



koo·koo·nelli

OFFERING MEMORANDUM

facilitated by



Kookoonelli, Inc.

Form C Offering Memorandum

Purpose of This Form

A company that wants to raise money using Regulation Crowdfunding must give certain information to prospective investors, so investors will have a basis for making an informed decision. The Securities and Exchange Commission, or SEC, has issued regulations at 17 CFR §227.201 listing the information companies must provide. This form – Form C – is the form used to provide that information.

Each heading below corresponds to a section of the SEC’s regulations under 17 CFR §227.201.

(A) BASIC INFORMATION ABOUT THE COMPANY

| | |
|-----------------------|-------------------------------------------------------------------------------------------------|
| Name of Company | KOOKOONELLI, INC. |
| State of Organization | Massachusetts |
| Date of Formation | 10/14/19 |
| Entity Type | Incorporation |
| Street Address | 3 Village Street Unit 2, Somerville, MA, 02143 |
| Website Address | https://www.instagram.com/koo_koo_nelli/ |

(B) DIRECTORS AND OFFICERS OF THE COMPANY

| | | |
|-----------------------------------------------------------------------|--------------------------------------------|----------------------------------------------|
| Key Person 1 | Nassy Mornaghi | |
| Positions with the Company | Title | Founder |
| | Duration | 2019 - Present |
| Business experience (last three years) | US Marketing Lead | |
| Principal occupation (last three years) | US Marketing Lead at Quantis International | |
| Has this person been employed by anyone else in the last three years? | Yes | |
| Other employer information (if any) | Sustainable Brands | Content Development Manager from 2015 - 2018 |

(C) EACH PERSON WHO OWNS 20% OR MORE OF THE VOTING POWER

Nassy Mornaghi

(D) THE COMPANY'S BUSINESS AND BUSINESS PLAN

A MESSAGE FROM THE FOUNDER

"koo·koo·nelli is a one-of-a-kind eco-conscious retail + food + activity + community gathering hybrid store and event space. Our shop will feature 100% eco-conscious clothing (men + women's), shoes, cleaning supplies, natural cosmetics, jewelry, books, home-goods (furnishings), local art, and baby goods. It will offer food in the form of freshly-made vegan grain bowls, locally baked goods and smoothies. In addition to retail, we will host events drawing in the community, ranging from performances to fitness classes to educational seminars. The prime location in Bow Market is an epicenter for the local Union Square community and koo·koo·nelli is designed to be a destination within a destination. I'm excited to have the community build koo·koo·nelli with me, sharing in our success as we build a profitable business that gives back."

Nassy Mornaghi - Founder and CEO, koo·koo·nelli

DEAL HIGHLIGHTS - WHY PEOPLE MIGHT INVEST

- Bow Market location has become the epicenter for Union Square community with a heavy focus on local vendors, inclusive environment, and collaboration between businesses
- Clear path to profitability through multi-modal utilization of space
- Median Household Income of \$81,785, 16% higher than Massachusetts average
- Going to market with hybrid event model, proven as a successful retail strategy in the digital age
- Supply partners enable pricing strategy around affordable access to sustainable products

THE BUSINESS MODEL

koo·koo·nelli will sell products that are useful and affordable, so customers won't purchase just for the sake of consuming. Each product will be perfectly tailored and specifically chosen for a function in one's life; thus contributing to a minimalist and conscious lifestyle.

With the multi-modal activity space, koo·koo·nelli has a key differentiation point from other natural retail markets, drawing customers into the store who are looking for a unique, zen place to stretch their bodies with Pilates and experience the benefits of natural products through professional facials and skin-care treatments. koo·koo·nelli will hold educational classes on nutrition, wellness and other popular topics, book talks by authors, and lecture series. koo·koo·nelli will be a gathering space for those interested in civic involvement to share ideas and connect with each other as a community.

Our strategy for food offerings is to give optionality for vegan and organic quick serve dishes, locally sourced when possible. By limiting options to easy-prepare tickets like smoothies, grain bowls, and pre-packaged to-go items, we eschew the need for a full kitchen infrastructure saving cost and reducing burdens of permitting and the safety concerns that come with ovens, grills, etc.

THE MARKET

The market is ripe in Somerville's Union Square neighborhood. It is a thriving location that is set to become the next Kendall Square when the Union Square redevelopment and Green Line extension projects are completed in 2021.

Notably, many of the residents of Union Square (and Somerville as a whole) have a keen interest in and passion for sustainability and eco-conscious lifestyles. For example, Greentown Labs renewable energy incubator is thriving in the Union Square neighborhood as are many local, veggie-based food establishments. Everything sold at koo·koo·nelli will have a purpose of bettering the lives of our customers and the planet.

Residents of Somerville are civically engaged and globally minded, but need a gathering space to connect with each other and exchange ideas. koo·koo·nelli will be this gathering space for those interested in civic involvement.

Everything sold will be at a reasonable, achievable price-point for many. Research shows that the majority of people would purchase healthier, sustainable goods if they were less expensive. koo·koo·nelli will offer products for a healthier lifestyle and planet and will fill this needed gap in selling sustainable goods at an affordable price point so everyone will be able to afford it.

OUR COMPETITORS

Yoga studios: There are two wonderful studios in Union Square, however retail is a small portion of what they offer (if at all). koo·koo·nelli is retail first, with a small dedicated activity space.

Pop-up boutiques in Bow Market: Many with local products, none fully dedicated to sustainable retail

Natural food markets: Cambridge Naturals is a popular natural market in Porter Square. One differentiating factor is a lack of activity (yoga/Pilates/skin care) space and community gathering aspect that koo·koo·nelli will offer.

(E) NUMBER OF EMPLOYEES

The Company currently has 1 employee.

(F) RISKS OF INVESTING

A crowdfunding investment involves risk. You should not invest any funds in this offering unless you can afford to lose your entire investment. In making an investment decision, investors must rely on their own examination of the issuer and the terms of the offering, including the merits and risks involved. Please review the [Educational Materials](#) for risks that are common to many of the companies on the MainVest platform.

These securities are offered under an exemption from registration under federal law. The U.S. Securities and Exchange Commission (the "SEC") has not made an independent determination that these securities are exempt from registration. The SEC has not passed upon the merits of the securities or the terms of the offering, and has not passed upon the accuracy or completeness of the offering documents or literature.

These securities have not been recommended or approved by any federal or state securities commission or regulatory authority. Furthermore, these authorities have not passed upon the accuracy or adequacy of this document.

Please refer to Appendix A for additional risks to consider when investing in this offering.

(G) TARGET OFFERING AMOUNT AND OFFERING DEADLINE

| | |
|------------------------|--------------------|
| Target Offering Amount | \$20,000 |
| Offering Deadline | January 22nd, 2020 |

If the sum of the investment commitments does not equal or exceed the Target Offering Amount as of the Offering Deadline, no securities will be sold in the offering, investment commitments will be canceled, and all committed funds will be returned.

(H) COMMITMENTS THAT EXCEED THE TARGET OFFERING AMOUNT

| | |
|---------------------------------------------------------------------------------------|-------------------------------------------------------------------|
| Will the company accept commitments that exceed the Target Offering Amount? | Yes |
| What is the maximum you will accept in this Offering (it may not exceed \$1,070,000)? | \$75,000 |
| If Yes, how will the company deal with the oversubscriptions? | We will accept subscriptions on a first-come, first-served basis. |

(I) HOW THE COMPANY INTENDS TO USE THE MONEY RAISED IN THE OFFERING

The Company is reasonably sure it will use the money raised in the offering as follows:

| <i>Use</i> | <i>Amount (Minimum)</i> | <i>Amount (Maximum)</i> |
|--------------------------|-----------------------------|-----------------------------|
| Inventory | \$8,750 | \$40,000 |
| Build Out of Space | \$6,250 | \$20,000 |
| Operating Capital | \$3,150 | \$9,500 |
| Point of Sale System | \$500 | \$1,000 |
| Compensation to MainVest | \$1,350 | \$4,500 |
| TOTAL | \$20,000 | \$75,000 |

(J) THE INVESTMENT PROCESS

To Invest

- Review this Form C and the [Campaign Page](#)
- If you decide to invest, enter an amount and press the *Invest* button
- Follow the instructions

To Cancel Your Investment

Send an email to info@mainvest.com no later than 48 hours before the Offering Deadline or go to the dashboard for your user account to cancel manually. In your email, include your name and the name of the Company.

Other Information on the Investment Process

- Investors may cancel an investment commitment until 48 hours prior to the Offering Deadline.
- MainVest will notify investors when and if the Target Offering Amount has been raised.
- If the Company reaches the Target Offering Amount before the Offering Deadline, it may close the offering early if it provides notice about the new Offering Deadline at least five business days before such new Offering Deadline, absent a material change that would require an extension of the offering and reconfirmation of the investment commitment.
- If an investor does not cancel an investment commitment before the 48-hour period before the Offering Deadline, the funds will be released to the Company upon closing of the offering and the investor will receive securities in exchange for his or her investment.

For additional information about the investment and cancellation process, see the [Educational Materials](#).

(K) MATERIAL CHANGES

If an investor does not reconfirm his or her investment commitment after a material change is made to the offering, the investor's investment commitment will be cancelled and the committed funds will be returned.

Explanation

A "material change" means a change that an average, careful investor would want to know about before making an investment decision. A material change could be good or bad. If a material change occurs after you make an investment commitment but before the Offering closes, then the Company will notify you and ask whether you want to invest anyway. If you do not affirmatively choose to invest, then your commitment will be cancelled, your funds will be returned to you, and you will not receive any securities.

(L) PRICE OF THE SECURITIES

The Company is offering "securities" in the form of revenue sharing notes, which we refer to as "Notes." The Notes are being offered at their face amount. For example, you will pay \$1,000 for a Note with a face amount of \$1,000.

(M) TERMS OF THE SECURITIES

Overview

The Company is offering "securities" in the form of revenue sharing notes, which we refer to as the "Notes." Many of the terms of the Notes are set forth in a separate document called the Revenue Sharing Agreement. Copies of the Note and Revenue Sharing Agreement are attached to this Form C.

Summary of Terms

| | |
|--------------------------|--------------------------------------------------------------------------------------------------------------------------------|
| Revenue Percentage* | 7.0 - 13.1%** |
| Payment Deadline | 9 / 30 / 2026 |
| Maximum Payment Multiple | |
| - Early Investors | 1.8 x |
| - All Other Investors | 1.6 x |
| Sharing Start Date | The first day after disbursement that the company has revenues greater than one (\$1) dollar |
| First Payment Date | Thirty (30) days after the last day of the calendar quarter ending not less than Sixty (60) days after the sharing start date. |
| Seniority | Subordinated |
| Securitization | Unsecured |
| Accrual Rate | 1.51 % |

*as further defined in the note agreement

**The rate of revenue sharing is calculated on a linear scale between the stated rates and is rounded to the nearest 1/10th percent. The final rate is based on the amount raised and is calculated after the offering has successfully closed. As the amount raised in the offering increases, the rate of revenue sharing increases.

For example, a hypothetical offering could result in the following revenue sharing percentages, depending on the amount raised:

| Amount Raised | Revenue Sharing Percentage |
|---------------|----------------------------|
| \$20,000 | 3.5% |
| \$33,750 | 5.9% |
| \$47,500 | 8.3% |
| \$65,800 | 11.4% |
| \$75,000 | 13.0% |

*** To reward early participation, the investors who contribute the first \$20,000 raised in the offering will receive a 1.8x cap. Investors who contribute after \$20,000 has been raised in the offering will receive a 1.6x cap.

Your Right to Payments under the Note

Your right to payments under the Note is set forth in the Note, together with a separate document called the Revenue Sharing Agreement. Copies of the Note and Revenue Sharing Agreement are attached to this Form C. Additionally, general terms are outlined below and in the Company's offering page.

Obligation to Contribute Capital

Once you pay for your Note, you will have no obligation to contribute more money to the Company, and you will not be personally obligated for any debts of the Company. However, under some circumstances you could be required by law to return some or all of a distribution you receive from the Company.

No Right to Transfer

You should plan to hold the Notes until maturity. The Notes will be illiquid (meaning you might not be able to sell them) for at least four reasons:

- The Revenue Sharing Agreement prohibits the sale or other transfer of Notes without the Company's consent.
- If you want to sell your Note the Company will have the first right of refusal to buy it, which could make it harder to find a buyer.
- Even if a sale were permitted, there is no ready market for Notes, as there would be for a publicly-traded stock.
- By law, for a period of one year you won't be allowed to transfer the Investor Shares except (i) to the Company itself, (ii) to an "accredited" investor, (iii) to a family or trust, or (iii) in a public offering of the Company's shares.

Security

The Notes are not secured by any assets of the Company or any assets of persons associated with the Company.

Modification of Terms of Notes

The terms of the Notes and the Revenue Sharing Agreement may be modified or amended with the consent of Investors holding 50% of the Notes, measured by the total amount outstanding under each Note.

Other Classes of Securities

The Company has outstanding the following securities:

| | |
|----------------------------------------------------------------------------------------|--------------------------------------------------|
| Name of Security | Common Stock |
| Number of Shares Outstanding | 100 |
| Describe Voting Rights of These Securities, Including Any Limitations on Voting Rights | Common Stock shares have voting rights |
| How These Securities Differ from the Promissory Notes Offered to Investors | Common Stock comprises 100% of the voting rights |

Dilution of Rights

The Company has the right to create additional classes of securities, both equity securities and debt securities (e.g., other classes of promissory notes). Some of these additional classes of securities could have rights that are superior to those of the Notes. For example, the Company could issue promissory notes that are secured by specific property of the Company.

The People Who Control the Company

Each of these people owns 20% or more of the total voting power of the Company:

| <i>Name</i> | <i>Percentage of Voting Rights</i> |
|----------------|------------------------------------|
| Nassy Mornaghi | 100% |

How the Exercise of Voting Rights Could Affect You

You will receive payments with respect to your Note only if the Company makes enough money to pay you, or, if the Company does not make enough money to pay you, if there is enough value in the collateral the Company pledged as security for the Notes.

The people with voting rights control the Company and make all the decisions about running its business. If they make good business decisions, it is more likely you will be paid. If they make poor business decisions, it is less likely you will be paid. For example, if they hire too many people and/or try to expand too quickly, the business could be harmed. The people with voting rights could also decide to file for bankruptcy protection, making it more difficult for you to be paid.

How the Notes are Being Valued

The Notes are being valued at their face value. We don't anticipate that we'll ever need to place a value on the Notes in the future.

(N) THE FUNDING PORTAL

The Company is offering its securities through MainVest, Inc., which is a "Funding Portal" licensed by the Securities and Exchange Commission and FINRA. MainVest Inc.'s Central Index Key (CIK) number is 0001746059, their SEC File number is 007-00162, and their Central Registration Depository (CRD) number is 298384.

(O) COMPENSATION OF THE FUNDING PORTAL

MainVest will be paid 6.0% of the final offering amount, upon the successful completion of the offering. MainVest does not receive compensation if the offering does not succeed. MainVest, Inc. owns no interest in the Company, directly or indirectly, and will not acquire an interest as part of the Offering, nor is there any arrangement for MainVest to acquire an interest.

(P) INDEBTEDNESS OF THE COMPANY

The Company has no indebtedness outside of the debt the Company is expecting to raise through regulation crowdfunding on MainVest.

(Q) OTHER OFFERINGS OF SECURITIES WITHIN THE LAST THREE YEARS

The Company has not made any offerings with other third-party regulation crowdfunding companies in the past three years.

(R) TRANSACTIONS BETWEEN THE COMPANY AND "INSIDERS"

The Company has not made any business transaction, including stock purchases, salaries, property rentals, consulting arrangements, guaranties, etc.

(S) THE COMPANY'S FINANCIAL CONDITION

The Company was established in October 2019. As such, there are limited financial statements and information for the investor to review.

The capital raised through MainVest will make up the entirety of the Company's fundraising, however the Company may require additional funds from alternate sources at a later date.

(T) THE COMPANY'S FINANCIAL STATEMENTS

Please see Appendix B for historical financial statements.

Pro Forma Income Statement

In order to illustrate its future earning potential, the Company has provided a summary of its 5-year financial forecast. The forecast has been developed by the Company using reasonable best efforts based on their understanding of the industry and market they wish to enter. Please refer to Section (F) of this Offering Memorandum for a list of the risks associated with an investment in the company and utilizing any pro forma provided by the Company for making investment decisions.

| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|---------------------------|-----------------|-----------------|-----------------|------------------|------------------|
| Gross Sales | \$60,000 | \$100,000 | \$125,000 | \$175,000 | \$225,000 |
| Cost of goods sold | \$15,000 | \$20,000 | \$25,000 | \$25,000 | \$25,000 |
| Gross profit | \$45,000 | \$80,000 | \$100,000 | \$150,000 | \$200,000 |
| OpEx | | | | | |
| Rent | \$12,000 | \$12,300 | \$12,608 | \$12,923 | \$13,246 |
| Utilities | \$6,000 | \$6,300 | \$6,804 | \$7,620 | \$8,535 |
| Business Insurance | \$5,000 | \$5,125 | \$5,253 | \$5,384 | \$5,519 |
| Advertising | \$5,000 | \$8,000 | \$8,640 | \$9,677 | \$10,838 |
| Legal & Professional | \$5,000 | \$5,125 | \$5,253 | \$5,384 | \$5,519 |
| Office and Admin | \$500 | \$500 | \$500 | \$500 | \$500 |
| Repairs & Maintenance | \$500 | \$500 | \$500 | \$500 | \$500 |
| Furniture & fixtures | \$8,000 | \$0 | \$3,000 | \$0 | \$3,000 |
| Payroll | \$0 | \$15,000 | \$20,000 | \$20,000 | \$20,000 |
| Manager salary | \$0 | \$25,000 | \$30,000 | \$50,000 | \$65,000 |
| Total | \$42,000 | \$77,850 | \$92,558 | \$111,988 | \$132,657 |
| Operating Profit | \$3,000 | \$2,150 | \$7,442 | \$38,012 | \$67,343 |

(U) **DISQUALIFICATION EVENTS**

The answer for the Company is No, none of the designated people committed any of the prohibited acts, ever.

Explanation

A company is not allowed to raise money using Regulation Crowdfunding if certain designated people associated with the company (including its directors or executive officers) committed certain prohibited acts (mainly concerned with violations of the securities laws) on or after May 16, 2016. (You can read more about these rules in the [Educational Materials](#).) This item requires a company to disclose whether any of those designated people committed any of those prohibited acts before May 16, 2016.

(V) **UPDATES ON THE PROGRESS OF THE OFFERING**

To track the investment commitments we've received in this Offering, click to see [the Progress Bar](#).

(W) **ANNUAL REPORTS FOR THE COMPANY**

The Company will file a report with the Securities and Exchange Commission annually and post the report on our website no later than 120 days after the end of each fiscal year.

It's possible that at some point, the Company will not be required to file any more annual reports. We will notify you if that happens.

(X) **OUR COMPLIANCE WITH REPORTING OBLIGATIONS**

The Company has never raised money using Regulation Crowdfunding before, and therefore has never been required to file any reports.

(Y) **OTHER INFORMATION PROSPECTIVE INVESTORS SHOULD KNOW ABOUT**

N/A

ADDITIONAL INFORMATION INCLUDED IN THE FORM C

| | <i>Most recent fiscal year-end (tax returns)</i> | <i>Prior fiscal year-end (tax returns)</i> |
|-------------------------|--------------------------------------------------|--------------------------------------------|
| Total Assets | \$0 | \$0 |
| Cash & Cash Equivalents | \$0 | \$0 |
| Accounts Receivable | \$0 | \$0 |
| Short-term Debt | \$0 | \$0 |
| Long-term Debt | \$0 | \$0 |
| Revenues/Sales | \$0 | \$0 |
| Cost of Goods Sold | \$0 | \$0 |
| Taxes Paid | \$0 | \$0 |
| Net Income | \$0 | \$0 |

Jurisdictions in which the Company intends to offer the securities:

AL, AK, AZ, AR, CA, CO, CT, DE, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MA, MI, MN, MS, MO, MT, NE, NV, NH, NJ, NM, NY, NC, ND, OH, OK, OR, PA, RI, SC, SD, TN, TX, UT, VT, VA, WA, WV, WI, WY, B5, GU, PR, VI, 1V