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**Name of Offeree**

**Memorandum Number**

**Confidential Private Placement Memorandum**

**250 Units of Membership Interest**

**Of**

**KSK Oil and Gas LLC**

**1 to 15 Units at 15% discount**

**16 to 35 Units 13% discount**

**36 to 60 Units 12% discount**

**61 to 85 Units 10% discount**

**86 to 100 Units 9% discount**

**101 to 250 Units at Regular Unit Price**

**Bitcoin Accepted**

This Confidential Private Placement Memorandum relates to an offering by KSK Oil and Gas LLC, a North Carolina Limited Liability Company (hereafter referred to as the "Company" or "KSK"), of 250 Units of Membership Interest for \$10,000 per Unit. If issued, the Units will be sold in reliance on an exemption from registration under Rule 506(c) of Regulation D promulgated under the Securities Act of 1933, as amended, ("the Act") and exemptions from qualification under securities laws of certain states. The Company reserves the right to increase or decrease the number of Units of offered. These securities are subject to substantial restrictions on transferability including but not limited to, restrictions on resale and may not be transferred or resold except as permitted under applicable Federal and state securities laws, pursuant to registration thereunder or exemption from such registration requirements.

The Units are being offered and sold in a private placement (the "Offering or this "Offering") pursuant to an exemption from the registration requirements of the Securities Act and applicable state securities laws. In order to participate in the Offering, each prospective investor must execute and deliver to the Company a subscription agreement (the "Subscription Agreement") and an investor questionnaire (the "Investor Questionnaire"), each in the form contained in Exhibit B(available upon request) in which, among other matters, each prospective investor will represent and warrant to the Company (i) that the prospective investor is acquiring the Units for the prospective investor's own account only, (ii) for investment purposes with no present intention of distributing any of such Units and that no arrangement or understanding exists with any other person regarding the distribution of the Units and (iii) that such prospective investor is an "accredited investor" as that term is defined in Regulation D promulgated under the Securities Act. The Units are being offered on a "best efforts, no minimum" basis, and without escrow or refund provisions. The purchase price for the Units is payable in cash at the time of subscription.

As of the date of this Confidential Private Placement Memorandum, no selling agent has been engaged to assist with the Offering; however, the Company reserves the right to retain one or more selling agents to assist with the Offering. Any selling agent retained by the Company to assist with the Offering will be a federally registered and state-licensed broker-dealer which is a member of the Financial Industry Regulatory Authority (FINRA) (unless such person is exempt from the registration requirements of the Securities and Exchange Commission and FINRA).

The Offering will terminate 180 days from the date of this Private Placement Memorandum, unless extended for one or more periods of up to 180 days by the Company in its sole discretion.

**Investing in The Units Involves Risk.  
See “Risk Factors” Beginning on Page 14**

**Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of the securities described herein or passed upon the accuracy or adequacy of this Confidential Private Placement Memorandum. Any representation to the contrary is unlawful.**

	Price to Investors	Selling Commissions (1)	Proceeds to Company (2)
Per Unit	\$10,000	\$1,000	\$9,000
Total (3)	\$2,500,000	\$250,000	\$2,250,000

- (1) The Company may pay selling commissions not to exceed 10% of the price paid by an investor and to be paid only to federally registered and state-licensed broker-dealers which are members of the Financial Industry Regulatory Authority (FINRA) (unless such person is exempt from the registration requirements of the Securities and Exchange Commission and FINRA). As of the date hereof, no selling agent has been engaged to assist with the Offering.
- (2) Before all expenses of Offering and sale, expenses of the Offering are estimated to be approximately \$45,000 and may include professional fees, printing, and other expenses.
- (3) This chart assumes all shares Offered are sold. There is no minimum that must be sold in the Offering and the Company may use proceeds from the sale of Shares when received.

The minimum investment is \$10,000. The Company may, in its sole discretion, accept subscriptions for a lesser amount and issue fractional Units in proportion to the amount of the subscription accepted.

The date of this Confidential Private Placement Memorandum is February 7, 2018

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## **DISCLOSURE STATEMENTS**

**This Confidential Private Placement Memorandum (the “Memorandum”) has been prepared solely for the use of prospective investors in Securities of the Company pursuant to the Offering described herein and may not be used for any other purpose. Any reproduction of this Memorandum in whole or in part or the disclosure of its contents without the express prior written consent of the Company is prohibited. By accepting delivery of this Memorandum, the recipient agrees to return it to the Company or its authorized selling agent in the event that the recipient determines not to purchase the securities described herein.**

**No person has been authorized to give any information or to make any representation with respect to this Offering described herein which is not contained in this Memorandum, and, if given or made, written or oral, which does not conform to those contained in this Memorandum, such representation must not be relied upon as having been authorized by the Company.**

**This Memorandum does not constitute an offer by anyone in any jurisdiction in which the person making such offer is not qualified to do so, to any person to whom it is unlawful to make such offer or in any jurisdiction where such offer would be unlawful prior to registration or qualification of the securities.**

**The securities described in this Memorandum are being offered subject to prior sale, acceptance or rejection of any offer to purchase for any reason, and to withdrawal or cancellation of the Offering without notice.**

**No representations or warranties of any kind are intended or should be inferred with respect to the economic return that may accrue to any person as a result of an investment in the Company. Any financial projections should not be construed as forecasts of actual operations; rather, they are hypothetical projections, based entirely upon assumptions. They are not a guarantee of future performance. The Company believes that the information that is contained herein has been prepared on the basis of assumptions and hypotheses believed by the Company to be reasonable. Nonetheless, operating results may differ from estimates, and those differences may be substantial.**

**This Memorandum includes summaries believed by the Company to be accurate of certain terms of certain documents, but reference should be made to the actual documents included as exhibits hereto or that are available from the Company upon request made to the Company's Manager for complete information concerning the rights and obligations of the parties thereto. All such summaries are qualified in their entirety by this reference.**

**Prospective investors are not to construe the contents of this Memorandum or any prior or subsequent communications from the Company, its Manager or any of their respective affiliates or any of the officers, employees or other representatives of the Company, its Manager or any such affiliate, as legal, tax, or financial advice. Prior to investing, a prospective investor should consult with his or her attorney, personal business and financial**

**advisors to determine the consequences of this investment and arrive at their own evaluation of the investment.**

**Purchasers of the securities being offered hereby may not resell or otherwise transfer the securities unless the offer and resale thereof are either registered and/or qualified as provided in the Securities Act and the applicable securities laws of any state having jurisdiction or are exempt from such registration and/or qualification.**

**The Offering is not a public offering. There is no public or other market for these securities, and there can be no assurance that any such public or other market will develop. The securities described herein should be purchased only for long-term investment and only by investors who have no need for liquidity. The offering price has been arbitrarily determined and bears no relationship to any applicable criterion of value.**

**The delivery of this Memorandum at any time does not imply that the information herein is correct at any time subsequent to its date. The Company expressly disclaims any duty to update any statements made in the Memorandum.**

**This offering involves a high degree of risk and is suitable only for investors of substantial means who have no need for liquidity and who can afford to lose their entire investment. (See “Risk Factors” below).**

**The Company has agreed to make available to any offeree the opportunity to ask questions of and to receive answers from the Company concerning the Company’s plans, the securities described herein, and the terms and conditions of this offering.**

**The Company reserves the right, in its sole discretion and for any reason whatsoever, to modify, amend, or withdraw all or any portion of this offering or to accept or reject, in whole or in part, any prospective investment in the Units or to allot to any offeree less than the number of Units that such offeree desires to purchase. The Company shall have no liability whatsoever to any offeree or investor in the event that any of the foregoing occurs.**

### **NASAA LEGEND**

**THE SECURITIES DESCRIBED HEREIN HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OR UNDER THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. THE SECURITIES DESCRIBED HEREIN WILL BE SOLD IN RELIANCE UPON EXEMPTIONS FROM REGISTRATION PROVIDED BY SECTION 4(2) OF THE SECURITIES ACT AND RULE 506(c) OF REGULATION D PROMULGATED THEREUNDER, AND EXEMPTIONS FROM REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF THE STATES OR OTHER JURISDICTIONS IN WHICH THESE SECURITIES MAY BE OFFERED OR SOLD. THE SECURITIES TO BE OFFERED HEREUNDER WILL BE SOLD ONLY TO "ACCREDITED INVESTORS," AS DEFINED IN REGULATION D PROMULGATED UNDER THE SECURITIES ACT.**

**IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE COMPANY AND THE TERMS OF THE OFFERING INCLUDING THE MERITS AND RISKS INVOLVED. THE SECURITIES DESCRIBED HEREIN 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 UNLAWFUL.**

**THE SECURITIES DESCRIBED HEREIN ARE SUBJECT TO SUBSTANTIAL RESTRICTIONS ON TRANSFERABILITY, INCLUDING BUT NOT LIMITED TO, RESTRICTIONS ON RESALE, AND THE SECURITIES MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER APPLICABLE FEDERAL AND STATE SECURITIES LAWS, PURSUANT TO REGISTRATION THEREUNDER OR EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.**

### **NOTICE TO RESIDENTS OF ALL STATES**

The securities interests offered hereby have not been registered under the Securities Act or the securities laws of any state, or other jurisdiction and they are being offered and sold in reliance on exemptions from the registration requirements of the Securities Act provided by Section 4(2) of the Securities Act and Rule 506(c) of Regulation D promulgated thereunder and exemptions from registration or qualification under the securities laws of states or other jurisdictions in which these securities may be offered or sold. The securities described herein will be sold only to "accredited investors," as defined in Regulation D promulgated under the Securities Act. The securities described herein are subject to substantial restrictions on transferability, including restrictions on resale, and the securities may not be transferred or sold except as permitted under the Securities Act and such state laws pursuant to the registration and qualification requirements of such laws or an exemption therefrom. The security interests have not been approved or disapproved by the Securities and Exchange Commission, any state securities commission or other regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of this

offering or the accuracy or adequacy of this Memorandum. Any representation to the contrary is unlawful.

**SPECIAL NOTICE TO ALL FOREIGN INVESTORS OR NON-U.S. PERSONS**

If you live outside the United States, it is your responsibility to fully observe the laws of any relevant territory or jurisdiction outside the United States in connection with any purchase of our securities, including obtaining required governmental or other consents or observing any other required legal or other formalities.

IF YOU LIVE OUTSIDE THE UNITED STATES, IT IS YOUR RESPONSIBILITY TO FULLY OBSERVE THE LAWS OF ANY RELEVANT TERRITORY OR JURISDICTION OUTSIDE THE UNITED STATES IN CONNECTION WITH ANY PURCHASE OF OUR SECURITIES, INCLUDING OBTAINING REQUIRED GOVERNMENTAL OR OTHER CONSENTS OR OBSERVING ANY OTHER REQUIRED LEGAL OR OTHER FORMALITIES. THESE SECURITIES HAVE NOT AND WILL NOT BE REGISTERED UNDER THE UNITED STATES' SECURITIES ACT OF 1933, AS AMENDED, AND, INsofar AS SUCH SECURITIES ARE OFFERED AND SOLD TO PERSONS WHO ARE NEITHER NATIONALS, CITIZENS, RESIDENTS NOR ENTITIES OF THE UNITED STATES, THEY MAY NOT BE TRANSFERRED OR RESOLD DIRECTLY OR INDIRECTLY IN THE UNITED STATES, ITS TERRITORIES OR POSSESSIONS, RESIDENTS OR ENTITIES NORMALLY RESIDENT THEREIN (OR TO ANY PERSON ACTING FOR THE ACCOUNT OF ANY SUCH NATIONAL, CITIZEN, ENTITY OR RESIDENT). FURTHER RESTRICTIONS ON TRANSFER WILL BE IMPOSED TO PREVENT SUCH SECURITIES FROM BEING HELD BY UNITED STATES PERSONS.

## TABLE OF CONTENTS

	<b><u>Page</u></b>
SUMMARY OF THE OFFERING	8
CAUTION CONCERNING FORWARD-LOOKING STATEMENTS	11
ERISA CONSIDERATIONS	12
RISK FACTORS	14
USE OF PROCEEDS	25,26
RESTRICTIONS ON RESALE	27
CAPITALIZATION	29
DILUTION	30
BUSINESS	31
MANAGEMENT	33
PRINCIPAL UNIT HOLDERS	35
CERTAIN RELATED-PARTY TRANSACTIONS	36
DESCRIPTION OF SECURITIES	37
TERMS OF THE OFFERING	39
LITIGATION	41
LEGAL	41
INDEMNIFICATION	41
EXPERTS	41
INVESTOR SUITABILITY REQUIREMENTS	42
CERTAIN MATERIAL TAX CONSEQUENCES	45
ADDITIONAL INFORMATION	46

### **EXHIBITS**

EXHIBIT A - FINANCIAL INFORMATION	
EXHIBIT B - SUBSCRIPTION AGREEMENT and INVESTOR QUESTIONNAIRE DOCUMENT PACKAGE (AVAILABLE UPON REQUEST)	
EXHIBIT C – SUMMARY BUSINESS PLAN (AVAILABLE UPON REQUEST)	
EXHIBIT D – THE LLC OPERATING AGREEMENT	

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## **SUMMARY OF THE OFFERING**

*You should read the following summary together with the more detailed information and financial statements and notes thereto appearing elsewhere in this Memorandum and in the materials delivered as exhibits to this Memorandum. This summary is qualified in its entirety by express reference to this Memorandum and the materials referred to and contained herein. Each prospective subscriber should carefully review the entire Memorandum and all materials referred to and contained herein and conduct his or her own due diligence before subscribing for any securities. References to “we,” “us” or “the Company” refer to the Company; references to “you” refer to prospective investors.*

### **The Company**

KSK Oil and Gas LLC was organized in the State of North Carolina on July 26, 2017 for the purpose of operating underdeveloped oil and gas properties.

### **The Offering**

We are offering to sell up to 250 Units at \$10,000 per Unit. The minimum subscription per investor is \$10,000 and one Unit. However, we may, at our sole discretion, accept subscriptions for a lesser amount and issue Units for an amount less than the minimum of \$10,000. The Units are being Offered on a “best efforts, no minimum” basis with escrow provisions.

### **Description of Securities**

We are offering Units of membership Interest. The Units we will sell in this Offering will be “restricted” securities under the Securities Act, and consequently they may not be transferred or sold unless they are subsequently registered, or qualified under Federal and applicable state securities laws, or unless an exemption from such registration or qualification requirements is available.

There is no public or any other market for our Units (the securities), and we do not anticipate that such a market will develop in the near future, if ever.

### **Voting Rights**

The Investors in the Units will hold Membership Units, which will entitle each Member one vote per Membership Unit in the Company. Please see the Operating Agreement (defined hereafter) for more information.

Voting shall be based on the percentage interest owned by each Member and with the exception of dissolution which shall be by the Manager.

- The Initial Member, Krupesh LLC will manage the business of our Company and you will have a vote in only certain matters.



- Certain restrictions of transferability of membership interest apply;
- Others.

### **Operating Agreement**

Investor's relationships with our Company will be governed by the Operating Agreement executed effective July 26, 2017 and attached here is Exhibit D (the "Operating Agreement"). Some of the main points of the Operating Agreement include the following:

- You will be allocated income, losses and distributions of our Company in proportion to your capital account;
- The business of our Company will be managed by the Manager, and you will have a vote in only certain matters including the right to vote for Manager(s), sale of substantially all of the Company's assets or a change in the Company's business;
- The Manager may have controlling interest in the Company and therefore have a substantial control over the affairs and business of the Company;
- The Manager has the sole right to approve the issuance or transfer of membership interest;
- The Manager has the right to approve any merger with another limited liability company, where our Company is the surviving entity;
- A Member does not have a right to redeem or withdraw any part of its Capital Contribution or Capital Account in the Company. As a result, an investment in the Company would not be suitable for an investor requiring any degree of liquidity.

This is a summary only; you are advised to review the Operating Agreement in detail.

### **Risk Factors**

Investment in our Company involves a high degree of risk. You should be advised of and understand the risks associated with an investment in our Common Stock and be able to withstand the loss of your entire investment.

### **Securities**

As of June 30, 2017, we had outstanding 63 Units of membership Interest outstanding.

**Financial Information****Selected Financial Data As November 30, 2017**

Current Assets	\$ 60,000
Current Liabilities	\$ - 0 -
Working Capital (deficit)	\$ 60,000
Total Assets	\$ 60,000
Total Liabilities	\$ - 0 -
Stockholders' Equity (deficit)	\$ 60,000
Revenues	\$ - 0 -
Expenses-Cost of Goods-Other (\$	8,300)
Net Income (loss)	\$ (8,300)

For financial accounting purposes, we are an Expansion Stage company.

**Additional Information**

We will make available to you, prior to your purchase of any Securities, the opportunity to ask questions and receive answers concerning the Company and the terms and conditions of this Offering. You will also have the opportunity to obtain any additional information that we can acquire without unreasonable effort or expense that you feel is necessary to verify the accuracy of the information contained herein. This includes additional descriptive information on our Company contained in our Summary Business Plan (Exhibit C) (AVAILABLE UPON REQUEST)

Our executive offices are located at KSK Oil and Gas LLC, Sarvesh Patel, 860-805-1303, 6031 Claudias Lane # 201, Winston -Salem, NC 27103 [SarveshPatel123@Gmail.com](mailto:SarveshPatel123@Gmail.com)

This Offering is not a public offering. There is no public market or other for the Company's Securities, and the Company does not anticipate that such a market will develop in the near future, if ever. Further, the transferability restrictions in the Operating Agreement make the Units a non-liquid investment.

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## **BUSINESS PLAN**

A description of the Company's intended business and certain forecasted financial information is included in our Summary Business Plan (Exhibit C)(AVAILABLE UPON REQUEST) dated August 2017. The Summary Business Plan will be furnished to each prospective investor upon request. While we believe that the financial and other information included in the Summary Business Plan is a reasonable estimate of the results that we might achieve in the future, and that the information is based on assumptions that we believe to be reasonable, the forecasted financial information and projections have not been examined by any accountant or other professional. The Summary Business Plan includes additional information about the Company, the market for our services, our business overview, expected competition and management of the Company. While the Summary Business Plan is reflective of our present plans and intentions, prospective investors are cautioned that there can be no assurance whatsoever that any of the stated objectives will be achieved, or that we will be able to implement our plan or achieve the levels of performance that we expect. We may revise the Summary Business Plan from time to time to optimize business opportunities and address changes as they occur. Therefore, prospective investors should be aware that the Summary Business Plan is merely a summary of what our Company presently intends to achieve in the future based on present conditions and assumptions, all of which will be subject to a number of other factors, most of which are beyond the immediate control of the Company.

## **CAUTION CONCERNING FORWARD-LOOKING STATEMENTS**

This private placement memorandum and other materials attached contain certain forward-looking statements concerning our operations, economic performance and financial condition, including, in particular, the likelihood of our success in developing and expanding our business. Forward-looking statements can be identified by the use of forward-looking terminology, such as "anticipates," "believes," "could," "estimates," "expects," "intends," "may," "plan," "potential," "proposes," "should," "will," or comparable terminology, or by discussions of strategy. Such statements are subject to risks and uncertainties that could cause actual results to vary materially from those projected in the forward-looking statements. These statements are based on a number of assumptions and estimates, which are inherently subject to significant uncertainties and contingencies, many of which are beyond our control, and reflect future business decisions, which are subject to change. Some of these assumptions inevitably will not materialize, and unanticipated events will occur which will affect our business, financial condition and results of operations. Among those factors that could cause our actual operating results to differ materially from those described in the forward-looking statements is our failure to successfully develop our business, the loss of key personnel or the inability to recruit personnel, the reliance on third parties for several key aspects of the Company's business, competition from other companies and other risks set forth under "Risk Factors" and elsewhere in this document. In light of the significant uncertainties inherent in the forward-looking statements, the inclusion of any such statement should not be regarded as a representation by us or any other person, that our objectives or plans will be achieved. Any graphics or charts that depict forward-looking statements herein are subject to the same limitations.

THE STATEMENTS CONTAINED HEREIN ARE BASED ON INFORMATION BELIEVED BY THE COMPANY TO BE RELIABLE. NO WARRANTY CAN BE MADE THAT CIRCUMSTANCES HAVE

NOT CHANGED SINCE THE DATE SUCH INFORMATION WAS SUPPLIED. THIS MEMORANDUM CONTAINS SUMMARIES OF CERTAIN PROVISIONS OF DOCUMENTS RELATING TO THE COMPANY AND THE PURCHASE OF THE SECURITIES AS WELL AS SUMMARIES OF VARIOUS PROVISIONS OF RELEVANT STATUTES AND REGULATIONS. SUCH SUMMARIES DO NOT PURPORT TO BE COMPLETE AND ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE TEXTS OF THE ORIGINAL DOCUMENTS, STATUTES AND REGULATIONS, WHICH ARE INCLUDED HEREWITH OR AVAILABLE UPON REQUEST.

## **ERISA CONSIDERATIONS**

### General:

When deciding whether to invest a portion of the assets of a qualified profit-sharing, pension or other retirement trust in the Company, a fiduciary should consider whether: (i) the investment is in accordance with the documents governing the particular plan; (ii) the investment satisfies the diversification requirements of Section 404(a) (1)(c) of Employee Retirement Income Security Act of 1974, as amended ("ERISA"); and (iii) the investment is prudent and in the exclusive interest of participants and beneficiaries of the plan.

### Plan Assets

Under ERISA, whether the assets of the Company are considered "plan assets" is also critical. ERISA generally requires that "plan assets" be held in trust and that the trustee or a duly authorized Manager have exclusive authority and discretion to manage and control the assets.

ERISA also imposes certain duties on persons who are "fiduciaries" of employee benefit plans and prohibits certain transactions between such plans and parties in interest (including fiduciaries) with respect to the assets of such plans. Under ERISA and the Code, "fiduciaries" with respect to a plan include persons who: (i) have any power of control, management or disposition over the funds or other property of the plan; (ii) actually provide investment advice for a fee; or (iii) have discretion with regard to plan administration. If the underlying assets of the Company are considered to be "plan assets," then the Manager(s) of the Company could be considered a fiduciary with respect to an investing employee benefit plan, and various transactions between Management or any affiliate and the Company, such as the payment of fees to Managers, might result in prohibited transactions.

A regulation adopted by the Department of Labor generally defines plan assets as not to include the underlying assets of the issuer of the securities held by a plan. However, where a plan acquires an equity interest in an entity that is neither a publicly offered security nor a security issued by certain registered investment companies, the plan's assets include both the equity interest and an undivided interest in each of the underlying assets of the entity unless: (i) the entity is an operating company or; (ii) equity participation in the entity by benefit plan investors (as defined in the regulations) is not significant (i.e., less than twenty-five percent (25%) of any class of equity interests in the entity is held by benefit plan investors).

Benefit plan investors are not expected to acquire twenty-five percent (25%) or more of the Securities offered by the Company. Management of the Company intends to preclude significant investment in the Company by such plans. Employee benefit plans (including IRAs), however, are urged to consult with their legal advisors before subscribing for the purchase of Securities to ensure the investment is acceptable under ERISA regulations.

## **RISK FACTORS**

*You should carefully consider the risk factors described below together with the information contained in the Subscription Agreement before making an investment decision to invest in our Securities. While we believe these risks and uncertainties are the most important for you to consider, they are not the only ones facing the Company. If any of the following risks actually occurs, our business, financial condition or results of operations may be negatively affected. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations. Under such circumstances, the value of our Securities could decline, and you may lose all or any part of your investment.*

*An investment in the Units is a speculative investment and involves significant risks, and should be made only by persons or entities that can afford the loss of their entire investment. The following considerations do not constitute a complete discussion of the risks relating to the Company. An accurate appraisal of the risks of an investment in the Units can only be gained through an investor's own due diligence.*

### **Risks Related to Our Business**

**We are a company that is expanding its business model and this makes it difficult to evaluate our business and future prospects.** Although our parent company has been in business for over two years, we are currently (assuming receipt of proceeds from this offering are successful) expanding our business. For financial accounting purposes, our Company is in an expansion stage, and its operations will be subject to all the risks inherent in the expansion of a new business. Included are limited capital, corporate infrastructure and marketing arrangements. Although our management team is experienced in its intended field, the likelihood that we will continue to succeed must be considered in light of the problems, expenses, and delays frequently encountered in connection with the expansion of businesses. Before investing, you should evaluate the risks, expenses and problems frequently encountered by companies such as ours that are in the expansion stage and are entering new and rapidly changing markets.

**We have no revenues to date.** Our Company has generated no to date. Most of the time of our management, and most of our limited resources have been spent in contacting potential oil leases, establishing several initial leases, exploring marketing contacts, preparing our business plan and model, selecting professional advisors and consultants and seeking capital for the Company. If we continue to generate no revenues, this will have a materially adverse effect on our Company.

**We have incurred losses since our inception, and expect to continue to incur future losses and may never be profitable.** We have incurred operating losses since our inception in July 2017. As of November 30, 2017, our accumulated deficit was approximately \$8,300. We believe that our operating expenses will continue to increase as we grow our business. As a result, although the net proceeds of this Offering will provide us with cash for our working capital, the net proceeds of the Offering available to the Company will depend on the number of Units sold and further, following the sale of one or more Units pursuant to this Offering, the Company will need to begin generating revenue to achieve and maintain profitability. To become profitable, we must successfully develop our eight-well recovery program, a process that involves many factors that are beyond our control,

including the competition we may encounter. We may never generate significant revenue or become profitable.

**We may need subsequent financing; however there is no assurance that we will obtain it.** Although we anticipate that upon realization and completion of the full amount of this Offering, we will be able to internally generate sufficient profits to continue the expansion plans of our Company, there cannot be any assurance that this can be accomplished. Consequently, we may determine a need to obtain additional financing which could cause additional dilution to subscribing Unit holders to this offering. Should full subscription to this offering not be obtained, the purchasers of the Securities hereby Offered may not realize any return on their investment and may be exposed to the loss of all or substantially all of their investment.

**We may face significant competition from companies serving our industry.** We face competition from other companies that offer similar recovery services, ranging from local suppliers to large multinational companies. Some of our potential competitors may have longer operating histories, greater brand recognition, larger client bases and significantly greater financial, technical and marketing resources than we do. These advantages may enable them to respond more quickly to new or emerging technologies and changes in customer preferences. These advantages may also allow them to engage in more extensive research and development, undertake extensive far-reaching marketing campaigns, adopt more aggressive pricing policies and make more attractive offers to potential customers, employees and strategic partners. We believe that our current and anticipated recovery services are, and will be, sufficiently different from existing competition. Few of these organizations are using their services in the configuration we are proposing. As a result, it is possible that our potential competitors may have or may rapidly acquire significant market share. Increased competition may result in price reductions, reduced gross margin and loss of market share. We may not be able to compete successfully, and competitive pressures may adversely affect our business, results of operations and financial condition.

**We currently rely, and will continue to rely, on other parties for several key aspects of our business and operations.** We rely on other parties for certain portions of our oil and gas business and will rely on other parties to develop key business relationships. Due to the complexity of the technology we need to operate our business, we are and will continue to be reliant on others to continuing maintenance and technical support for our services. We plan to rely on others to drill our wells and furnish operational maintenance to ensure effective operations. In addition, we will depend on relationships with other parties including suppliers and providers. We currently do not have agreements with all anticipated or potentially necessary providers, or suppliers in our industry, and we may not be able to enter into any such agreements. If we fail to enter into agreements with any of these parties, our business may suffer and we may never become profitable.

**We expect to derive a substantial portion of our revenues from relatively few service groups.** We expect to derive a substantial portion of our revenues from sales of relatively few oil and gas related support services. As such, any factor adversely affecting sales of these services, including the market acceptance, services competition, reputation, price competition and economic and market conditions, would likely harm our operating results.

**We have not had a formal market survey.** No independent marketing survey has been performed to determine the potential demand for our Company's services. We have conducted only limited marketing studies, which indicate that our services would be marketable. However, no assurances can be given that upon marketing, sufficient markets can be developed to sustain our Company's operations on a continued basis.

**We do not have agreements to purchase or distribute our services.** While our Company intends to utilize a Company directed marketing network to distribute its services, our Company has not obtained any agreements or commitments to purchase the Company's services at this time. (See "BUSINESS")

**We are subject to obsolescence and technological change.** The Company's business is susceptible to changing technology and the Company's technology process is subject to change. Although the Company intends to continue to develop and improve its recovery equipment and services there can be no assurance that funds for such expenditures will be available or that the Company's competition will not develop similar or superior capabilities.

**We are subject to governmental and environmental regulations.**

At various times and under varying circumstances, our Company's operations are subject to existing governmental and environmental regulations. The Company is currently aware of many of these regulations requiring approval and believes that its operations will comply with such regulations and requirements. However, no assurance can be given that this awareness can be maintained or approvals gained on future operations

**We have a dependence on our current management.** We will be substantially dependent upon our managers and officers, specifically, Mr. Sarvesh Patel, who has experience in our business, to carry out our business plan. We anticipate entering into an employment agreement with Mr. Patel and plan on obtaining key man life insurance relating to him.

**The time devoted by our management.** It is anticipated that the Company's key managers and officers will devote substantially all of their time to the business of the Company.

**We are dependent upon highly qualified personnel, and the loss of such personnel is a risk to our success.** We are highly dependent upon the efforts of management and technically skilled personnel, including our drilling contractor, operational personnel, and our future performance will depend in part upon the ability of management to manage growth effectively and to retain the services of these experts. Because competition for management, technical and marketing personnel is intense, we may be unable to retain our key employees or attract other highly qualified employees in the future. The loss of the services of any of our management team or the failure to attract and retain additional key employees could have a materially adverse effect on our business, financial condition and results of operations.

**We may have conflicts of interest and have engaged in transactions with our managers, officers and directors and have entered into several agreements that were not negotiated at arm's length.** Our Company has engaged and may in the future engage in transactions with our Managers, Officers, Directors and principal Unit holders or persons or entities affiliated with them. These transactions may not have been on terms as favorable to the Company as could have been

obtained from non-affiliated persons. While an effort has been made and will continue to be made to obtain services from affiliated persons at rates as favorable as would be charged by others, there will always be an inherent conflict between the interest of our Company and those of the Managers, Directors, principal Unit holders, and affiliates. (See “CERTAIN PARTY RELATED TRANSACTIONS”)

### **Industry Specific Risk Factors**

**If we fail to accurately predict, respond or adapt to change in our industry, our services may become obsolete.** Our business is characterized by change. The introduction of services embodying new technologies, and the emergence of new industry standards could render our recovery services obsolete. Our future success will depend in part on our ability to respond effectively to changing technologies, industry standards and customer requirements by adapting and improving the performance features and reliability of our services. We could incur substantial costs to modify our business or our infrastructure to adapt to rapid changes in our industry.

**We face intense competition in our industry and we may not be able to successfully compete in our industry.** Competition in our industry is intense, which can lead to, among other things, price reductions, longer selling cycles, lower product margins, loss of market share and additional working capital requirements. If our competitors offer significant discounts on certain products, we may need to lower our prices or offer other favorable terms in order to compete successfully. Any such changes would likely reduce margins and could materially adversely impact our operating results. Any broad-based changes to our prices and pricing policies could cause revenues to decline or be delayed as the sales force implements and our customers adjust to the new pricing policies. Some of our competitors may bundle certain products and services at low prices for promotional purposes or as a long-term pricing strategy. These practices could significantly reduce demand for our services or constrain prices we can charge.

**We have a significant growth factor.** We believe that upon closing of this Offering, we will be entering a period of significant growth, although there can be no assurance that we will experience such growth. This growth, if effectuated, will expose our Company to increased competition, greater overhead, marketing and support costs and other costs associated with entry into new markets and solicitation of new customers. To manage growth effectively, we will need to continue to improve and expand our operational, financial and management capability including information systems and to expand, train, motivate and manage our employees, sales personnel and distributors. Should we be unable to manage growth effectively, the results of our operations could be adversely affected.

**We depend upon certain customers.** The success of our Company will depend on our ability to develop contractual service agreements with our customers. Our target market will focus on developing relationships with a buyer of our oil production. To date, we do not have any such agreements in place; however, we are currently in negotiations for an agreement with Sunoco Oil with whom we have been selling to in past projects. No assurance can be given that we will be successful in obtaining any of these agreements.



**We have a narrow proposed product and service line, which results in a lack of company diversification.** The Company does not intend to engage in any business other than what is described in this Memorandum. Our focus on one narrow area of oil recovery products and services development will impair our ability to pursue other product or service offerings. Therefore, the Company will be subject to the risks associated with lack of diversification. See “BUSINESS.”

**We have no control over general economic conditions.** The financial success of our Company may be sensitive to adverse changes in general economic conditions in the United States, such as recession, inflation, unemployment, and interest rates. Such changing conditions could reduce demand in the marketplace for our Company’s services. Management believes that the niche services that we market and the uniqueness of our technical capabilities as well as our management experience may insulate us from excessive reduced demand. Nevertheless, we have no control over these changes.

**There is a speculative character in the oil and gas drilling industry.** The business of drilling for oil and gas is inherently speculative. One can never be absolutely certain that any given drilling project will yield oil or gas of a sufficient quality and in sufficient quantities to assure the project’s commercial success. There also exists the risk that a decline in the price of oil and gas, in the international marketplaces in which that commodity is traded on a daily basis, would be rendered no longer commercially feasible as a drilling project which was or appeared to be commercially feasible before the decline in prices.

**We have acquisition risks.** Oil and gas investments involve a substantial amount of risks. Acquisition of leasehold, royalty and mineral interests can carry as great a risk as the drilling of wells. Substantially all of the money invested can be at risk of being lost because of the inability or failure of the Company to sell any or all interests acquired to a third party. Should this happen, the Company believes that there are two alternate uses of these properties. First, instead of marketing these properties as a land play, the properties could be structured into an industry drilling deal and sold on a promoted basis, converting the acreage into productive status. Second, the Company could drill the properties on their own behalf, securing the properties for the life of the production or until such time as the properties are sold.

**Drilling risks.** Exploration for oil and gas is speculative by its very nature and involves a high risk of loss. A large number of wells result in dry holes, and others do not produce oil or gas in sufficient quantities to make them commercially profitable to complete and/or produce after completion. Many risks are involved that experience, knowledge, scientific information and careful evaluation cannot avoid. Since initial capitalization will be sufficient to drill only limited wells, the drilling of a dry hole or loss of a well in progress due to mechanical difficulties or events of nature, would mean that the Company would receive no return on the drilling from a non-productive well. Therefore, they must be prepared to lose their capital contribution, as there can be no assurance that drilling the well will result in oil or gas production or that production, if obtained, will be profitable for the Company. Oil and gas well completion sometimes experiences production declines that are rapid and/or irregular. Initial production from a well (if any) does not accurately indicate any consistent level of production to be derived therefrom.

**Accessibility to pipelines and/or transportation systems.** The Company has not made arrangements for the use of a pipeline for transmission of oil or natural gas, and has not budgeted for construction of a transmission line for gas or a storage or transportation system for oil and/or natural gas, if any. It is presently anticipated that oil production, if any, from the wells will be transported by truck. It is anticipated that construction of a pipeline or the availability of transportation systems may be undertaken if and when oil and/or gas is produced from the wells in quantities deemed sufficient by the Company to justify such construction or availability. Production from a well and ultimate income to be derived therefrom will be dependent, in part, upon the successful completion of a pipeline hookup or attainment of a satisfactorily negotiated transportation system which in turn may be dependent on the availability of funds to the Company for such purpose(s).

**Regulation and marketability of gas or oil discovered.** The availability of a ready market for oil and/or gas, if any, discovered in the wells and the price obtained therefore will depend upon numerous factors, including the extent of domestic production and foreign imports of gas and/or oil, the proximity and capacity of pipelines, intrastate and interstate market demands, the extent and effect of federal regulations on the sale of oil and/or natural gas in interstate and intrastate commerce, and other government regulations affecting the production and transportation of oil and/or gas. In addition, certain daily allowable production constraints may change from time to time, the effect of which cannot be predicted by the Company. There is no assurance that the Company will be able to market any oil and/or gas found by it at favorable prices, if at all, in order to provide income from the Company's working interests.

**Pollution.** Various local, state and federal environmental control agencies may impose regulations that could have a significant impact on the operations of the Company or could substantially increase the costs of operating a well.

**Possible equipment shortages.** In the past, increased drilling activities have, from time to time, created shortages of certain equipment necessary in the drilling and/or completion of well. Due to a shortage of such equipment and general inflationary trends, the prices at which equipment was available escalated during such periods. There is a possibility that further price escalations will increase the Company's operating expenses, thus reducing the distributions, if any, available to the Company.

**Competition.** There are numerous individuals, partnerships, and major and independent oil companies with which the Company as a working interest owner will be in competition which have greater financial and technical resources than those available to the Venture. Such an inferior competitive position could have a material adverse effect upon the productivity, marketability and profitability of the Company.

**Uninsured risks.** The Company's operations will be subject to all of the operating risks normally connected with producing oil and gas, such as blow-outs and pollution, which could result in the Company incurring substantial losses or liabilities. Although the Company intends to secure such insurance as it deems necessary and appropriate, certain risks are uninsurable and others parties operating with the Company may be either uninsured or only partially insured because of high premium costs or other reasons. In the event the Company incurs uninsured losses or liabilities,

the Company's funds available for operation, exploration and development will be reduced, and Company assets may be substantially reduced or lost completely.

**Macro-economic and political factors.** Apart from exchange rate risks, there are a wide range of other macro-economic and political factors beyond the control of the Company that will affect the Company's operations. These include the consequences of terrorist and other activities, which themselves impact adversely on the global economy, demand for commodities, particularly oil and gas, market share conditions and share prices generally. These risks include those such as changes in levels of consumer confidence, which affect consumption patterns and consequently demand for a wide range of products, including commodities such as oil and gas. In the event of a major worldwide recession, demand for oil and gas would be affected, with consequent effects on prices which could impact on the viability of the Company's operations: even assuming that commercially exploitable reserves were established.

**The Company is dependent on finding enough competent private, independent exploration and production companies offering drilling prospects to achieve its stated objectives.** The Company intends in its main business strategy to pursue minority interest, farming drilling participation opportunities in various areas of the U.S., and in particular Texas and Louisiana, with qualified, private, independent exploration and production companies. The Company is relying on such exploration and production companies to produce drilling prospects, manage operations for drilling and/or completing wells and manage the production of successful wells over time. At the time of this Offering, a limited number of drilling opportunities offered by such companies have been confirmed by the Company's prospect evaluation team (approximately ten (10) drilling opportunities), and therefore, the Company will need to pursue many new drilling prospect opportunities, and evaluate same, on a continuous basis order to have enough drilling opportunities to achieve its stated objectives. While there are many hundreds of such qualified potential companies to work with, and the Company believes there are more than enough in order to achieve its stated objectives, there is no assurance that this will be the case. If the Company cannot find enough prospects offered by competent private, independent exploration and production companies, this will have a materially adverse effect on the Company's overall financial condition and operating results and the Company would likely need to pursue other business opportunities and/or raise additional capital from members.

**(Drilling) Availability of leases for the Company to secure for drilling purposes.** As part of its strategy, the Company may pursue leases directly for drilling opportunities. Such cases may require the engagement of additional local consultants, have costs associated with lease acquisition and have time limitations prior to expiration if drilling and production has not been achieved within negotiated time frames. There is no guarantee that it will be successful in securing, negotiating terms sufficiently favorable, securing funding, securing working partners or developing drilling prospects in such leases. In addition, at the time of this Offering, a limited number of leases have been secured by the Company, and all in the Texas. In the case that the Company decides to pursue leases directly for purposes stated herein, there is no assurance that the Company will be able to find enough leases with viable drilling prospects in order to achieve its stated objectives, which may have a materially adverse effect on the Company's overall financial condition and operating results and may cause the Company to pursue other business opportunities and/or raise additional capital from members.

**Environmental compliance and risks.** In carrying out operations, the Company and its retained operators are required to comply with the Environment Protection and Biodiversity Conservation Act 1999 (Cwth) ("EPBC Act"), which specifies and regulates the environmental protections needed to be put in place by operators to avoid and minimize possible adverse environmental impacts from those operations. The EPBC Act sets out stringent conditions that must be complied with by operators and imposes rigid conditions that must be met before operations can commence. In the event of breaching any such conditions, the Company may be liable to prosecution and the imposition of penalties.

Further, following cessation of any production from future operations, the Company will be required to participate in clean-up programs resulting from any contamination from operations in which it participates, removal of disused plant and equipment and where necessary, restoration of the environment that has been disturbed in the course of operations. The cost of that participation may be considerable if operations have resulted in significant environmental liabilities being incurred. In such a case, any allowance made for rehabilitation could possibly be inadequate.

**Operational risks.** These risks include the possibility of environmental accidents, unexpected mechanical failure or equipment breakdown resulting in loss of production and additional expense generally, unexpected interruption to or imposition of onerous conditions on access, industrial disputes and resultant increases in the costs of operations.

### **Risks Related to This Offering**

**This offering does not have a minimum offering size.** The Units are being offered on a "best efforts, no minimum" basis, without escrow or refund provisions. If we accept a subscription, we will deposit the funds directly into our bank account and we may use the funds immediately, and those funds may be subject to the claims of our creditors. As of the date of this Memorandum, no one has made a commitment to purchase any of the Units being offered. Consequently, none of the Units may be sold. Because there is no minimum Offering amount, we may not raise sufficient funds in this offering to successfully execute our business plan.

**Our use of proceeds is not certain.** In some categories, our Company has only generally allocated the proceeds of this offering. Thus, the specific use of investors' funds will depend upon the business judgment of our management, upon which the investors must rely with only limited information about management's specific intention. Management will have the ability to apply the proceeds of this Offering as it deems appropriate without Unit holder approval.

**We have arbitrarily established the offering price.** There has been no prior market for the securities of our Company. The offering price of the Units has been arbitrarily determined by our Company's management, and bears no relationship to the assets or book value of our Company or any other recognized criteria of value, and should not be considered to be an indication of the actual value of our Company. In arbitrarily determining the offering price of the Units, management considered such matters as the nature of our Company's assets, estimates of the business potential of our Company, the amount of equity or control desired to be retained by the present Unit holders, the amount of dilution to investors, and the general condition of the securities market. (See "TERMS OF THE OFFERING")

**There is no commitment to purchase our securities.** As of the date of this Memorandum, no one has made a commitment to purchase any of the Units being offered hereby. Consequently, the Units possibly will not be sold. No subscriptions for the Units shall be escrowed pending the receipt and acceptance of a minimum number of subscriptions, as the securities are being Offered and may be sold on a "best effort no minimum basis." Accepted subscriptions will be deposited into a bank account of the Company and will be subject to claims of general creditors of the Company. (See "TERMS OF THE OFFERING")

**There is no prior market for our units, and it is possible no market may ever develop.** There has been no market for our Units and it is possible that no market will develop. None of our Securities are listed on any exchange, and they may never be eligible to be listed on any exchange. If you purchase Units, you may not be able to resell those Units at or above your purchase price, if at all. (See "TERMS OF THE OFFERING")

**Investors in this offering will suffer immediate dilution.** This Offering involves an immediate dilution of a purchaser's investment from \$10,000 per Unit to approximately \$8,179 per Unit, assuming that all Units Offered hereby are sold. To the extent that additional options, including options under our Unit option plan, warrants are issued or exercised, there will be further dilution.

**We do not anticipate the payment of dividends.** Payment of dividends on the Units Offered hereby rests with the discretion of our Managers. There can be no assurance that dividends can or will ever be paid, since payment of dividends is contingent upon, among other things, future earnings, if any, the financial condition of the Company, capital requirements, general business conditions, and other factors which cannot now be predicted. The Company anticipates that it will retain any earnings in order to finance continuing operations, and does not expect to pay dividends in the foreseeable future. (See "DESCRIPTION OF SECURITIES")

**Regarding our estimates of future results.** "Exhibit C"(AVAILABLE UPON REQUEST) to this memorandum is our Company's Summary Business Plan, which includes estimates and projections of possible financial results for future years. The projections have been prepared by us based upon assumed levels of operating results and estimates of potential markets for the services first expected to be marketed. No assurances can be given that the results set forth in such estimates will occur; in fact, it is impossible to predict future results for the Company because future conditions are absolutely unknown. Therefore, no person should rely on the estimate of future results in making an investment decision. The estimates are included solely as an example of what financial results might be obtained based upon the assumptions described therein and are not included for the purpose of predicting future financial results.

**It is difficult to predict our financial performance and it may fluctuate.** We have not yet generated revenues and we may never do so. If we do, our quarterly results of operations are likely to vary significantly. A number of factors are likely to cause these variations, some of which are outside of our control. Some of these factors include:

- the acceptance by the oil and gas industry of the services we offer;
- the acceptance by the consumer of the services we offer;

- the amount and timing of capital expenditures and other costs relating to the expansion of our business;
- the introduction of competing services;
- price competition or changes in our oil and gas industry; and
- technical difficulties or economic conditions specific to our business.

Due to these and other factors, we believe that quarter-to-quarter comparisons of our operating results may not be meaningful. Our operating expenses are based on expected future revenues and are relatively fixed in the short term. If our revenues are lower than expected, or if we do not generate any revenues at all, we would incur greater than expected losses.

**Our financial statements and financial information have not been audited by independent certified public accountants, and therefore may not all be accurate.** We have not had our financial statements or other financial information of the Company audited or reviewed by an independent certified public accountant. Consequently, there can be no guarantee of the accuracy or adequacy of such financial information. Additionally, our Company's Forecasted Statements of Revenues, Expenses, and Retained Earnings, attached as a component of the Summary Business Plan (Exhibit-C)(AVAILABLE UPON REQUEST) to this Memorandum, have been prepared by internal personnel of the Company and do not purport to be in compliance with generally accepted accounting principles. Future operating results are very difficult to predict and no representation of any kind is made with respect to the accuracy or completeness of the forecasts or other financial information of our Company.

**Because we do not have an audit or compensation committee, unit holders will have to rely on the manager/s, all of which are not independent, to perform these functions.** We do not have an audit or compensation committee comprised of independent managers. Indeed, we do not have any audit or compensation committee. These functions are performed by the Managers as a whole. All managers are not independent directors. Therefore, there is a potential conflict in that members who are management will participate in discussions concerning management compensation and audit issues that may affect management decisions.

**Our executive officers and directors will retain voting control after the offering, which will allow them substantial influence over major company decisions.** We anticipate that our Managers will, in the aggregate, beneficially own approximately twenty percent (20%) of our issued and Units following the completion of this Offering, assuming the sale of all 250 Units hereby Offered. Accordingly, the present Unit holders, by virtue of their percentage Unit ownership and certain procedures established by the Articles of Organization of the Company for the election of its directors, may effectively control the Managers and the policies of the Company. As a result, these managing members will retain substantial control over matters requiring approval by our Unit holders, such as the election of managers and approval of significant corporate transactions. This concentration of ownership may also have the effect of delaying or preventing a change in control. (See “PRINCIPAL UNIT HOLDERS” for more information relating to the ownership positions of our executive officers and managers.)

**Our investors will have a limited voice in the management of our operations.** The relationship between our investors and our management will be governed by our Operating Agreement executed effective July 26, 2017. Some of the main points of the Operating Agreement include the following:

- Members will be allocated income, losses and distributions in proportion to their membership interests.
- The business of our Company will be managed by the Manager, Krupesh LLC, and you will have a vote in only certain matters including the right to vote for the Manager(s), sale of substantially all the assets of the Company or a change in the nature of business.
- The Manager has complete control and discretion regarding all Company operations. and therefore, has substantial control over the daily affairs and operations of the Company.
- The Manager has the sole right to approve the issuance or transfer of membership interests.
- The Manager has the right to approve any merger with another entity where the Company is the surviving entity.

**Our management may apply the proceeds of this offering to uses that do not increase our sales or our value.** In some categories, we have only generally allocated the proceeds of this offering. We intend to use the proceeds of this Offering for general corporate purposes, including the funding of working capital requirements and the expansion of our sales and marketing activities. Accordingly, our management will have significant flexibility in applying the net proceeds of this Offering. The net proceeds may be used for corporate purposes that do not increase our sales or our value. The failure of management to apply these funds effectively could seriously harm our business. (See "USE of PROCEEDS")

**There are restrictions on the resale of our securities.** The securities Offered hereby are "restricted securities" as that term is defined in Rule 144 under the Securities Act of 1933, as amended. Subject to various conditions, including approval of the Company, and its counsel, they may be resold in privately negotiated transactions or under Rule 144, in limited quantities. Additionally, the securities Offered hereby are subject to restrictions on resale imposed by state security laws ("blue-sky laws") and rules and regulations promulgated under such blue-sky laws. The Units must be purchased for investment and not with a view to resell or distribute the Units. There is presently no public market for the Company's Units, and there is no assurance that a market for the Units will develop. Accordingly, Units purchased in this offering will be subject to restriction on transfer, a restrictive legend will be imprinted on all certificates for Units, and purchasers in this offering may incur substantial difficulty in selling their Units should they desire to do so. (See "TERMS OF THE OFFERING")

**We do not maintain liability insurance.** The Company has limited capital and, therefore, does not currently have a policy of insurance against liabilities arising out of the negligence of its officers and directors and/or deficiencies in any of its business operations. Even assuming it obtained insurance, there is no assurance that such insurance coverage would be adequate to satisfy any potential claims made against the Company, its officers and directors, or its business operations or products. Any such liability which might arise could be substantial and may exceed the assets of the Company.

The Operating Agreement of the Company contains provisions to indemnify the Manager, its shareholders, partners, managers, officers, directors, employees, agents and representatives against

any liabilities, obligations, losses, damages, penalties, actions, judgments, suits, proceedings, costs, expenses and disbursements of any kind or nature whatsoever (including, without limitation, all reasonable costs and expenses of attorneys, defense, appeal and settlement of any and all suits, actions or proceedings instituted or threatened against them or the Company). Additional, and all costs of investigation in connection therewith, which may be imposed on, incurred by, or asserted against any of them arising out of, or alleged to relate to or arise out of, any action or inaction on the part of the Company or any of the indemnified persons when acting on behalf of the Company. Insofar as indemnification for liabilities arising under the Securities Act may be permitted to managers, directors, officers and controlling persons, it is the opinion of the Securities and Exchange Commission that such indemnification is against public policy, as expressed in the Securities Act, and is therefore, unenforceable. Indemnification will not be available for fraud, gross negligence, and willful misconduct by persons who otherwise would be entitled to indemnification.

**A failure of our business plan.** While our management has developed a business plan (See Exhibit C - "Summary Business Plan,")(AVAILABLE UPON REQUEST) which it believes is realistic, there can be no assurance that said plan will succeed in whole or part. As a part of the business plan, it is necessary for Management to have broad discretion in handling the expenditure of the net proceeds of the offering because of the consistently quick changes in the marketplace. However, this broad discretion also creates some risks.

**Unforeseen risks.** Management's ability to identify all potential future risks is limited. An investor should recognize that additional and, as yet, unidentified risks could exist which could have an adverse impact on the viability of our Company.

FOR ALL OF THE AFORESAID REASONS, AND OTHERS SET FORTH HEREIN, THESE SECURITIES INVOLVE A HIGH DEGREE OF RISK. ANY PERSON CONSIDERING AN INVESTMENT IN THE SECURITIES OFFERED HEREBY SHOULD BE AWARE OF THESE AND OTHER FACTORS SET FORTH IN THIS MEMORANDUM. THESE SECURITIES SHOULD ONLY BE PURCHASED BY PERSONS WHO CAN AFFORD TO ABSORB A TOTAL LOSS OF THEIR INVESTMENT IN THE COMPANY.



### **USE OF PROCEEDS**

If all Units Offered are sold, the gross proceeds from the sale of the Units are expected to be approximately Up to \$2,500,000 before deducting estimated offering expenses payable by us.

We intend to use the net proceeds primarily for general corporate purposes, including the funding of working capital requirements, and completion of our 8 well recovery program. Numbers in the table below do not take into account potential commissions to sales agents.

(1) EQUIPMENTS/SERVICE (Drilling Rig, Pits, Bits, Mud & Chemical pack, Casing, Tubing, Rods, Down Hole Pump, Polish Rod, Wellhead & Connections, Pump jack, Motor).	\$617,040
(2) ROUSTABOUT CREW (Flow Line, Weather Head, PVC pipe, Wires, Breaker box, Breakers, Timers, Pole, Fencing, Labor).	\$83,148
(3) TANK BATTERY SYSTEM (Site preparation w/firewalls, Tanks, Line pipe, Connections, Knockout, Fencing, Labor).	\$80,900
(4) ELECTRICAL (With Labor)	\$32,000
(5) EQUIPMENT RENTAL AND USAGE (Dozer, Backhoe, Forklift, Ditch Winch, Water truck, Pickup, Frac tanks)	\$155,920
(6) SERVICES (Gravel, Water haul, Cementers, Electrician, Logging and Perforators, Frac company, Haulers for Equipment, Mud logger)	\$706,800
(7) OTHER SERVICES (Survey, Ground work, Permits, Water-board letter, Insurance)	\$93,600
(8) WORKOVER SERVICES (Swabbing unit, Workover rig, Crew)	\$64,000
(9) OPEN HOLE LOG/PERCUSSION SIDE WALLING, CORE 8 - LOCATIONS LEASE ASSIGNMENT, GEOLOGIST, CONTINGENCY COMPLETION REPORTING FEES, ELECTRICAL COMPANY DEPOSIT	\$360,000
TOTAL DRILLING AND COMPLETION COST	<b><u>\$2,193,408</u></b>

GENERAL/ADMINISTRATIVE

(Legal/Consulting cost, SEC filing fees, Salaries,

Advertising/Marketing, Accounting, Office supplies,

Travel expenses, Program management fees, Miscellaneous)

\$306,592

TOTAL PROJECT COST

**\$2,500,000**

On completion of this offering, KSK Oil and Gas LLC will disperse the funds to Krupesh LLC who will be the drilling contractor. Krupesh LLC is wholly owned by Sarvesh Patel, Manager of KSK Oil and Gas LLC.

The foregoing represents our best estimate as to the application of the proceeds if all Units Offered are sold. Consequently, the actual application may vary from that described. We may also use part of the proceeds for payments of up to ten percent (10%) of the gross proceeds to one or more sales agents who are registered with the Financial Industry Regulatory Authority (FINRA) and the appropriate state authorities. No selling agent has been engaged to assist with the Offering at this time. Management will use broad discretion to allocate the proceeds among our projects and needs. Pending the application of the net proceeds actually raised as described above, the net proceeds may be invested in short-term, interest-bearing and investment grade securities, including certificates of deposit and money-market instruments.

No one has made a commitment to purchase any of the Units being offered. Consequently, none of the Units may be sold. We may not raise sufficient funds through this Offering or through subsequent offerings to enable us to achieve our business plan as it is currently conceived. If we are unable to achieve our business plan as it is currently conceived, our business may fail.

## **RESTRICTIONS ON TRANSFERABILITY, INCLUDING RESALE, AND ILLIQUIDITY**

The Notes are being offered in a private placement, intended to be exempt from registration with the SEC. In order for this offering to qualify for exemption from registration pursuant to Section 4(2) of the Securities Act of 1933, as amended (the “Securities Act”) and the provisions of Rule 506(c) of Regulation D, promulgated thereunder we must exercise reasonable care to assure that the requirements of Rule 506(c) are satisfied. Accordingly, we will:

- make reasonable inquiry to determine which Investor has an accredited standing as that term is defined in Regulation D.
- make reasonable inquiry to confirm that each Investor is acquiring the Units for its own account and not on behalf of other persons;
- make reasonable inquiry to confirm that each Investor is an “sophisticated investor” as that term is defined in Regulation D.
- specifically advise each Investor that the Units purchased shall be deemed to have the same status as if they had been acquired in a transaction pursuant to Section 4 (2) of the Securities Act and cannot be resold without registration under the Securities Act or exemption therefrom;
- place a legend on the certificates evidencing the Units stating that they have not been registered under the Securities Act and cannot be resold without registration or exemption therefrom; and
- obtain from each Investor a signed written agreement that these Units will not be sold
- without such registration under the Securities Act or an exemption therefrom.

The Units are being offered and sold in a private placement pursuant to an exemption from the registration requirements of the Securities Act and applicable state securities laws. If issued, the Units will be sold in reliance on an exemption from registration under Rule 506 of Regulation D promulgated under the Securities Act and exemptions from qualification under securities laws of certain states. The Units sold in this Offering will be “restricted” securities under the Securities Act, and consequently they may not be transferred or sold unless they are subsequently registered or qualified under Federal and applicable state securities laws, or unless an exemption from such registration or qualification requirements is available. There is no public or other market for the Units (the securities), and the Company does not anticipate that such a market will develop in the near future, if ever. The Company is under no obligation to register the Units or to assist a Unit holder in complying with any exemption from registration under the Securities Act or any state securities laws. Further, the transferability restrictions in the Operating Agreement make the Units a non-liquid investment. Consequently, any investor in the Units must bear the economic risk of the investment for an indefinite period of time. Each investor will be required, in the Subscription Agreement, to represent in writing that such investor (a) is purchasing the Units for the investor’s own account for investment and not for resale or distribution; (b) has such knowledge and experience in financial and business matters that they

are capable of evaluating the merits and risks of an investment in the Units; (c) understands they must bear the economic risk of an investment in the Units for an indefinite period of time because the Units have not been registered under the Securities Act and applicable state securities laws covering such sale or disposition and, therefore, cannot be sold unless they are subsequently registered or an exemption from such registration is available. Prospective investors are advised to seek independent legal advice of their own choice regarding the investment representations that each investor will be required to make in the Subscription Agreement, the requirements imposed by the Securities Act and by state securities laws and other legal matters relevant to this Offering.

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## **CAPITALIZATION**

The following table shows our capitalization as of November 30, 2017 on an actual basis and as adjusted to reflect the sale of Units in this Offering. You should read this table in conjunction with the financial information contained elsewhere in this Memorandum.

There is no minimum size for the Offering and the Company has the right to increase or decrease the number of Units Offered. Therefore, the as-adjusted information presented below may not be indicative of the actual impact of the Offering on our capitalization.

	November 30, 2017	
	Actual (prior to offering)	As adjusted for \$2,500,000 proceeds
Unit holders' equity: Units issued and outstanding	63	313
Members equity	\$60,000	\$2,560,000
Accumulated Earnings (Deficit)	(\$8,300)	(\$8,300)
Total members' equity	\$51,700	\$2,551,700
Total capitalization	<u>\$60,000</u>	<u>\$2,560,000</u>

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## **DILUTION**

The net tangible book value (deficit) of the Company as of November 30, 2017 was \$60,000, or \$952 per Unit.

The following chart, which assumes the successful completion of the Offering described herein, and illustrates the per Unit dilution (1) and percentage of ownership in the Company to be held by the Company's present Unit holders, and by the investors in this Offering:

Offering price per Unit	\$ 10,000
Average cash cost per Unit to present Unit holders	\$ 952
Net tangible book value (deficit) per Unit before Offering	\$ 952
Pro-forma net tangible book value per Unit after successful completion of this Offering	\$ 8,179
Amount of increase in net tangible book value per Unit attributable to cash payments by investors in this Offering	\$ 7,227
Per Unit dilution from offering price absorbed by investors in this Offering	\$ 1,181
Percent of equity purchased by investors for \$2,500,000	80%
Percent of equity purchased by present Unit holders for \$ 60,000	20%

(1) Dilution represents the difference between the offering price per Unit and the net tangible book value of the Units immediately following the completion of the Offering. Net tangible book value is calculated by subtracting total liabilities from total tangible assets of the Company, and dividing by the total number of Units outstanding.

We may seek additional equity financing in the future, which may cause additional dilution to investors in this Offering, and a reduction in their equity interest. The holders of the Units purchased in this Offering will have no preemptive rights on any Units to be issued by us in connection with any such additional equity financing.

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## **BUSINESS**

### **General**

The Company was organized under the laws of the state of North Carolina as a Limited Liability Company on July 26, 2017. To date, our Company has been engaged in finalizing our Business Plan, researching and developing our oil and gas recovery services (operating plan), establishing the organization and other formalities to begin operation.

### **Overview**

KRUPESH, LLC is a company located in North Carolina with ground operations in Rockdale, Texas. As an exploration company operating in the heart of the U.S. oil and gas market, our subsidiary company KSK Oil and Gas LLC's primary focus is on operations to lease, drill and operate under-developed oil and gas prospects in Texas. Current operations are focused near the town of Rockdale, Texas in Milam County - which enjoys a storied history of oil production. We are presently working an eight-well working interest program seeking to raise \$2,500,000 selling 80% working interest under the name of KSK Oil and Gas LLC.

(See Exhibit C(AVAILABLE UPON REQUEST) – “Summary Business Plan” for additional general and overview description)

### **Our Oil and Gas Recovery Service**

We seek out these overlooked plays and under-exploited areas that provide fertile ground for a company seeking a sizeable development project with the potential to generate attractive financial returns in today's oil and gas environment.

We deploy proven, advanced drilling and completion technology to extract the known oil and gas reserves and rely upon the expertise of highly experienced oil and gas professionals from a multitude of disciplines.

Our combined field knowledge just off the fringe of the Eagle Ford Shale lower zones in the Minerva field add up to over 50 years of cumulative land acquisition, operations and drilling/completion experience in the area we seek to generate production in.

(See Exhibit C – “Summary Business Plan” for additional service description)(AVAILABLE UPON REQUEST)

### **Prospect Location**

Our eight-well program is in the 50-square mile “Minerva-Rockdale field” which was discovered in 1921. It is estimated that the field has produced over 7 million barrels of oil during its lifetime. Just a few minutes south of Rockdale, Texas the lease location is convenient and offers ease of access.

The formation strengths include:

High drilling success rates

- Large 50 Square mile field with major expansion
- Opportunity to include offsets
- 100% oil – little to no natural gas
- High quality, high gravity oil that sells at a premium to WTI – a.k.a “Sweet Crude”
- Low drilling costs and costs to produce oil
- Excellent proximity and access to major refineries

- Long-lived producing wells – formation is fed and replenished from faults and crevices beneath the oil field
- Enhanced recovery potential from water-flooding  
(See Exhibit C(AVAILABLE UPON REQUEST) – “Summary Business Plan” for additional location description)

### **Project Information**

TOTAL WELLS: 8 (6 producing wells + 2 water injection wells)

LEASE NAME: Krupesh Lease (8-LOCATIONS)

LEASE LOCATION: Milam County, Rockdale, Texas

EIGHT LOCATIONS MINERAL RIGHTS HELD IN THE NAME OF (Post offering):KSK OIL AND GAS, LLC ·

ACREAGE: 104 Acres

MANAGING MEMBER: KRUPESH, LLC

OPERATOR(Post Offering): Winchester Oil and Gas/Krupesh LLC

PRIMARY TARGET: SAND Approximately- “A”- 1550', SAND “B”- 1600', SAND “C”- 1800'

TOTAL DEPTH: 2000'

ESTIMATED OIL RESERVE: Approximately 1,870,639 Barrels Of Oil On 104 Acres

ESTIMATED PRODUCTION LIFE: 15-20 Years

TOTAL MEMBERSHIP UNITS OFFERED: 250 Units

UNIT PRICE: \$10,000

TOTAL OFFERING: \$2,500,000

JOINT VENTURE WORKING INTEREST: 100%

NET REVENUE INTEREST: 70%

This project is subject to prior sale and or withdrawal at any time. The above unit prices are based on a fixed price contract and subject to that certain Operating Agreement dated 05/01/2017.

(See Exhibit C(AVAILABLE UPON REQUEST) – “Summary Business Plan” for additional project description)

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## **MANAGEMENT**

### **Managers, Directors and Executive Officers**

The Managers, directors, and executive officers of the Company, their positions and ages are as follows:

<b><u>Name</u></b>	<b><u>Age</u></b>	<b><u>Position</u></b>
Sarveshwar K. Patel	33	Founder, President, Managing Member, Director, Chief Executive Officer, Chief Financial Officer

We have a provision in our Articles of Organization and Operating Agreement to limit the liability of our Managers of the Company to the fullest extent allowed by North Carolina law. Each of the persons listed above serves from the date of his/her election until resignation, removal or until a successor is qualified and elected by the Company's Unit holders as provided in the Operating Agreement.

Except as otherwise noted below, all organizations by which each manager, officer and director has been previously employed are non-affiliates of the Company. Set forth below are brief descriptions of the recent employment and business experience of the managers, officers and directors of our Company (based solely on information provided by them) as of the date of this Memorandum.

There are no family relationships among our managers, officers and directors.

### **Officers, Managers, and Founding Members**

#### ***Sarveshwar K. Patel – Founder, Managing Member, President, & Chief Executive Officer, Chief Financial Officer***

Sarvesh is also the Founder, Manager and sole owner of Krupesh LLC. He owns and operates a number of oil and gas wells as well as having drilled 90 successful wells in Rockdale Texas. He holds a Bachelor's of Science and attended Ragiv Gandhi University of Health Sciences, India and High Point University, High Point, North Carolina.

### **Key Personnel**

#### ***Matthew Laverton - Chief Ground Officer/Ground Supervisor***

Prior, Matthew developed and sold two oil companies. He was a marketing executive for Victoria Energy, Kingman Energy and Petrofroce Energy, which combined drilled more than 70 wells in the Rockdale, Texas area. He holds a B.A in finance from the University of North Texas.

**Primary Oil Operator*****George E. Burke - Chief Operator for of the Company***

George is the owner of Winchester Oil and Gas and has been in oil industry for over 35 years. He has drilled more than 1400 successful oil wells in his career. He is part operator of 900 oil wells with Omni oil & Gas in Rockdale, Texas He was an Aquatic Marine Engineer-Mechanic in the United States Army, and holds licenses as a Certified Cast Iron Welder, CDL-Commercial Driver's License and Heavy Equipment Operator.

**Drilling Contractor:** Krupesh LLC

**Compensation of Directors and Officers**

There is no accrued compensation that is due any member of Management. No executive officer is expected to receive cash compensation in excess of \$100,000 in the Company's current fiscal year which commenced on July 26, 2017. There are no current plans to pay or distribute cash or non-cash bonus compensation for fiscal 2017 to the persons named above. However, the Manager/s may allocate salaries and benefits to the officers for fiscal year 2017 in its sole discretion. No such person is subject to a compensation plan or arrangement that results from his or her resignation, retirement, or any other termination of employment with the Company or from a change in control of the Company or a change in his or her responsibilities following a change in control. The Managers may, if they so decide, receive a fixed fee and reimbursement of expenses, for attendance at each regular or special meeting of the managers, although no such program has been adopted to date. The Company currently has no retirement, pension, or profit-sharing plan covering its officers and managers.

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## **PRINCIPAL UNIT HOLDERS**

The following table sets forth the information, as of the date of this Memorandum, with respect to the beneficial ownership of the Company's securities by each person known to the Company to be the beneficial owner of 5% or more of the outstanding Units of the Company's securities, and each person who is a manager, director, executive officer and all persons who are directors and officers of the Company as a group. To the best of our knowledge, the persons named have sole voting and investment power with respect to such Units, except as otherwise noted. The table gives the percentage of Units held by each such person or group as of the date of this Memorandum and as adjusted to give effect to this Offering.

### **Beneficial Ownership of the Initial Units of Membership Interests of KSK Oil and Gas LLC**

<u>Beneficial Owners</u>	<u>Percent of Class</u>
Krupesh LLC	<u>20%</u>
Total owned by Initial Member/s of the Company as a group	20%

### **Capitalization after the completion of the full amount of The Offering**

Initial Member/s	20%
Subscribing Member/s	80%

Note: Mr. Sarvesh Patel, a Manager, director (officer) is a controlling Unit holder of Krupesh LLC and will be responsible for the control of the above noted Units registered in the Krupesh LLC name.

### **Additional Unit holders - None**

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### **CERTAIN RELATED-PARTY TRANSACTIONS**

In addition to the Unit holdings and transactions noted under “PRINCIPAL UNIT HOLDERS,” the Company is party to the following transactions as pertains to certain managers, executive officers, officers, directors, key employees, members of its advisory board and principal Unit holders.

On organization in July 2017, the Company issued 63 Units to Krupesh LLC for consideration of \$952 per Unit for a total of \$60,000 as initial capital of the Company. Krupesh LLC is wholly owned by Sarvesh Patel, Manager of KSK Oil and Gas LLC.

On completion of this offering, KSK Oil and Gas LLC will disperse the funds to Krupesh LLC who will be the drilling contractor.

The Company believes that all of the transactions set forth above were made on terms no less favorable to the Company than could otherwise be obtained from unaffiliated third parties. The Company anticipates that all future transactions, including loans, between the Company and its managers, officers, directors, principal Unit holders and affiliates will be approved by a majority of the Managers and will be on terms no less favorable to the Company than could be obtained from unaffiliated third parties.

Since inception, the Company has been party to various loans from its manager’s officers and directors. These loans, some of which may have been repaid, some of which may have been converted to Units and some of which are currently outstanding, are believed to have been made on terms no less favorable to the Company than could otherwise be obtained from unaffiliated third parties.

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## **DESCRIPTION OF SECURITIES**

**NOTE – Limited Liability Company (LLC) overview:** *The operating agreement is a contract among the members of an LLC governing the membership, management, operation and distribution of income of the Company. Managing members are the individuals who are responsible for the maintenance, administration and management of the affairs of a LLC. Members are the owner(s) of a LLC. Unless the articles of organization or operating agreement provide otherwise, management of an LLC is vested in the members in proportion to their ownership interest in the Company*

### **Units of Membership Interests**

**Overview of our Operating Agreement.** *(Prospective investors are advised to review our Operating Agreement a copy of which is attached as “Exhibit D”).*

**General.** The Company is offering up to \$2,500,000 and 250 Units of Membership Interests pursuant to this Offering, as defined by the Securities and Exchange Commission("SEC), accordingly:

1 to 15 Units at 15% discount	16 to 35 Units 13% discount
36 to 60 Units 12% discount	61 to 85 Units 10% discount
86 to 100 Units 9% discount	101 to 250 Units at Regular Unit Price

Discount will be honored on a "first come-first serve basis" where earlier investors will enjoy unit price with related discount. As of the date of the Offering, 63 Units were outstanding.

**Membership Units.** The holders Units are entitled to one vote for each Unit held of record on all matters submitted to a vote of Unit holders. Subject to preferences that may be applicable to any outstanding Units, the holders Units are entitled to receive ratably the dividends, if any that may be declared from time to time by the managers out of funds legally available for such dividends. The Company has never declared a dividend and does not anticipate doing so in the foreseeable future. In the event of a liquidation, dissolution or winding up of the Company, the holders of the Units are entitled to Unit ratably share in any remaining assets after payment of liabilities. The Units have no preemptive or other subscription rights and is not subject to any future calls or assessments. There are no conversion rights or redemption or sinking fund provisions applicable to Units. All of the outstanding Units are fully paid and non-assessable.

**Distributions.** Holders of the Units are entitled to receive such distributions when and as declared by the Managers. The Company has not paid any distributions on its Units and does not anticipate paying distributions for the foreseeable future.

**Restrictions and Limitations.** In addition to any vote required by law, the consent of at least 51% of the holders of the then-outstanding Units shall be required to (i) redeem, purchase or otherwise acquire any Units, (ii) increase or decrease (other than by redemption or conversion) the total number of authorized Units; or (iii) amend the Articles of Organization of the Company if such amendment would change any of the rights, preferences or privileges of the Units.

No Preemptive Rights. Holders of the Units do not have preemptive rights or any other contractual participation rights. No unit holder of the Company shall have a preemptive right because of his/her unit holdings to have first Offered to him/her any part of the presently authorized Units of the Company. Thus, any and all Units of the Company presently authorized and not already issued, may at any time be issued, optioned and contracted for sale or sold or otherwise be disposed by the Managers of the Company to such persons and upon such terms and conditions as the managers deem proper and advisable without first offering such Units or any part thereof to existing Unit holders.

***Voting/Managing Members Composition.*** Each Unit is entitled to one vote per Units in all votes that come before a vote of the Unit holders. Managers are elected by a majority vote of the outstanding Units.

### **Restrictions on Transferability**

The Securities are being offered and sold in a private placement pursuant to an exemption from the registration requirements of the Securities Act and applicable state ("blue sky") securities laws. If issued, the Securities will be sold in reliance on an exemption from registration under Rule 506(c) of Regulation D promulgated under the Securities Act and exemptions from qualification under securities laws of certain states. The Securities sold in this Offering will be "restricted" securities under the Securities Act, and consequently they may not be transferred or sold unless they are subsequently registered or qualified under Federal and applicable state securities laws, or unless an exemption from such registration or qualification requirements is available. There is no public or other market for the Securities and the Company does not anticipate that such a market will develop in the near future, if ever. The Company is under no obligation to register the Securities or to assist a Securities holder in complying with any exemption from registration under the Securities Act or any state securities laws. Further, the transferability restrictions in the Operating Agreement make the Securities a non-liquid investment. Consequently, any investor in the Securities must bear the economic risk of the investment for an indefinite period of time.

### **Limitations on Deductions**

The Company is a limited liability company which operates like a partnership. This means that all items of income, deduction and expense as reported by the Company (including losses) will "pass through" the Company to the individual members (both Voting and Nonvoting) by issuing a form K-1. Therefore, if the Company has losses, as expected during the early stages of operation, Unit holders will be eligible to deduct their share of such losses on their income tax returns. If individual purchasers incur debt to purchase Units, the deduction of interest on such debt may be limited by Section 163(d) of the Internal Revenue Code of 1986, as amended. Purchasers should consult their own tax advisors regarding any individual tax consequences of their purchase Units.

### **Transfer Agent**

The Company plans to function as its own transfer Agent and Registrar for the Company's Units until such time, if ever, as it completes an initial public offering. All Units which may be issued as a result of this Offering and all Units which are outstanding or may be issued will be "restricted securities" and may not be transferred except in compliance with applicable federal and state securities laws.

### **Reports to Unit holders**

The Company intends to provide reports to Unit holders containing unaudited quarterly and unaudited annual financial statements and such additional interim reports as determined by management. Such reports may be delivered in electronic format but will not be warranted to be accurate in all material respects.

## **TERMS OF THE OFFERING**

Purchase of the securities involves a number of significant risks and is a suitable investment only for certain investors. See "Risk Factors."

Only persons of adequate financial means who have no need for present liquidity with respect to this investment should consider purchasing the Securities Offered hereby because: (i) an investment in the Securities involves a number of significant risks (See "Risk Factors"); and (ii) no market for the Securities exists and none is likely to develop in the reasonably foreseeable future (See "Restrictions on the Transfer of Securities"). This Offering is intended to be a private offering that is exempt from registration under the Securities Act and applicable state securities laws.

The Company is offering 250 Units pursuant to the exemptions from registration contained in Section 4(2) of the Securities Act and Rule 506(c) promulgated thereunder. The purchase price is \$10,000 per Unit. The securities are being Offered in denominations of \$10,000 and any larger subscriptions in increments of \$1,000. Subscriptions for less than \$10,000, and increments of less than \$10,000, may be accepted in the discretion of the Company. Given the high-risk nature of the securities being Offered by means of this Memorandum, the Company believes that individuals or other potential investors who are unable or unwilling to invest at least \$10,000 for the purchase of Units Offered hereby may not be appropriate investors. To subscribe, complete and sign the Subscription Agreement (Exhibit B) (AVAILABLE UPON REQUEST), and deliver it with a check or wire transfer in the full amount of the securities subscribed for, payable to "KSK Oil and Gas LLC" or its representatives.

All subscriptions accepted by the Company shall be irrevocable. No minimum subscriptions must be reached and no other events or contingency must occur before the proceeds of any subscription are paid to the Company. Accordingly, subscriptions that are accepted by the Company will be deposited into the Company's bank account and may be drawn upon immediately, and there are no escrow or refund provisions for the Offering. The Company reserves the right to refuse or limit subscriptions. The Offering will terminate 180 days from the date of this Memorandum (subject to extension in the discretion of the Company for one or more 180-day periods, or on the date when subscriptions for \$2,500,000, in securities are accepted by the Company, or upon the Company's unilateral decision to terminate the Offering, whichever is first to occur. Following the close of the Offering the Company will promptly issue certificates representing the securities.

The Offering will be made by directors and officers of the Company and/or by federally registered and state-licensed broker-dealers, which are members of the Financial Industry Regulatory Authority (FINRA). Any broker-dealer engaged as a selling agent for the Company will be paid, out of the proceeds of sale, a commission of up to ten percent (10%) of the gross proceeds of sales of the securities being Offered and sold by such broker-dealer. No commissions or direct or indirect remuneration will be paid to the Company or its directors or officers in connection with the offer or sale of the securities being offered hereby. Existing Unit holders or their affiliates may, but have not committed to, purchase securities in this Offering on the same terms as other investors.

The Company (and the selling agent, if the Company engages a selling agent to assist with the Offering) will reserve the right to accept or reject any subscription in whole or in part for any

reason and to allot to any investor less than the number of Units subscribed for. Any subscriptions not accepted will be returned without interest or deduction. There is no firm commitment by any person to purchase or sell any Units, and there is no assurance that any of the Units will be sold. Prior to acceptance of any subscription by the Company, each prospective investor must represent in writing to the Company certain matters as more fully set forth in the Subscription Agreement, including but not limited to the following:

1. that they have received and reviewed a complete copy of this Confidential Private Placement Memorandum;
2. that (a) they have the capacity to protect their own interests in connection with the offer and sale of the securities; (b) they understand that they must bear the economic risk of the investment for an indefinite period of time because the securities have not been registered under the Securities Act or any state securities laws; (c) they understand that they therefore cannot sell the securities, unless they are subsequently so registered or an exemption therefrom is available and (d) they are able to bear the risk of losing their entire investment;
3. that they are acquiring the securities for investment solely for their own account and without any intention of reselling or distributing them; and
4. that they have had access to all materials and relevant information necessary to enable them to make an informed investment decision, and that all information requested from the Company has been furnished to the extent the Company possessed it or could acquire it without unreasonable effort or expense.

### **Determination of Offering Price**

The offering price of the Units being offered hereunder was determined arbitrarily by the Company. In determining the offering price, the Company considered such matters as the prior sales of our Units, the financial condition of the Company, estimates of its business potential, the state of development of the Company's business and the general conditions of the securities market. The offering price should not, however, be considered an indication of the actual value of the Company.

### **Plan of Placement**

The Units are offered directly by officers and directors of the Company on the terms and conditions set forth in this Memorandum. Federally registered and state-licensed broker-dealers which are members of the Financial Industry Regulatory Authority (FINRA) may also offer Units. The Company is offering the Units on a "best efforts" basis. The Company will use its best efforts to sell the Units to investors. There can be no assurance that all or any of the Units Offered will be sold.



## **LITIGATION**

The Company is not a party, nor is its property subject, to any pending legal proceedings. To the knowledge of the Company, no legal proceedings are contemplated or threatened against the Company.

## **LEGAL MATTERS**

In the event it becomes necessary the Company may retain a law firm, to advise the Company in connection with and the sale of the securities and to issue its opinion on certain tax aspects of the offering. The Company has not prepared or independently verified the information concerning the proposed business of the Company contained in this Private Placement Memorandum, the financial statements of the Company or the performance of the Company, or the persons controlling the Company contained herein. Counsel has not acted on behalf of prospective investors or conducted a review or investigation on their behalf.

## **INDEMNIFICATION**

The Operating Agreement of the Company contains provisions to indemnify the Manager, its shareholders, partners, managers, officers, directors, employees, agents and representatives against any liabilities, obligations, losses, damages, penalties, actions, judgments, suits, proceedings, costs, expenses and disbursements of any kind or nature whatsoever (including, without limitation, all reasonable costs and expenses of attorneys, defense, appeal and settlement of any and all suits, actions or proceedings instituted or threatened against them or the Company), and all costs of investigation in connection therewith, which may be imposed on, incurred by, or asserted against any of them arising out of, or alleged to relate to or arise out of, any action or inaction on the part of the Company or any of the indemnified persons when acting on behalf of the Company. Indemnification will not be available for fraud, gross negligence, willful misconduct by persons who otherwise would be entitled to indemnification.

## **EXPERTS**

The Company has prepared the unaudited financial statements of the Company, as of August 31, 2017, included in this offering memorandum.

The Company can give no assurance that, upon audit by an independent Certified Public Accounting firm, other adjustments will not be necessary to properly reflect the Company's financial situation under generally accepted accounting principles. The Company is considered a development stage company, and as such, special accounting rules are applicable.

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## **WHO MAY INVEST (INVESTOR SUITABILITY)**

Investment in the Securities involves significant risks and is suitable only for persons of adequate financial means who have no need for liquidity with respect to this investment. See "Risk Factors." The Securities will be sold to investors who are "accredited investors," as that term is defined below.

The suitability standards discussed below represent minimum suitability standards for prospective investors. The satisfaction of such standards by a prospective investor does not necessarily mean that the securities are a suitable investment for such prospective investor. Prospective investors are encouraged to consult their personal financial advisors to determine whether an investment in our securities is appropriate.

The offer and sale of the Securities are being made in reliance on an exemption from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"). Accordingly, distribution of this Memorandum has been strictly limited to prospective Investors who meet the requirements and make the representations set forth below. The Company reserves the right to declare any prospective Investor ineligible to purchase the Securities based on any information that may become known or available to the Company concerning the suitability of such prospective investor or for any other reason or for no reason, in the Company's sole discretion.

### **INVESTOR SUITABILITY REQUIREMENTS**

The purchase of the securities involves a high degree of risk and is suitable only for persons of substantial financial means who have no need for liquidity in this investment. This investment will be sold only to prospective Investors who:

1. Purchase a Minimum Purchase of \$10,000, except that the Company may permit certain potential investors, in its sole discretion, to make a smaller investment;
2. represent in writing and satisfy the Company that they are "accredited" (as defined by Rule 501 of Regulation D under the Securities Act); and
3. satisfy the investor suitability requirements established by the Company and as may be required under federal or state law.

You must represent in writing that you meet, among others, ALL of the following requirements:

1. You have received, read and fully understand this Memorandum and all Exhibits and attachments hereto and also one that are AVAILABLE UPON REQUEST. You are basing your decision to invest on this Memorandum and all Exhibits and attachments hereto. You have relied solely on the information contained in said materials and have not relied upon any representations made by any other person;

2. You understand that an investment in the Securities involves risks and you are fully cognizant of and understand all of the risk factors relating to a purchase of the Securities, including, but not limited to, those risks set forth under "Risk Factors" in this Memorandum;
3. Your overall commitment to investments that are not readily marketable is not disproportionate to your individual net worth, and your Minimum Purchase of \$10,000.
4. You have adequate means of providing for your financial requirements, both current and anticipated, and have no need for liquidity from this investment;
5. You can bear and are willing to accept the economic risk of losing your entire investment.
6. You are acquiring the securities for your own account and for investment purposes only and have no present intention, agreement or arrangement for the distribution, transfer, assignment, resale or subdivision of the securities;
7. You have such knowledge and experience in financial and business matters that you are capable of evaluating an investment in the Securities and have the ability to protect your own interests in connection with such investment; and
8. You are an Sophisticated Investor.

In addition to certain institutional investors, a prospective Investor who meets one of the following tests will qualify as an *"Accredited Investor"*:

1. the prospective Investor is a natural person who had individual income in excess of \$200,000 in each of the two most recent year joint income with that person's spouse in excess of \$300,000 in each of these years, and has a reasonable expectation of reaching the same income level in the current year; or
2. the prospective Investor is a natural person whose individual net worth, or joint net worth with that person's spouse, exceeds \$1,000,000 at the time of investment in the Securities excluding the principal residence of such person; or
3. the prospective Investor is an organization described under Section 501(c)(3) of the Code, a corporation, Massachusetts or similar business trust, or a partnership not formed for the specific purpose of acquiring Securities, with total assets in excess of \$5,000,000;
4. the prospective Investor is an entity (including an IRA) in which all of the equity owners are Accredited Investors as defined In subparagraphs (1) and (2) above; or
5. the prospective Investor is a trust with total assets in excess of \$5,000,000, not formed for the specific purpose of acquiring the Securities, the purchase of

which is directed by an "sophisticated person" as defined in Rule 506(c)(2)(ii) of Regulation D under the Securities Act; or

6. the prospective Investor is an employee benefit plan within the meaning of ERISA in which the Investment decision is made by a fiduciary (as defined in Section 3(21) of ERISA)  
which is either a bank, savings and loan association, insurance company, or registration investment adviser; or the employee benefit plan has total assets in excess of \$20,000,000; or it is a self-directed plan in which investment decisions are made solely by persons who are Accredited Investors; or
7. the amount of the investment of each prospective Investor shall not exceed 10 percent of the net worth, as determined by this subdivision, of that prospective Investor.

For purposes of calculating a potential Investor's net worth, "net worth" is defined as the difference between total assets and total liabilities, home furnishings and personal automobiles. In the case of fiduciary accounts, the net worth and/or income suitability requirements must be satisfied by the beneficiary of the account, or by the fiduciary, if the fiduciary directly or indirectly provides funds for the purchase of the Securities.

The Investor Suitability Requirements stated above represent minimum suitability requirements, as established by the Company for Investors of the securities. Accordingly, the satisfaction of applicable state requirements by a potential Investor will not necessarily mean that the Securities are a suitable investment for such Investor, or that the Company will accept the potential Investor as a subscriber. Furthermore, the Company may modify such requirements at its discretion, and any such modification may raise the suitability requirements for Investors.

The written representations made by potential Investors will be reviewed to determine the suitability of each potential Investor and pursuant to the requirements of SEC Rule 506(c) the Company will have to request the potential investor to provide substantiation of his or her claimed status. The Company will have the right to refuse a subscription for the Securities if in its sole discretion, it believes that a potential Investor does not meet the applicable Investor Suitability Requirements or the Securities otherwise constitute an unsuitable investment for such Investor, or for any other reason.

## **CERTAIN MATERIAL TAX CONSEQUENCES**

THE FOLLOWING IS A SUMMARY OF CERTAIN FEDERAL INCOME TAX RISKS RELATING TO AN INVESTMENT IN THE COMPANY. THIS SUMMARY SHOULD NOT BE INTERPRETED AS A REPRESENTATION THAT THE MATTERS REFERRED TO HEREIN ARE THE ONLY TAX RISKS INVOLVED IN THIS INVESTMENT OR THAT THE MAGNITUDE OF SUCH TAX RISKS ARE NECESSARILY EQUAL. A DISCUSSION OF CERTAIN FEDERAL INCOME TAX CONSIDERATIONS IS SET FORTH HEREIN.

The Company tax year end is December 31 (a calendar year). The Company operates as a limited liability company and is considered as a pass-through entity. It is suggested that Investors should consult with Tax accounting professionals as to individual tax considerations and consequences.

Prospective investors may have tax consequences to them of purchasing Units in the Company. Foreign investors should consult their own advisors with regard to the U.S. and foreign tax consequences of an investment in the Units.

Prospective investors should not view the following analysis as a substitute for careful tax planning, particularly since the U.S. federal income tax consequences of an investment in companies such as the Company are often uncertain and complex. Also, such income tax consequences will not be the same for all taxpayers. In addition, state income tax consequences may vary according to the state or country of residence of each investor. Prospective investors should be aware that this Memorandum does not discuss all details that might significantly adversely affect some prospective investors. Finally, investors might be faced with substantial legal and accounting costs in resisting a challenge by the Internal Revenue Service (the “IRS”) to the tax treatment of an investment in Units, even if the challenge of the IRS proves unsuccessful. Investors should be aware that new legislative, administrative or judicial action could significantly change the tax aspects of the Company. Furthermore, many tax bills that could affect the tax treatment of an investment in the Company authorize the Treasury Department to issue extensive substantive regulations on such provisions, but few have been issued to date.

There is uncertainty concerning certain of the tax aspects discussed herein, and there can be no assurance that some of the deductions claimed or positions taken by the Company will not be challenged by the IRS. An audit of the Company’s information return may result in an increase in the Company’s gross income, in the disallowance of certain deductions and in an audit of the income tax returns of the investors which could result in adjustments to items of income, deduction or credit unrelated to an investment in the Company. In addition, state tax authorities may audit the Company’s tax returns, which could result in unfavorable adjustments for investors.

### **ADDITIONAL INFORMATION**

We have agreed to make available to each prospective Investor, prior to the sale of any security, the opportunity to ask questions of, and receive answers from, officers concerning the terms and conditions of the offering and to obtain any additional information, to the extent we possess such information or can acquire it without unreasonable effort or expense, which may be necessary to verify the accuracy of the information set forth herein. You may be required to sign a confidentiality agreement if you wish to receive additional information that we deem proprietary. Prospective investors and their advisors are encouraged to contact Sarvesh Patel, Manager, for any additional information or questions. He can be contacted at:

KSK Oil and Gas LLC  
Sarvesh Patel  
860-805-1303  
6031 Claudias Lane # 201  
Winston -Salem, NC 27103  
[SarveshPatel123@Gmail.com](mailto:SarveshPatel123@Gmail.com)

## **EXHIBIT A**

### **FINANCIAL INFORMATION**

Unaudited Balance Sheet as of August 31, 2017

Exhibit A-1

Unaudited Statement of Operations  
for the period since inception until August 31, 2017

Exhibit A-2

THE FOLLOWING FINANCIAL INFORMATION IS AN INTEGRAL PART OF THIS PRIVATE PLACEMENT MEMORANDUM FOR KSK Oil and Gas LLC AND IS TO BE READ IN CONJUNCTION WITH THE MEMORANDUM.

Balance Sheet and Profit and Loss Statements from inception to August 31, 2017 are Unaudited and were prepared by management for discussion and analysis purposes. The Company believes that all material items that would affect these statements have been entered within. However, the Company can give no assurance that, upon audit by an independent Certified Public Accounting firm, other adjustments will not be necessary to properly reflect the Company's financial situation under generally accepted accounting principles. The Company is considered a development stage company, and as such, special accounting rules are applicable.

**KSK OIL & GAS LLC**  
November 30, 2017  
BALANCE SHEET

**ASSETS**

CASH	\$50,000
ACCOUNTS RECEIVABLE	\$0
INVENTORY	\$0
EQUIPMENT	\$10,000
OTHER ASSETS	<u>\$0</u>
 TOTAL ASSETS	 \$60,000

**LIABILITIES**

ACCOUNTS PAYABLE	<u>\$0</u>
 TOTAL LIABILITIES	 \$0

**OWNER'S EQUITY**

PAID IN CAPITAL- 8 locations	\$60,000
OWNER DRAWS	\$0
RETAINED EARNINGS	<u>\$0</u>
 TOTAL EQUITY	 \$60,000

<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$60,000</b>
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**KSK OIL AND GAS LLC**

**PROFIT AND LOSS**

**STATEMENT**

From Inception to November 31, 2017

**INCOME**

SALES	\$0
SERVICES	\$0
OTHER INCOME	<u>\$0</u>
<b>TOTAL INCOME</b>	<b>\$0</b>

**EXPENSES**

ACCOUNTING	\$300
LEGAL	\$0
CONSULTING FEES	\$6,000
BANK CHARGES	\$0
ELECTRICITY	\$0
HIRE OF EQUIPMENTS	\$0
INSURANCE	\$0
OFFICE SUPPLIES	\$1,000
POSTAGE AND PRINTING	\$0
REPAIRS AND MAINTENCE	\$0
TELEPHONE	\$0
MOTAR VEHICLE/TRANSPORT	\$1,000
WAGES AND ONCOSTS	<u>\$0</u>
<b>TOTAL EXPENSE</b>	<b>\$8,300</b>

<b>PROFIT/(LOSS)</b>	<b>(\$8,300)</b>
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**NORTH CAROLINA LIMITED LIABILITY COMPANY OPERATING AGREEMENT**  
**FOR**  
**KSK Oil & Gas LLC**

This Company Agreement of this MANAGER MANAGED LIMITED LIABILITY COMPANY organized pursuant to the North Carolina Statutes, is entered into and shall become effective as of the Effective Date by and among the Company and the persons executing this Agreement as Members. It is the Members express intention to create a limited liability company in accordance with the Act, as currently written or subsequently amended or redrafted. Therefore, all provisions of this document shall be construed consistent with the afore described intent of the Members. Accordingly, in consideration of the conditions contained herein, he/she/they agree as follows:

**ARTICLE I**  
**Company Formation**

- 1.1 **FORMATION.** The Members hereby form a Limited Liability Company ("Company") subject to the provisions of North Carolina law as currently in effect as of this date. Articles of Organization shall be filed with the Secretary of North Carolina.
- 1.2 **NAME.** The name of the Company shall be: KSK Oil & Gas LLC. All business of the Company shall be conducted under such name and under such variations thereof as the Managers deem necessary or appropriate to comply with the requirements of law in any jurisdiction in which the Company may elect to do business.
- 1.3 **REGISTERED OFFICE AND AGENT.** Pursuant to the North Carolina Statutes, the name and address of the initial North Carolina registered agent for service of process shall be as stated in the Articles of Organization.
- 1.4 **TERM.** The Company shall continue for a perpetual period.
  - (a) Members whose capital interest as defined in Article 2.2 exceeds 50 percent vote for dissolution; or
  - (b) Any event which makes it unlawful for the business of the Company to be carried on by the Members; or
  - (c) Any other event causing dissolution of this Limited Liability Company under applicable North Carolina laws: or
  - (d) The Manager may cause the liquidation and dissolution of the Company upon the sale or other disposition of substantially all the Company's assets
- 1.5 **CONTINUANCE OF COMPANY.** Notwithstanding the provisions of ARTICLE 1.3, in the event of an occurrence described in ARTICLE 1.4(c), if there are at least one remaining Member(s), said remaining Member/s shall have the right to continue the business of the Company
- 1.6 **BUSINESS PURPOSE.** The Company shall conduct all lawful business deemed appropriate to execute the company's objectives.

- 1.7 **PRINCIPAL PLACE OF BUSINESS.** The location of the principal place of business of the Company shall be as stated in the Articles of Organization or at a location as the Managers select.
- 1.8 **THE MEMBERS.** The name and place of residence of each member are listed below at Certification of Members. Members are the owners of this company.
- 1.9 **ADMISSION OF ADDITIONAL MEMBERS.** Except as otherwise expressly provided in the Agreement, no additional members may be admitted to the Company through issuance by the company of a new interest in the Company without the prior written consent of the Manager.

## **ARTICLE II**

### **Capital Contributions**

- 2.1 **INITIAL CONTRIBUTIONS.** The Members initially shall contribute to the Company capital and the company shall keep record of the amount each contributed.
- 2.2 **ADDITIONAL CONTRIBUTIONS.** Except as provided in ARTICLE 6.2, no Member shall be obligated to make any additional contribution to the Company's capital.

## **ARTICLE III**

### **Profits, Losses and Distributions**

- 3.1 **PROFITS/LOSSES.** For financial accounting and tax purposes the Company's net profits or net losses shall be determined on an annual basis and shall be allocated to the Members in proportion to each Member's relative capital interest in the Company, and as amended from time to time in accordance with IRS Treasury Regulation 1.704-1.
- 3.2 **DISTRIBUTIONS.** The Manager/s shall determine and distribute available funds annually or at more frequent intervals as they see fit. Available funds, as referred to herein, shall mean the net cash of the Company available after appropriate provision for expenses and liabilities, as determined by the Managers. Distributions in liquidation of the Company or in liquidation of a Member's interest shall be made in accordance with the positive capital account balances pursuant to IRS Treasury Regulation 1.704-(b)(2)(ii)(b)(2). To the extent a Member shall have a negative capital account balance, there shall be a qualified income offset, as set forth in IRS Treasury Regulation 1.704-1(b)(2)(ii)(d).

## **ARTICLE IV**

### **Management**

- 4.1 **MANAGEMENT OF THE BUSINESS.** The Members hereby agree that the business, property and affairs of the Company shall be managed exclusively by the Manager. Except for situations in which the direct approval of the Members is expressly required by this Agreement or the Act, the Manager shall have full, complete and exclusive authority, power and discretion to manage and control the business, property and affairs of the Company, to make all decisions regarding those matters and to perform or cause to be performed all other acts or activities customary or incident to the management of the Company's business, property and affairs. The Manager may delegate such of its duties to

one or more committees as the Manager may establish or to such officers of the Company as the Manager may appoint and employ for the Company.

4.2 **MEMBERS.** Members shall not take part in the operation of the Company's affairs, unless they are elected Managers.

4.3 **POWERS OF MANAGERS.** The Managers, as authorized by Members, will make decisions as to (a) the sale, development lease or other disposition of the Company's assets; (b) the purchase or other acquisition of other assets of all kinds; (c) the management of all or any part of the Company's assets; (d) the borrowing of money and the granting of security interests in the Company's assets; (e) the pre-payment, refinancing or extension of any loan affecting the Company's assets; (f ) the compromise or release of any of the Company's claims or debts; and, (g) the employment of persons, firms or corporations for the operation and management of the company's business. In the exercise of their management powers, the Managers are authorized to execute and deliver (a) all contracts, conveyances, assignments leases, sub-leases, franchise agreements, licensing agreements, management contracts and maintenance contracts covering or affecting the Company's assets; (b) all checks, drafts and other orders for the payment of the Company's funds; (c) all promissory notes, loans, security agreements and other similar documents; and, (d) all other instruments of any other kind relating to the Company's affairs, whether like or unlike the foregoing. The Manager is not obligated to devote all of their time or business efforts to the affairs of the Company. The Manager shall devote whatever time, effort and skill as it deems appropriate for the operation of the Company.

4.4 **NOMINEE.** Title to the Company's assets shall be held in the Company's name or in the name of any nominee that the Managers may designate. The Managers shall have power to enter a nominee agreement with any such person, and such agreement may contain provisions indemnifying the nominee, except for his willful misconduct.

4.5 **COMPANY INFORMATION.** Upon request, the Managers shall supply to any member information regarding the Company or its activities. Each Member or his authorized representative shall have access to and may inspect and copy all books, records and materials in the Manager's possession regarding the Company or its activities. The exercise of the rights contained in this ARTICLE 4.6 shall be at the requesting Member's expense.

4.6 **EXCULPATION.** Any act or omission of the Managers, the effect of which may cause or result in loss or damage to the Company or the Members if done in good faith to promote the best interests of the Company, shall not subject the Managers to any liability to the Members

4.7 **INDEMNIFICATION.** The Company shall indemnify any person who was or is a party defendant or is threatened to be made a party defendant, pending or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Company) by reason of the fact that he is or was a Member of the Company, Manager, employee or agent of the Company, or is or was serving at the request of the Company, for instant expenses (including attorney's fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred in connection with such action, suit or proceeding if the Members determine that he acted in good faith and in a manner he reasonably believed to be in or not opposed to the

best interest of the Company, and with respect to any criminal action proceeding, has no reasonable cause to believe his/her conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of "no lo Contendere" or its equivalent, shall not in itself create a presumption that the person did or did not act in good faith and in a manner which he reasonably believed to be in the best interest of the Company, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his/her conduct was lawful.

4.8 **RECORDS.** The Managers shall cause the Company to keep at its principal place of business or at another location agreeable by the Members, the following:

(a) A current list in alphabetical order of the full name and the last known street address of each Member;

(b) A copy of the Certificate of Formation and the Company Operating Agreement and all amendments;

(c) Copies of the Company's federal, North Carolina and local income tax returns and reports, if any, for the three most recent years;

(d) Copies of any financial statements of the limited liability company for the three most recent years.

## **ARTICLE V Compensation**

5.1 **MANAGEMENT FEE.** Any Manager rendering services to the Company shall be entitled to compensation commensurate with the value of such services.

5.2 **REIMBURSEMENT.** The Company shall reimburse the Managers or Members for all direct out-of-pocket expenses incurred by them in managing the Company.

## **ARTICLE VI Bookkeeping**

6.1 **BOOKS.** The Managers shall maintain complete and accurate books of account of the Company's affairs at the Company's principal place of business or at another location agreeable by the Members. Such books shall be kept on such method of accounting as the Managers shall select. The company's accounting period shall be the calendar year.

6.2 **MEMBER'S ACCOUNTS.** The Managers shall maintain separate capital and distribution accounts for each member. Each member's capital account shall be determined and maintained in the manner set forth in the IRS Treasury Regulation 1.704-1(b)(2)(iv) and shall consist of his initial capital contribution increased by:

(a) Any additional capital contribution made by him/her;

(b) Credit balances transferred from his distribution account to his capital account; and decreased by:

- (a) Distributions to him/her in reduction of Company capital;
- (b) The Member's share of Company losses if charged to his/her capital account.

6.3 **REPORTS.** The Managers shall close the books of account after the close of each calendar year, and shall prepare and send to each member a statement of such Member's distributive share of income and expense for income tax reporting purposes.

## **ARTICLE VII**

### **Transfers**

7.1 **ASSIGNMENT.** If at any time a Member proposes to sell, assign or otherwise dispose of all or any part of its interest in the Company, Member shall comply with the following procedures:

(a) First make a written offer to sell such interest to the other Member(s) by notifying the Manager/s, at a price determined in writing. At this point exiting member, may not make this intention publicly known. If such other Members decline or fail to elect such interest within sixty (60) days, the exiting member may advertise its membership interest for sale as it sees fit.

(b) If a member has a buyer of member's interest, the other current member(s) have first right of refusal to purchase the exiting members interest for the agreed purchase price. If there are more than one current remaining members, remaining members may combine funds to purchase the exiting members interest. Exiting member must show that potential purchaser has full certified funds, or the ability to get full certified funds before the first right of refusal period starts. Current members have 60 days to buy exiting members interest if they so desire.

(c) Pursuant to the applicable law, the Manager/s may approve the sale of an exiting members' interests to grant full membership benefits and functionality to the new member. The Manager/s must approve the sale, or the purchaser or assignee will have no right to participate in the management of the business, affairs of the Company, or member voting rights. The purchaser or assignee shall only be entitled to receive the share of the profits or other compensation by way of income and the return of contributions to which that Member would otherwise be entitled. Exiting member must disclose to buyer or assignee if current members will not approve the sale.

7.2 **VALUATION OF EXITING MEMBERS INTEREST.** If a member wants to exit the LLC, and does not have a buyer of its membership interest, exiting member will assign its interest to the Manager/s per the following set forth procedures:

(a) A value must be placed upon this membership interest before assigned.

(b) If exiting member and Manager/s do not agree on the value of this membership interest, exiting member must pay for a certified appraiser to appraise the LLC company value, and the exiting members' value will be assigned a value per the exiting members' interest percentage.

(c) The Manager/s must approve the certified appraiser used by exiting member. Current members have 30 days to approve the exiting members certified appraiser. If current members disapprove the certified appraiser, they must show evidence to support their disapproval of the certified appraiser as a vendor qualified to make the LLC business appraisal. Current members may not stall the process by disapproving all certified appraisers.

(d) Upon completion of a certified appraiser placing a value on the LLC, a value will be placed on exiting members' interest according to exiting members' percentage of membership interest.

(e) If current members disagree with the value placed on exiting members' interest, current members must pay for a certified appraiser to value the LLC and exiting members' interest according to the same terms.

(f) Current members' appraiser must be completed within 60 days or right of current members to dispute the value of exiting members interest expires.

(g) Upon completion of current members certified appraiser, the exiting member must approve the value placed on exiting members' interest. Exiting member has 30 days to approve this value.

(h) If exiting member does not approve current members' appraiser value, the value of the LLC will be determined by adding both parties' values, then dividing that value in half, then creating the value of the exiting members' interest according to the exiting members' percentage of membership interest.

**7.3 DISTRIBUTION OF EXITING MEMBERS INTEREST.** Upon determination of exiting members' interest value, the value will be a debt of the LLC. The exiting member will only be able to demand payment of this debt at dissolution of the LLC or the following method:

(a) LLC will make timely payments.

(b) LLC will only be required to make payments towards exiting members' debt if LLC is profitable and passed income to current members.

(c) LLC must make a debt payment to exiting member if LLC passed income of 50% of the total determined value of the exiting members' interest in one taxable year. (Example: If exiting members' value was \$100,000 and current member(s) received \$50,000 taxable income in the taxable year, the LLC would owe a debt payment to exiting member. If current member(s) only received \$90,000 in passed income, there would be no payment due.)

(d) Debt payment must be at least 10% of the value of the passed income to current LLC members.

(e) LLC must make payment to exiting member within 60 days of the end of the taxable year for the LLC.

- (f) Payment schedule will continue until exiting member's debt is paid by LLC.
- (g) If LLC dissolves, exiting member will be a regular debtor and payment will follow normal LLC dissolution payment statutes.
- (h) Exiting members' value of membership interest it assigned current members may NOT accrue interest.
- (i) LLC can pay off amount owed to exiting member at any time if it so desires.

## **ARTICLE VIII**

### **General Provisions**

- 8.1 **AMENDMENTS.** Amendments to this Agreement may be proposed by any Member. A proposed amendment will be adopted and become effective as an amendment only on the written approval of all the Members.
- 8.2 **GOVERERING LAW.** This Agreement and the rights and obligations of the parties under it are governed by and interpreted in accordance with the laws of the North Carolina of Washington (without regard to principles of conflicts of law).
- 8.3 **ENTIRE AGREEMENT; MODIFICATION.** This Agreement constitutes the entire understanding and agreement between the Members with respect to the subject matter of this Agreement. No agreements, understandings, restrictions, representations, or warranties exist between or among the members other than those in this Agreement or referred to or provided for in this Agreement. No modification or amendment of any provision of this Agreement will be binding on any Member unless in writing and signed by all the Members.



## **LISTING OF MANAGERS**

Signed this 20th day of July 2017.

Sarveshwar K. Patel  
Printed Name

s/ Sarveshwar K. Patel  
Signature  
Managing Member

Address  
6031 Claudias Lane # 201  
Winston -Salem, NC 27103

## **CERTIFICATION OF MEMBERS**

the undersigned hereby agrees, acknowledge and certify to adopt this Operating Agreement.

Signed this 20th day of July 2017.

Sarveshwar K. Patel  
Printed Name

s/ Sarveshwar K. Patel  
Signature  
Member

Address  
6031 Claudias Lane # 201  
Winston -Salem, NC 27103