MicroVenture Marketplace Inc., or any of their respective affiliates, as investment advice or as a recommendation to purchase the Securities. It is understood that information and explanations related to the terms and conditions of the Securities provided in the Form C/A or otherwise by the Company, MicroVenture Marketplace Inc. or any of their respective affiliates shall not be considered investment advice or a recommendation to purchase the Securities, and that neither the Company, MicroVenture Marketplace Inc. nor any of their respective affiliates is acting or has acted as an advisor to the undersigned in deciding to invest in the Securities. The undersigned acknowledges that neither the Company, MicroVenture Marketplace Inc. nor any of their respective affiliates have made any representation regarding the proper characterization of the Securities for purposes of determining the undersigned's authority or suitability to invest in the Securities.
- iv. The undersigned is familiar with the business and financial condition and operations of the Company, all as generally described in the Form C/A. The undersigned has had access to such information concerning the Company and the Securities as it deems necessary to enable it to make an informed investment decision concerning the purchase of the Securities.
- v. The undersigned understands that, unless the undersigned notifies the Company in writing to the contrary at or before the Closing, each of the undersigned's representations and warranties contained in this Subscription Agreement will be deemed to have been reaffirmed and confirmed as of the Closing, taking into account all information received by the undersigned.
- vi. The undersigned acknowledges that the Company has the right in its sole and absolute discretion to abandon this Offering at any time prior to the completion of the Offering. This Subscription Agreement shall thereafter have no force or effect and the Company shall return any previously paid subscription price of the Securities, without interest thereon, to the undersigned.

vii. The undersigned understands that no federal or state agency has passed upon the merits or risks of an investment in the Securities or made any finding or determination concerning the fairness or advisability of this investment.

***c) No Guaranty.***

i. The undersigned confirms that the Company has not (A) given any guarantee or representation as to the potential success, return, effect or benefit (either legal, regulatory, tax, financial, accounting or otherwise) an of investment in the Securities or (B) made any representation to the undersigned regarding the legality of an investment in the Securities under applicable legal investment or similar laws or regulations. In deciding to purchase the Securities, the undersigned is not relying on the advice or recommendations of the Company and the undersigned has made its own independent decision that the investment in the Securities is suitable and appropriate for the undersigned.

***d) Status of Undersigned.***

i. The undersigned has such knowledge, skill and experience in business, financial and investment matters that the undersigned is capable of evaluating the merits and risks of an investment in the Securities. With the assistance of the undersigned's own professional advisors, to the extent that the undersigned has deemed appropriate, the undersigned has made its own legal, tax, accounting and financial evaluation of the merits and risks of an investment in the Securities and the consequences of this Subscription Agreement. The undersigned has considered the suitability of the Securities as an investment in light of its own circumstances and financial condition and the undersigned is able to bear the risks associated with an investment in the Securities and its authority to invest in the Securities.

***e) Restrictions on Transfer or Sale of Securities.***

i. The undersigned is acquiring the Securities solely for the undersigned's own beneficial account, for investment purposes, and not with a view to, or for resale in connection with, any distribution of the Securities. The undersigned understands that the Securities have not been registered under the Securities Act or any State Securities Laws by reason of specific exemptions under the provisions thereof which depend in part upon the investment intent of the undersigned and of the other representations made by the undersigned in this Subscription Agreement. The undersigned understands that the Company is relying upon the representations and agreements contained in this Subscription Agreement (and any supplemental information) for the purpose of determining whether this transaction meets the requirements for such exemptions.

ii. The undersigned understands that the Securities are restricted from transfer for a period of time under applicable federal securities laws and that the Securities Act and the rules of the U.S. Securities and Exchange Commission (the "Commission") provide in substance that the undersigned may dispose of the Securities only pursuant to an effective registration statement under the Securities Act, an exemption therefrom or as further described in Rule 501 of Regulation CF, after which certain state restrictions may apply. The undersigned understands that the Company has no obligation or intention to register any of the Securities, or to take action so as to permit sales pursuant to the Securities Act. Even when the Securities become freely transferrable, a secondary market in the Securities may not develop. Consequently, the undersigned understands that the undersigned must bear the economic risks of the investment in the Securities for an indefinite period of time.

iii. The undersigned agrees: (A) that the undersigned will not sell, assign, pledge, give, transfer or otherwise dispose of the Securities or any interest therein, or make any offer or attempt to do any of the foregoing, except pursuant to Rule 501 of Regulation CF.

**7. Conditions to Obligations of the Undersigned and the Company.** The obligations of the undersigned to purchase and pay for the Securities specified on the signature page hereto and of the Company to sell the Securities are subject to the satisfaction at or prior to the Closing of the following conditions precedent: the representations and warranties of the Company contained in Section 5 hereof and of the undersigned contained in Section 6 hereof shall be true and correct as of the Closing in all respects with the same effect as though such representations and warranties had been made as of the Closing.

**8. Obligations Irrevocable.** Following the Closing, the obligations of the undersigned shall be irrevocable.

**9. Legend.** The certificates, book entry or other form of notation representing the Securities sold pursuant to this Subscription Agreement will be notated with a legend or designation, which communicates in some manner that the Securities were issued pursuant to Section 4(a)(6) of the Securities Act and may only be resold pursuant to Rule 501 of Regulation CF.

**10. Waiver, Amendment.** Neither this Subscription Agreement nor any provisions hereof shall be modified, changed, discharged or terminated except by an instrument in writing, signed by the party against whom any waiver, change, discharge or termination is sought.

**11. Assignability.** Neither this Subscription Agreement nor any right, remedy, obligation or liability arising hereunder or by reason hereof shall be assignable by either the Company or the undersigned without the prior written consent of the other party.

**12. Waiver of Jury Trial.** THE UNDERSIGNED IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY WITH RESPECT TO ANY LEGAL PROCEEDING ARISING OUT OF THE TRANSACTIONS CONTEMPLATED BY THIS SUBSCRIPTION AGREEMENT.

**13. Dispute Resolution.**

**a) General Rule.**

Any dispute under this Subscription Agreement will be resolved through arbitration, not through the court system. All arbitration will be conducted in the State where the executive office of the Company is located at such time, unless both parties agree otherwise in writing in a specific case. All arbitration will be conducted before a single arbitrator in following the rules of the American Arbitration Association. Except as required by law, neither a party nor the arbitrator may disclose the existence, content or results of any arbitration without the prior written consent of the other parties.

**b) Appeal of Award.**

Within thirty days of a final award by the single arbitrator, either party may appeal the award for reconsideration by a three-arbitrator panel. If there is an appeal, the other party

may cross-appeal within thirty days after notice of the appeal. The panel will reconsider all aspects of the initial award that are appealed, including related findings of fact.

**c) Effect of Award.**

Any award by the individual arbitrator that is not subject to appeal, and any panel award on appeal, shall be final and binding, except for any appeal right under the Federal Arbitration Act, and may be entered as a judgment in any court of competent jurisdiction.

**d) No Class Action Claims.**

NO ARBITRATION SHALL PROCEED ON A CLASS, REPRESENTATIVE, OR COLLECTIVE BASIS. No party may join, consolidate, or otherwise bring claims for or on behalf of two or more individuals or unrelated corporate entities in the same arbitration unless those persons are parties to a single transaction. An award in arbitration shall determine the rights and obligations of the named parties only, and only with respect to the claims in arbitration, and shall not (i) determine the rights, obligations, or interests of anyone other than a named party, or resolve any claim of anyone other than a named party, or (ii) make an award for the benefit of, or against, anyone other than a named party. No administrator or arbitrator shall have the power or authority to waive, modify, or fail to enforce this paragraph, and any attempt to do so, whether by rule, policy, and arbitration decision or otherwise, shall be invalid and unenforceable. Any challenge to the validity of this paragraph shall be determined exclusively by a court and not by the administrator or any arbitrator. If this paragraph shall be deemed unenforceable, then any proceeding in the nature of a class action shall be handled in court, not in arbitration.

**14. Governing Law.** This Subscription Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to conflict of law principles thereof.

**15. Section and Other Headings.** The section and other headings contained in this Subscription Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Subscription Agreement.

**16. Counterparts.** This Subscription Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which together shall be deemed to be one and the same agreement.

**17. Notices.** All notices and other communications provided for herein shall be in writing and shall be deemed to have been duly given if delivered personally or sent by registered or certified mail, return receipt requested, postage prepaid or email to the following addresses (or such other address as either party shall have specified by notice in writing to the other):

|                             |  |
|-----------------------------|--|
| <b>If to the Company:</b>   | 1028 N. Cherry Street, Tulare, California 93274<br>Attention: Wenbo Liu                              |
| <b>with a copy to:</b>      | 1050 Connecticut Avenue, NW Suite 500<br>Washington, DC 20036<br>Attention: Louis A. Bevilacqua Esq. |
| <b>If to the Purchaser:</b> | [PURCHASER ADDRESS]<br>[E-MAIL ADDRESS]  |

**18. Binding Effect.** The provisions of this Subscription Agreement shall be binding upon and accrue to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns.

**19. Survival.** All representations, warranties and covenants contained in this Subscription Agreement shall survive (i) the acceptance of the subscription by the Company, (ii) changes in the transactions, documents and instruments described in the Form C/A which are not material or which are to the benefit of the undersigned and (iii) the death or disability of the undersigned.

**20. Notification of Changes.** The undersigned hereby covenants and agrees to notify the Company upon the occurrence of any event prior to the closing of the purchase of the Securities pursuant to this Subscription Agreement, which would cause any representation, warranty, or covenant of the undersigned contained in this Subscription Agreement to be false or incorrect.

**21. Severability.** If any term or provision of this Subscription Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Subscription Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, the undersigned has executed this Subscription Agreement this [DAY] OF [MONTH], [YEAR].

|                                      |
|--------------------------------------|
| <b>PURCHASER (if an individual):</b> |
| By _____<br>Name:                    |

|                                  |
|----------------------------------|
| <b>PURCHASER (if an entity):</b> |
| _____<br>Legal Name of Entity    |
| By _____<br>Name:<br>Title:      |

State/Country of Domicile or Formation: \_\_\_\_\_

The offer to purchase Securities as set forth above is confirmed and accepted by the Company as to [amount of Securities to be acquired by Purchaser] for [total amount to be paid by Purchaser].

|   |
|---|
| <b>Ace Care Pharmacy Management and Consulting Inc.</b> |
| By _____<br>Name:<br>Title:                             |

**EXHIBIT D**

*Crowd Notes*

THIS INSTRUMENT AND THE SECURITIES ISSUABLE UPON THE CONVERSION HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"). THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, HYPOTHECATED, OR OTHERWISE TRANSFERRED EXCEPT IN COMPLIANCE WITH THE ACT. FOR ONE YEAR FROM THE DATE OF THIS INSTRUMENT, SECURITIES SOLD IN RELIANCE ON REGULATION CROWDFUNDING UNDER THE ACT MAY ONLY BE TRANSFERRED TO THE COMPANY, TO AN "ACCREDITED INVESTOR" WITHIN THE MEANING OF RULE 501 OF REGULATION D UNDER THE ACT, AS PART OF AN OFFERING REGISTERED UNDER THE SECURITIES ACT WITH THE SEC, OR TO A MEMBER OF INVESTOR'S FAMILY OR THE EQUIVALENT, TO A TRUST CONTROLLED BY THE INVESTOR, TO A TRUST CREATED FOR THE BENEFIT OF A MEMBER OF THE FAMILY OF THE INVESTOR OR EQUIVALENT, OR IN CONNECTION WITH THE DEATH OR DIVORCE OF THE INVESTOR OR OTHER SIMILAR CIRCUMSTANCE. THE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SEC, ANY STATE SECURITIES COMMISSION OR OTHER REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON THE MERITS OF THIS OFFERING OR THE ADEQUACY OR ACCURACY OF THE SUBSCRIPTION AGREEMENT OR ANY OTHER MATERIALS OR INFORMATION MADE AVAILABLE TO INVESTOR IN CONNECTION WITH THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

## **Ace Care Pharmacy Management and Consulting Inc.**

### **CROWD NOTE**

FOR VALUE RECEIVED, Ace Care Pharmacy Management and Consulting Inc. (the "**Company**"), hereby promises to pay to each investor (the "**Investor**") who is recorded in MicroVenture Marketplace Inc., (the "**Platform**") records as having subscribed to this security (the "**Crowd Note**") the principal sum of his/her subscription (the "**Purchase Price**") unless converted into equity securities pursuant to Section 2.

The "**Valuation Cap**" is \$13 million.

The "**Discount**" is 20%.

The "**Offering Deadline**" is January 11, 2021.

#### **1. Definitions.**

- a. "**Conversion Shares**" shall mean with respect to a conversion pursuant to Section 2, shares of the Company's preferred stock issued in the Qualified Equity Financing.
- b. "**Conversion Price**" with respect to a conversion pursuant to Section 2 shall equal the lower of (A) the product of (1) one minus any applicable Discount and (2) the price paid per share for preferred stock by the investors in the Qualified Equity Financing, or (B) the quotient resulting from dividing (1) the Valuation Cap by (2) the Fully-Diluted Capitalization immediately prior to the closing of the Qualified Equity Financing.
- c. "**Corporate Transaction**" shall mean:
  - i. the closing of the sale, transfer or other disposition of all or substantially all of the Company's assets,
  - ii. the consummation of the merger or consolidation of the Company with or into another entity (except a merger or consolidation in which the holders of capital stock of the Company immediately prior to such merger or consolidation continue to hold at least 50% of the voting power of the capital stock of the Company or the surviving or acquiring entity),

- iii. the closing of the transfer (whether by merger, consolidation or otherwise), in one transaction or a series of related transactions, to a person or group of affiliated persons (other than an underwriter of the Company's securities), of the Company's securities if, after such closing, such person or group of affiliated persons would hold 50% or more of the outstanding voting stock of the Company (or the surviving or acquiring entity), or
  - iv. the IPO, liquidation, dissolution or winding up of the Company; provided, however, that a transaction shall not constitute a Corporate Transaction if its sole purpose is to change the state of the Company's incorporation or to create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately prior to such transaction.
- d. **"Corporate Transaction Payment"** shall mean an amount equal to two times (2X) the Purchase Price. If there are not enough funds to pay the Investors in full, then proceeds from the respective transaction will be distributed with equal priority and pro rata among Investors in proportion to their Purchase Price.
- e. **"Date of Issuance"** shall mean the date upon which the Investor subscription is recorded in the Platform's records as having been accepted by the Company at the date of closing.
- f. **"Fully-Diluted Capitalization"** shall mean the number of shares of outstanding common stock of the Company on a fully-diluted basis, including (i) conversion or exercise of all securities convertible into or exercisable for common stock, (ii) exercise of all outstanding options and warrants to purchase common stock, and, in the case of Section 1(b), (iii) the shares reserved or authorized for issuance under the Company's existing stock option plan or any stock option plan created or increased in connection with such transaction; but excluding, for this purpose, the conversion contemplated by the applicable provision of Section 2.
- g. **"Irrevocable Proxy"** shall mean the agreement appointing the Platform or an affiliate of the Platform as the sole and exclusive attorney and proxy of the Investor, with full power of substitution and re-substitution, to vote and exercise all voting and related rights with respect to all of the securities of the Company that now are or hereafter may be beneficially owned by Investor.
- h. **"Major Investor"** shall mean any Investor in a Crowd Note in which the Purchase Price is equal to or greater than \$25,000.
- i. **"Maximum Raise Amount"** shall mean \$1,070,000 under Regulation CF.
- j. **"Outstanding Principal"** shall mean the total of the Purchase Price.
- k. **"Qualified Equity Financing"** shall mean the first sale (or series of related sales) by the Company of its preferred stock following the Date of Issuance from which the Company receives gross proceeds of not less than \$1,000,000 (excluding the aggregate amount of securities converted into preferred stock in connection with such sale or series of related sales).
- l. **"Shadow Series"** shall mean shares of a series of the Company's preferred stock that is identical in all respects to the shares of preferred stock issued in the Qualified Equity Financing (e.g., if the Company sells Series A Preferred Stock in the Qualified Equity Financing, the Shadow Series would be Series A-1 Preferred Stock), except that the

liquidation preference per share of the Shadow Series shall equal the Conversion Price (as determined pursuant to Section 2) and the following additional differences:

- i. Shadow Series shareholders shall grant their vote on any matter that is submitted to a vote or for the consent of the stockholders of the Company (except for on matters required by law) by irrevocable proxy;
  - ii. Shadow Series shareholders shall receive quarterly business updates from the company through the Platform but will have no additional information or inspection rights (except with respect to such rights which are required by law).
- m. “**Target CF Minimum**” shall mean \$25,000 raised via Regulation CF.

## 2. Conversion of the Crowd Note.

- a. **Qualified Equity Financing.** Upon the occurrence of a Qualified Equity Financing, the Crowd Note will convert into Conversion Shares pursuant to the following:
  - i. If the Investor is not a Major Investor, the Crowd Note will convert into Conversion Shares upon the earlier of (A) the Company’s election or (B) a Corporate Transaction.
  - ii. If the Investor is a Major Investor, the Company will convert the Crowd Note into Conversion Shares prior to the closing of the Qualified Equity Financing.
- b. **Conversion Mechanics.** Company shall convert the Crowd Note into Conversion Shares equal to the quotient obtained by dividing the Outstanding Principal by the Conversion Price.
  - i. The issuance of Conversion Shares pursuant to the conversion of this Crowd Note shall be upon and subject to the same terms and conditions applicable to the stock sold in the Qualified Equity Financing; provided, however, that if the Investor is not a Major Investor, the Investor shall receive shares of a Shadow Series with certain limited rights.
- c. **Corporate Transaction.** In the event of a Corporate Transaction, the Company shall notify the Investor in writing of the terms of the Corporate Transaction.
  - i. If the Corporate Transaction occurs prior to a Qualified Equity Financing, the Investor shall receive the higher value received by either:
    - A. Quotient obtained by dividing the product of (1) the Outstanding Principal and the Fully-Diluted Capitalization immediately prior to the closing of the Corporate Transaction by (2) the Valuation Cap; or
    - B. Obtaining the Corporate Transaction Payment.
  - ii. If the Corporate Transaction occurs after a Qualified Equity Financing the Company shall convert this Crowd Note into Conversion Shares pursuant to Section 2(a).
- d. **Mechanics of Conversion.** As promptly as practicable after the conversion of this Crowd Note, the Company at its expense will issue and deliver to the Investor, upon surrender of this Crowd Note, the respective number of Conversion Shares.
- e. **Note Completion.** This Crowd Note will terminate upon the earlier of: (i) a conversion of the entire Purchase Price under this Crowd Note into Conversion Shares; or (ii) the payment of amounts due to the Investor pursuant to Section 2(c).

**3. Representations and Warranties of the Company.** In connection with the transactions provided for herein, the Company hereby represents and warrants to the Investor that:

- a. **Organization, Good Standing and Qualification.** The Company is a corporation duly organized, validly existing, and in good standing and has all requisite corporate power and authority to carry on its business as now conducted. The Company is duly qualified to transact business and is in good standing in each jurisdiction in which the failure to so qualify would have a material adverse effect on its business or properties.
- b. **Authorization.** Except for the authorization and issuance of the Conversion Shares issuable in connection with a Qualified Equity Financing or a Corporate Transaction, all corporate action has been taken on the part of the Company, its officers, directors and stockholders necessary for the authorization, execution and delivery of this Crowd Note. The Company has taken all corporate action required to make all of the obligations of the Company reflected in the provisions of this Crowd Note the valid and enforceable obligations they purport to be, and this Crowd Note, when executed and delivered by the Company, shall constitute the valid and legally binding obligation of the Company, enforceable against the Company in accordance with its terms.
- c. **Offering.** Subject in part to the truth and accuracy of the Investor's representations set forth herein, the offer, sale and issuance of this Crowd Note are exempt from the registration requirements of any applicable state and federal securities laws, and neither the Company nor any authorized agent acting on its behalf will take any action hereafter that would cause the loss of such exemption.
- d. **Compliance with Other Instruments.** The execution, delivery and performance of this Crowd Note, and the consummation of the transactions contemplated hereby, will not constitute or result in a default, violation, conflict or breach in any material respect of any provision of the Company's current Certificate of Incorporation or bylaws, or in any material respect of any instrument, judgment, order, writ, decree, privacy policy or contract to which it is a party or by which it is bound, or, to its knowledge, of any provision of any federal or state statute, rule or regulation applicable to the Company.
- e. **Valid Issuance of Stock.** The Conversion Shares, when issued, sold and delivered upon conversion of this Crowd Note, will be duly authorized and validly issued, fully paid and nonassessable, will be free of restrictions on transfer other than restrictions on transfer set forth herein and pursuant to applicable state and federal securities laws and, based in part upon the representations and warranties of the Investor herein, will be issued in compliance with all applicable federal and state securities laws.
- f. **Intellectual Property.** To its knowledge, the Company owns or possesses or believes it can acquire on commercially reasonable terms sufficient legal rights to all patents, patent applications, trademarks, trademark applications, service marks, trade names, copyrights, trade secrets, licenses, domain names, mask works, information and proprietary rights and processes as are necessary to the conduct of its business as now conducted and as presently proposed to be conducted without any known conflict with, or infringement of, the rights of others. The Company has not received any communications alleging that the Company has violated or, by conducting its business, would violate any of the patents, trademarks, service marks, trade names, copyrights, trade secrets, mask works or other proprietary rights or processes of any other person.
- g. **Litigation.** To the Company's knowledge, there is no private or governmental action, suit, proceeding, claim, arbitration or investigation pending before any agency, court or tribunal, foreign or domestic, or threatened against the Company or any of its properties or any of its officers or managers (in their capacities as such). There is no judgment, decree or order against the Company,

or, to the knowledge of the Company, any of its directors or managers (in their capacities as such), that could prevent, enjoin, or materially alter or delay any of the transactions contemplated by this Crowd Note, or that could reasonably be expected to have a material adverse effect on the Company.

**4. Representations and Warranties of the Investor.** In connection with the transactions provided for herein, the Investor hereby represents and warrants to the Company that:

- a. **Authorization.** This Crowd Note constitutes Investor's valid and legally binding obligation, enforceable in accordance with its terms, except as may be limited by (i) applicable bankruptcy, insolvency, reorganization, or similar laws relating to or affecting the enforcement of creditors' rights and (ii) laws relating to the availability of specific performance, injunctive relief or other equitable remedies.
- b. **Purchase Entirely for Own Account.** Investor acknowledges that this Crowd Note is issued to Investor in reliance upon Investor's representation to the Company that the Crowd Note will be acquired for investment for Investor's own account.
- c. **Required Information.** The Investor acknowledges they have received all the information necessary or appropriate for deciding whether to invest in this Crowd Note, and the Investor represents that the Investor has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of this instrument and the underlying securities and to obtain any additional information necessary to verify the accuracy of the information provided.
- d. **Reliance on Advice.** The Investor acknowledges that they are not relying on the advice or recommendations of the Company or MicroVenture Marketplace Inc., or the affiliates of either, and the Investor has made its own independent decision that an investment in this instrument and the underlying securities is suitable and appropriate.
- e. **Federal or State Agencies.** The Investor acknowledges that no federal or state agency has passed upon the merits or risks of an investment in this instrument and the underlying securities or made any finding or determination concerning the fairness or advisability of this investment.
- f. **Voting and Inspection Rights.** The Investor acknowledges that if they are not a Major Investor they shall have limited voting, information and inspection rights.
- g. **No Public Market.** The Investor acknowledges that no public market now exists for any of the securities issued by the Company, and that the Company has made no assurances that a public market will ever exist for this instrument and the securities to be acquired by the Investor hereunder.

**5. Miscellaneous.**

- a. **Security.** This Crowd Note is a general unsecured obligation of the Company.
- b. The Investor agrees to take any and all actions determined in good faith by the Company's board of directors to be advisable to reorganize this instrument and any shares of Capital Stock issued pursuant to the terms of this instrument into a special purpose vehicle or other entity designed to aggregate the interests of holders of Crowd Notes.
- c. **Successors and Assigns.** The terms and conditions of this Crowd Note shall inure to the benefit of and be binding upon the respective successors and assigns of the parties hereto; provided, however,

that the Company may not assign its obligations under this Crowd Note without the prior written consent of the Investor.

- d. **Governing Law.** This Crowd Note shall be governed by and construed under the laws of Delaware as applied to other instruments made by Delaware residents to be performed entirely within the state of Delaware, regardless of the laws that might otherwise govern under applicable principles of conflicts of law.
- e. **Notices.** All notices and other communications given or made pursuant to this Crowd Note shall be in writing and shall be deemed effectively given upon the earlier of actual receipt or: (i) personal delivery to the party to be notified, (ii) when sent, if sent by electronic mail or facsimile during normal business hours of the recipient, and if not sent during normal business hours, then on the recipient's next business day, (iii) five days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (iv) one business day after deposit with a nationally recognized overnight courier, freight prepaid, specifying next business day delivery, with written verification of receipt.
- f. **Financing Agreements.** The Investor understands and agrees that the conversion of the Crowd Note into Conversion Shares may require the Investor's execution of certain agreements relating to the purchase and sale of such securities as well as registration, co sale, rights of first refusal, rights of first offer and voting rights, if any, relating to such securities. The Investor agrees to execute all such agreements in connection with the conversion so long as the issuance of Conversion Shares issued pursuant to the conversion of this Crowd Note are subject to the same terms and conditions applicable to the preferred stock sold in the Qualified Equity Financing (or the Shadow Series).
- g. **Severability.** If one or more provisions of this Crowd Note are held to be unenforceable under applicable law, such provision shall be excluded from this Crowd Note and the balance of the Crowd Note shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms.
- h. **Transfer of a Crowd Note.** Subject to compliance with applicable federal and state securities laws (including the restrictions described in the legends to this Crowd Note), this Crowd Note and all rights hereunder are transferable in whole or in part by the Investor to any person or entity upon written notice to the Company.
- i. **Escrow Procedures.** Investor funds can be released from escrow if (a) the Target CF Minimum is reached on or before the Offering Deadline; or (b) the Company conducts an intermediate close, subject to certain terms and conditions.
- j. **Entire Agreement; Amendments and Waivers.** This Crowd Note constitutes the full and entire understanding and agreement between the parties with regard to the subjects hereof. The Company's agreements with each Investor are separate agreements, and the sales of the Crowd Notes to each Investor are separate sales.

## 6. Dispute Resolution.

- a. **General Rule.** Any dispute under this Crowd Note will be resolved through arbitration, not through the court system. All arbitration will be conducted in the state in which the executive office of the Company is located at such time unless both parties agree otherwise in writing in a specific case. All arbitration will be conducted before a single arbitrator in following the rules of the American Arbitration Association. Except as required by law, neither a party nor the arbitrator may disclose the

existence, content or results of any arbitration without the prior written consent of the other parties.

- b. **Appeal of Award.** Within thirty days of a final award by the single arbitrator, either party may appeal the award for reconsideration by a three-arbitrator panel. If there is an appeal, the other party may cross-appeal within thirty days after notice of the appeal. The panel will reconsider all aspects of the initial award that are appealed, including related findings of fact.
- c. **Effect of Award.** Any award by the individual arbitrator that is not subject to appeal, and any panel award on appeal, shall be final and binding, except for any appeal right under the Federal Arbitration Act, and may be entered as a judgment in any court of competent jurisdiction.
- d. **No Class Action Claims.** NO ARBITRATION SHALL PROCEED ON A CLASS, REPRESENTATIVE, OR COLLECTIVE BASIS. No party may join, consolidate, or otherwise bring claims for or on behalf of two or more individuals or unrelated corporate entities in the same arbitration unless those persons are parties to a single transaction. An award in arbitration shall determine the rights and obligations of the named parties only, and only with respect to the claims in arbitration, and shall not (i) determine the rights, obligations, or interests of anyone other than a named party, or resolve any claim of anyone other than a named party, or (ii) make an award for the benefit of, or against, anyone other than a named party. No administrator or arbitrator shall have the power or authority to waive, modify, or fail to enforce this paragraph, and any attempt to do so, whether by rule, policy, and arbitration decision or otherwise, shall be invalid and unenforceable. Any challenge to the validity of this paragraph shall be determined exclusively by a court and not by the administrator or any arbitrator. If this paragraph shall be deemed unenforceable, then any proceeding in the nature of a class action shall be handled in court, not in arbitration.

7. **Approval.** The Company hereby represents that its Board of Directors, in the exercise of its fiduciary duty, has approved the Company's execution of this Crowd Note based upon a reasonable belief that the Purchase Price provided hereunder is appropriate for the Company after reasonable inquiry concerning the Company's financing objectives and financial situation. In addition, the Company hereby represents that it intends to use the proceeds primarily for the operations of its business, and not for any personal, family or household purpose.

8. **Subscription Procedure.** Each Investor, by providing his or her name, and subscription amount, confirms such investment through the Platform and has signed this Crowd Note electronically. Investor agrees that his or her electronic signature is the legal equivalent of his or her manual signature on this Crowd Note. By confirming, the Investor consents to be legally bound by the Crowd Note's terms and conditions, and to the terms and conditions of subscription established by the Platform. All Investors will be processed via Regulation CF. Investments may be accepted up to the Maximum Raise Amount up until the Offering End Date.

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**Ace Care Pharmacy Management and Consulting Inc.**

**CROWD NOTE**

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The "**Valuation Cap**" is \$15 million.

The "**Discount**" is 20%.

The "**Offering Deadline**" is January 11, 2021.

**1. Definitions.**

- a. "**Conversion Shares**" shall mean with respect to a conversion pursuant to Section 2, shares of the Company's preferred stock issued in the Qualified Equity Financing.
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  - i. the closing of the sale, transfer or other disposition of all or substantially all of the Company's assets,
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- iii. the closing of the transfer (whether by merger, consolidation or otherwise), in one transaction or a series of related transactions, to a person or group of affiliated persons (other than an underwriter of the Company's securities), of the Company's securities if, after such closing, such person or group of affiliated persons would hold 50% or more of the outstanding voting stock of the Company (or the surviving or acquiring entity), or
  - iv. the IPO, liquidation, dissolution or winding up of the Company; provided, however, that a transaction shall not constitute a Corporate Transaction if its sole purpose is to change the state of the Company's incorporation or to create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately prior to such transaction.
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  - g. **"Irrevocable Proxy"** shall mean the agreement appointing the Platform or an affiliate of the Platform as the sole and exclusive attorney and proxy of the Investor, with full power of substitution and re-substitution, to vote and exercise all voting and related rights with respect to all of the securities of the Company that now are or hereafter may be beneficially owned by Investor.
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  - k. **"Qualified Equity Financing"** shall mean the first sale (or series of related sales) by the Company of its preferred stock following the Date of Issuance from which the Company receives gross proceeds of not less than \$1,000,000 (excluding the aggregate amount of securities converted into preferred stock in connection with such sale or series of related sales).
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liquidation preference per share of the Shadow Series shall equal the Conversion Price (as determined pursuant to Section 2) and the following additional differences:

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  - ii. Shadow Series shareholders shall receive quarterly business updates from the company through the Platform but will have no additional information or inspection rights (except with respect to such rights which are required by law).
- m. “**Target CF Minimum**” shall mean \$25,000 raised via Regulation CF.

## 2. Conversion of the Crowd Note.

- a. **Qualified Equity Financing.** Upon the occurrence of a Qualified Equity Financing, the Crowd Note will convert into Conversion Shares pursuant to the following:
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- d. **Compliance with Other Instruments.** The execution, delivery and performance of this Crowd Note, and the consummation of the transactions contemplated hereby, will not constitute or result in a default, violation, conflict or breach in any material respect of any provision of the Company's current Certificate of Incorporation or bylaws, or in any material respect of any instrument, judgment, order, writ, decree, privacy policy or contract to which it is a party or by which it is bound, or, to its knowledge, of any provision of any federal or state statute, rule or regulation applicable to the Company.
- e. **Valid Issuance of Stock.** The Conversion Shares, when issued, sold and delivered upon conversion of this Crowd Note, will be duly authorized and validly issued, fully paid and nonassessable, will be free of restrictions on transfer other than restrictions on transfer set forth herein and pursuant to applicable state and federal securities laws and, based in part upon the representations and warranties of the Investor herein, will be issued in compliance with all applicable federal and state securities laws.
- f. **Intellectual Property.** To its knowledge, the Company owns or possesses or believes it can acquire on commercially reasonable terms sufficient legal rights to all patents, patent applications, trademarks, trademark applications, service marks, trade names, copyrights, trade secrets, licenses, domain names, mask works, information and proprietary rights and processes as are necessary to the conduct of its business as now conducted and as presently proposed to be conducted without any known conflict with, or infringement of, the rights of others. The Company has not received any communications alleging that the Company has violated or, by conducting its business, would violate any of the patents, trademarks, service marks, trade names, copyrights, trade secrets, mask works or other proprietary rights or processes of any other person.
- g. **Litigation.** To the Company's knowledge, there is no private or governmental action, suit, proceeding, claim, arbitration or investigation pending before any agency, court or tribunal, foreign or domestic, or threatened against the Company or any of its properties or any of its officers or managers (in their capacities as such). There is no judgment, decree or order against the Company,

or, to the knowledge of the Company, any of its directors or managers (in their capacities as such), that could prevent, enjoin, or materially alter or delay any of the transactions contemplated by this Crowd Note, or that could reasonably be expected to have a material adverse effect on the Company.

**4. Representations and Warranties of the Investor.** In connection with the transactions provided for herein, the Investor hereby represents and warrants to the Company that:

- a. **Authorization.** This Crowd Note constitutes Investor's valid and legally binding obligation, enforceable in accordance with its terms, except as may be limited by (i) applicable bankruptcy, insolvency, reorganization, or similar laws relating to or affecting the enforcement of creditors' rights and (ii) laws relating to the availability of specific performance, injunctive relief or other equitable remedies.
- b. **Purchase Entirely for Own Account.** Investor acknowledges that this Crowd Note is issued to Investor in reliance upon Investor's representation to the Company that the Crowd Note will be acquired for investment for Investor's own account.
- c. **Required Information.** The Investor acknowledges they have received all the information necessary or appropriate for deciding whether to invest in this Crowd Note, and the Investor represents that the Investor has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of this instrument and the underlying securities and to obtain any additional information necessary to verify the accuracy of the information provided.
- d. **Reliance on Advice.** The Investor acknowledges that they are not relying on the advice or recommendations of the Company or MicroVenture Marketplace Inc., or the affiliates of either, and the Investor has made its own independent decision that an investment in this instrument and the underlying securities is suitable and appropriate.
- e. **Federal or State Agencies.** The Investor acknowledges that no federal or state agency has passed upon the merits or risks of an investment in this instrument and the underlying securities or made any finding or determination concerning the fairness or advisability of this investment.
- f. **Voting and Inspection Rights.** The Investor acknowledges that if they are not a Major Investor they shall have limited voting, information and inspection rights.
- g. **No Public Market.** The Investor acknowledges that no public market now exists for any of the securities issued by the Company, and that the Company has made no assurances that a public market will ever exist for this instrument and the securities to be acquired by the Investor hereunder.

**5. Miscellaneous.**

- a. **Security.** This Crowd Note is a general unsecured obligation of the Company.
- b. The Investor agrees to take any and all actions determined in good faith by the Company's board of directors to be advisable to reorganize this instrument and any shares of Capital Stock issued pursuant to the terms of this instrument into a special purpose vehicle or other entity designed to aggregate the interests of holders of Crowd Notes.
- c. **Successors and Assigns.** The terms and conditions of this Crowd Note shall inure to the benefit of and be binding upon the respective successors and assigns of the parties hereto; provided, however,

that the Company may not assign its obligations under this Crowd Note without the prior written consent of the Investor.

- d. **Governing Law.** This Crowd Note shall be governed by and construed under the laws of Delaware as applied to other instruments made by Delaware residents to be performed entirely within the state of Delaware, regardless of the laws that might otherwise govern under applicable principles of conflicts of law.
- e. **Notices.** All notices and other communications given or made pursuant to this Crowd Note shall be in writing and shall be deemed effectively given upon the earlier of actual receipt or: (i) personal delivery to the party to be notified, (ii) when sent, if sent by electronic mail or facsimile during normal business hours of the recipient, and if not sent during normal business hours, then on the recipient's next business day, (iii) five days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (iv) one business day after deposit with a nationally recognized overnight courier, freight prepaid, specifying next business day delivery, with written verification of receipt.
- f. **Financing Agreements.** The Investor understands and agrees that the conversion of the Crowd Note into Conversion Shares may require the Investor's execution of certain agreements relating to the purchase and sale of such securities as well as registration, co sale, rights of first refusal, rights of first offer and voting rights, if any, relating to such securities. The Investor agrees to execute all such agreements in connection with the conversion so long as the issuance of Conversion Shares issued pursuant to the conversion of this Crowd Note are subject to the same terms and conditions applicable to the preferred stock sold in the Qualified Equity Financing (or the Shadow Series).
- g. **Severability.** If one or more provisions of this Crowd Note are held to be unenforceable under applicable law, such provision shall be excluded from this Crowd Note and the balance of the Crowd Note shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms.
- h. **Transfer of a Crowd Note.** Subject to compliance with applicable federal and state securities laws (including the restrictions described in the legends to this Crowd Note), this Crowd Note and all rights hereunder are transferable in whole or in part by the Investor to any person or entity upon written notice to the Company.
- i. **Escrow Procedures.** Investor funds can be released from escrow if (a) the Target CF Minimum is reached on or before the Offering Deadline; or (b) the Company conducts an intermediate close, subject to certain terms and conditions.
- j. **Entire Agreement; Amendments and Waivers.** This Crowd Note constitutes the full and entire understanding and agreement between the parties with regard to the subjects hereof. The Company's agreements with each Investor are separate agreements, and the sales of the Crowd Notes to each Investor are separate sales.

## 6. Dispute Resolution.

- a. **General Rule.** Any dispute under this Crowd Note will be resolved through arbitration, not through the court system. All arbitration will be conducted in the state in which the executive office of the Company is located at such time unless both parties agree otherwise in writing in a specific case. All arbitration will be conducted before a single arbitrator in following the rules of the American Arbitration Association. Except as required by law, neither a party nor the arbitrator may disclose the

existence, content or results of any arbitration without the prior written consent of the other parties.

- b. **Appeal of Award.** Within thirty days of a final award by the single arbitrator, either party may appeal the award for reconsideration by a three-arbitrator panel. If there is an appeal, the other party may cross-appeal within thirty days after notice of the appeal. The panel will reconsider all aspects of the initial award that are appealed, including related findings of fact.
- c. **Effect of Award.** Any award by the individual arbitrator that is not subject to appeal, and any panel award on appeal, shall be final and binding, except for any appeal right under the Federal Arbitration Act, and may be entered as a judgment in any court of competent jurisdiction.
- d. **No Class Action Claims.** NO ARBITRATION SHALL PROCEED ON A CLASS, REPRESENTATIVE, OR COLLECTIVE BASIS. No party may join, consolidate, or otherwise bring claims for or on behalf of two or more individuals or unrelated corporate entities in the same arbitration unless those persons are parties to a single transaction. An award in arbitration shall determine the rights and obligations of the named parties only, and only with respect to the claims in arbitration, and shall not (i) determine the rights, obligations, or interests of anyone other than a named party, or resolve any claim of anyone other than a named party, or (ii) make an award for the benefit of, or against, anyone other than a named party. No administrator or arbitrator shall have the power or authority to waive, modify, or fail to enforce this paragraph, and any attempt to do so, whether by rule, policy, and arbitration decision or otherwise, shall be invalid and unenforceable. Any challenge to the validity of this paragraph shall be determined exclusively by a court and not by the administrator or any arbitrator. If this paragraph shall be deemed unenforceable, then any proceeding in the nature of a class action shall be handled in court, not in arbitration.

7. **Approval.** The Company hereby represents that its Board of Directors, in the exercise of its fiduciary duty, has approved the Company's execution of this Crowd Note based upon a reasonable belief that the Purchase Price provided hereunder is appropriate for the Company after reasonable inquiry concerning the Company's financing objectives and financial situation. In addition, the Company hereby represents that it intends to use the proceeds primarily for the operations of its business, and not for any personal, family or household purpose.

8. **Subscription Procedure.** Each Investor, by providing his or her name, and subscription amount, confirms such investment through the Platform and has signed this Crowd Note electronically. Investor agrees that his or her electronic signature is the legal equivalent of his or her manual signature on this Crowd Note. By confirming, the Investor consents to be legally bound by the Crowd Note's terms and conditions, and to the terms and conditions of subscription established by the Platform. All Investors will be processed via Regulation CF. Investments may be accepted up to the Maximum Raise Amount up until the Offering End Date.

**EXHIBIT E**

*Pitch Deck*



# INVESTOR PRESENTATION

Cherry Street Pharmacy

## **Legal Notice**

Any statements contained in this document regarding us, our expectations, beliefs, plans, objectives, assumptions, or future events or performance are not historical facts and are forward-looking statements. Investors are cautioned that these forward-looking statements involve uncertainties and risks that could cause actual performance and results of operations to differ materially from those anticipated. The forward-looking statements contained herein represent our judgment as of the date of publication of this document, and we caution you not to place undue reliance on such statements. We are a startup business and, as such, certain images contained in this document are for illustration purposes only. Our company, our management, and our affiliates assume no obligation to update any forward-looking statements to reflect events after the initial publication of this document or to reflect the occurrence of subsequent events.

***Please see the end of this presentation for important risk disclosure information.***

# Modern day pharmacies need to embrace technology.<sup>1</sup>

## The traditional experience requires **many steps**:<sup>2</sup>

- 1 See a doctor
- 2 Get a prescription
- 3 Have the pharmacy receive the prescription
- 4 Pick up the medication





## I AM WENBO LIU

As the founder of Cherry Street Pharmacy, I wanted to change the pharmacy experience and the way that healthcare gets administered into a more streamlined approach.

We hope that our approach of focusing on streamlining the healthcare industry will allow us to provide exponentially better patient care, compassion, and treatment.

### SINCE INCEPTION

- Developed our internal operation processes
- Created a business model that we believe can be implemented in our next phase of business growth
- Began developing and building out the next phase of our growth strategy
- Further grew in current market, expanding sales year-over-year



### MY SKILLS



Business operation



New market penetration



Product and service development



Product/operation scaling

# INTRODUCING CHERRY STREET PHARMACY

Cherry Street Pharmacy is designed to be a one-stop pharmacy solution.

Within a single location, customers can:



Receive free delivery or pick-up of prescription medications



Check the availability of discount drug programs



Communicate directly with customer service



We have designed our system in the hopes that patients get their prescription quicker and where they want it (i.e. delivery vs. pick-up)



We work with medical professionals on the backend to ensure formulary compliance and quality clinical services.

# OUR PERCEIVED ADVANTAGES

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## Collaborative Services

Our network of medical professionals is designed to enable a streamlined and reliable customer experience.



## Free Delivery

Free delivery helps us to meet consumers where they are, making it easier and more convenient to get their medication when and where they need it.



## Payment Assistance

By assisting customers, we aim to be actively building brand loyalty and repeat users at low spend. Marketing costs can also be kept at a minimum.



CAPITALIZING ON  
UNDERSERVED MARKETS

We've chosen the **California Central Valley** for our first location.

We strategically opted to start in an underserved market where demand for medical services is very high.<sup>1</sup>

OUR MILESTONES

**2020**

Filled over 38,200 prescriptions this year through July

**July 2020**

Record number of prescriptions filled

**July 2020**

Filled over 78,900 prescriptions since April 2019

A background image showing several pairs of hands in business suits shaking hands, symbolizing partnerships and agreements. The image is slightly faded and serves as a backdrop for the text.

## OTHER MILESTONES

### **New Partnerships**

#### **Working together with other healthcare organizations**

We have aimed to use these partnerships to leverage our marketing strategy and cut down on advertising spend, while still growing our customer base.

### **Prescription Volume**

#### **We hit a new record in the amount of prescriptions that are filled in June 2020.**

However, we focus on more than just prescription volume, but also delivering other health and wellness services.

### **Digital Growth**

#### **Through data analysis and trend modeling of prescriptions and consumer demand, we aim to reduce hard costs.**

We are actively involved with trying to reduce cost and increase margins.

**We're planning on expanding our product offerings**



We hope to begin offering telemedicine services by 2021

## EXPANSION AND NEW MARKET PENETRATION

**Cherry Street team a second pharmacy location in the California Central Valley in August 2020.**

From there, we will develop telemedicine infrastructure for that location.

### TIMELINE

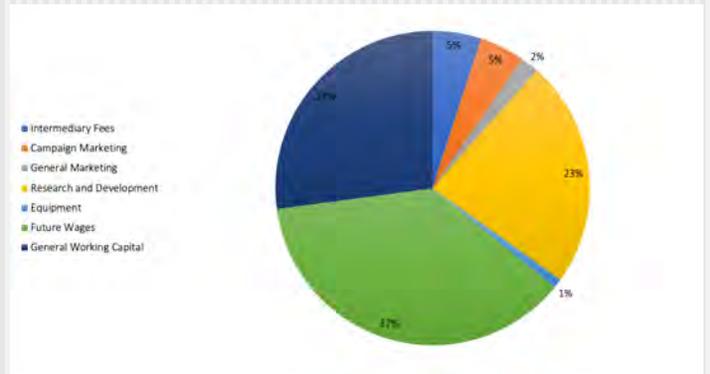
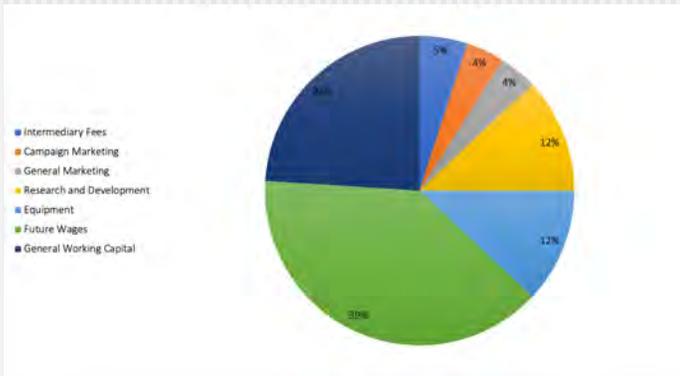


**2021**

We buy out existing pharmacy and build the medical booth attachments, with the goal of opening to the public in 2021.

# USE OF FUNDS

We are looking to raise funds for the growth of our business.





**LET'S CHANGE THE  
PHARMACY AND  
HEALTHCARE  
INDUSTRY**



**Invest today** and be part of  
the new generation of  
personalized healthcare.



## Risk Disclosures

### Investment Risk

***An investment in the company is speculative, and as such is not suitable for anyone without a high tolerance for risk and a low need for liquidity.*** You should invest only if you are able to bear the risk of losing your entire investment. There can be no assurance that that investors will receive any return of capital or profit. Investors should have the financial ability and willingness to accept the risks (including, among other things, the risk of loss of their entire investment and the risks of lack of liquidity) that are characteristic of private placement investments. There will be no public market for the securities being offered, applicable securities laws will restrict any transfer of the securities, and the securities will not be transferable without the company's consent.

The information provided herein is not intended to be, nor should it be construed or used as, investment, tax or legal advice, a recommendation to purchase, or an offer to sell securities of the company. You should rely on the offering statement and documents attached as exhibits to the offering statement when making any investment decision. An investment in the company is not suitable for all investors.

# Risk Disclosures

## Company Risk

***The company's industry is highly competitive, and the company may not be able to compete effectively against the other businesses in its industry. The company is subject to a number of significant risks that could result in a reduction in its value and the value of the company securities, potentially including, but not limited to:***

- Rapidly changing consumer preferences and market trends,
- Inability to expand and maintain market acceptance for the company's services and products,
- Inability to gain access to international markets and comply with all applicable local laws and regulations,
- Inability to achieve management's projections for growth, to maintain or increase historical rates of growth, to achieve growth based on past or current trends, or to effectively manage rapid growth,
- Inability to develop, maintain and expand successful marketing relationships, affiliations, joint ventures and partnerships that may be needed to continue and accelerate the company's growth and market penetration,
- Inability to keep pace with rapid industry, technological and market changes that could affect the company's services, products and business,
- Technological problems, including potentially widespread outages and disruptions in Internet and mobile commerce,
- Potential costs and business disruption that may result if the company's customers complain or assert claims regarding the company's technology,
- Failure to adequately address data security and privacy concerns in compliance with U.S. and international laws, rules and policies,
- Performance issues arising from infrastructure changes, human or software errors, website or third-party hosting disruptions, network disruptions or capacity constraints due to a number of potential causes including technical failures, cyber-attacks, security vulnerabilities, natural disasters or fraud,

## Risk Disclosures

### Company Risk (cont'd)

- Inability to adequately secure and protect intellectual property rights,
- Potential claims and litigation against the company for infringement of intellectual property rights and other alleged violations of law,
- Difficulties in complying with applicable laws and regulations, and potential costs and business disruption if the company becomes subject to claims and litigation for legal non-compliance,
- Changes in laws and regulations materially affecting the company's business,
- Liability risks and labor costs and requirements that may jeopardize the company's business,
- Dependence on and inability to hire or retain key members of management and a qualified workforce,
- Ongoing need for substantial additional capital to support operations, to finance expansion and/or to maintain competitive position,
- Issuance of additional company equity securities at prices dilutive to existing equity holders,
- Potential significant and unexpected declines in the value of company equity securities, including prior to, during, and after an initial public offering, and
- Inability of the company to complete an initial public offering of its securities, merger, buyout or other liquidity event.

**EXHIBIT F**

*Video Transcript*

[Text Overlay: Cherry Street Pharmacy Logo]

[Text Overlay: Wenbo Liu Founder]

If you're tired of driving to multiple doctors' offices, just to get your prescriptions, then come to Cherry Street Pharmacy where everything can be taken care of under one roof, phone, or tablet.

[Text Overlay: Taken care of under one roof, phone, or tablet.]

[Text Overlay: Hybrid pharmacy model.]

We are a hybrid pharmacy model, where we offer not only free prescription deliveries to our customers, but also offer services that are used to build upon our telehealth platform, through which we intend to eventually offer not only primary care, but also urgent care services.

[Text Overlay: Easy and secure access to quality care through the Telehealth platform.]

[Text Overlay: Melanie Celaya Senior Manager, Telehealth Division]

With telehealth our patients can have easy and secure access to quality care providers through our platform as well as have their medications delivered directly to them, free of cost, without leaving their home.

The investment that we're seeking is mainly going to be used for the implementation and the further development of our telehealth platform.

We want to take the healthcare and the pharmacy services industry and bridge them into a more cohesive, efficient, and cost-effective model. We aim to make it an easy choice for everyone to come to one place for all their healthcare needs.

[Text Overlay: Cherry Street Pharmacy Logo]