

## **TERMS AND CONDITIONS**

**THE TOKENS OFFERED HEREIN ARE CONSUMABLE GOODS AND THUS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (“SECURITIES ACT”), OR REGISTERED UNDER ANY STATE’S SECURITIES LAWS. NEITHER THE SECURITIES AND EXCHANGE COMMISSION (“SEC”) NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE TOKENS OR PASSED UPON THE ADEQUACY OR ACCURACY OF THESE TERMS AND CONDITIONS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

**A PURCHASE OF THESE TOKENS MAY INVOLVE A SUBSTANTIAL RISK OF LOSS. YOU SHOULD REVIEW THE ENTIRE CONTENTS OF THESE TERMS AND CONDITIONS BEFORE YOU PURCHASE ANY TOKENS.**

### **IMPORTANT NOTICES TO PURCHASERS**

VALER STUDIOS DAO, LLC (HEREINAFTER REFERRED TO AS THE “COMPANY” OR IN THE FIRST PERSON AS “WE,” “OUR,” OR “US”) IS OFFERING TO SELL UP TO 1,000,000 (THE “TOKENS”) TO PROSPECTIVE CUSTOMERS (“YOU” OR, INDIVIDUALLY OR COLLECTIVELY, AS THE CONTEXT REQUIRES, “PURCHASERS”).

THE INFORMATION IN THESE TERMS AND CONDITIONS IS PROVIDED TO YOU SOLELY TO ENABLE YOU TO EVALUATE THE TERMS OF THE PURCHASE OF THE TOKENS, AND ON THE UNDERSTANDING THAT YOU WILL NOT USE THESE TERMS AND CONDITIONS FOR ANY OTHER PURPOSE OR COPY OR REPRODUCE THESE TERMS AND CONDITIONS OR DISTRIBUTE THESE TERMS AND CONDITIONS TO ANYONE OTHER THAN YOUR LEGAL, TAX, AND ACCOUNTING ADVISORS.

THESE TERMS AND CONDITIONS DOES NOT CONSTITUTE AN OFFER TO SELL, OR A SOLICITATION OF AN OFFER TO BUY, ANY SECURITY.

NEITHER THE DELIVERY OF THESE TERMS AND CONDITIONS NOR ANY SALE MADE HEREUNDER SHALL UNDER ANY CIRCUMSTANCES IMPLY THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF OUR COMPANY OR THAT THE INFORMATION SET FORTH IN THESE TERMS AND CONDITIONS IS CORRECT AS OF ANY DATE SUBSEQUENT TO THE DATE HEREOF.

YOU SHOULD RELY ONLY ON THE INFORMATION CONTAINED IN THESE TERMS AND CONDITIONS. WE HAVE NOT AUTHORIZED ANY OTHER PERSON TO PROVIDE YOU WITH DIFFERENT INFORMATION. IF ANYONE PROVIDES YOU WITH DIFFERENT OR INCONSISTENT INFORMATION, YOU SHOULD NOT RELY ON IT.

ANY DISCUSSION OF FEDERAL TAX ISSUES CONTAINED OR REFERENCED IN THESE TERMS AND CONDITIONS IS NOT INTENDED TO BE USED, AND CANNOT BE USED, BY PROSPECTIVE PURCHASERS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON THEM UNDER THE INTERNAL

REVENUE CODE OR ANY APPLICABLE STATE CODES; SUCH DISCUSSION IS WRITTEN IN CONNECTION WITH THE PROMOTION OR MARKETING BY THE COMPANY OF THE TRANSACTIONS OR MATTERS ADDRESSED IN THESE TERMS AND CONDITIONS; AND PROSPECTIVE PURCHASERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

CONSULT WITH YOUR LEGAL, TAX, AND ACCOUNTING ADVISORS BEFORE PURCHASING. YOU SHOULD NOT VIEW THE CONTENTS OF THESE TERMS AND CONDITIONS AS LEGAL, TAX, ACCOUNTING OR INVESTMENT ADVICE. YOU SHOULD CONSULT YOUR OWN COUNSEL, OR ACCOUNTANT AS TO LEGAL, TAX AND RELATED MATTERS CONCERNING A PURCHASE OF THE TOKENS.

THE COMPANY HAS PREPARED THESE TERMS AND CONDITIONS AND IS SOLELY RESPONSIBLE FOR ITS CONTENTS. THESE TERMS AND CONDITIONS DOES NOT PURPORT TO BE ALL INCLUSIVE OR TO CONTAIN ALL THE INFORMATION THAT YOU MAY DESIRE IN INVESTIGATING THE COMPANY AND THE TERMS OF THIS OFFERING. SEE “RISK FACTORS” BELOW FOR A DISCUSSION OF CERTAIN FACTORS THAT SHOULD BE CONSIDERED IN CONNECTION WITH A PURCHASE OF THE TOKENS. YOU ARE RESPONSIBLE FOR MAKING YOUR OWN EXAMINATION AND INVESTIGATION OF THE COMPANY AND YOUR OWN ASSESSMENT OF THE MERITS AND RISKS OF PURCHASING IN THE COMPANY.

WE RESERVE THE RIGHT IN OUR SOLE DISCRETION, AND FOR ANY REASON WHATSOEVER: (I) TO MODIFY, AMEND AND/OR WITHDRAW THE TERMS OF THE OFFERING, THE NUMBER OF TOKENS OFFERED, OR THE PRICE PER TOKEN; (II) TO ACCEPT OR REJECT IN WHOLE OR IN PART ANY PROSPECTIVE PURCHASE OF THE TOKENS; OR (III) TO ALLOT TO ANY PROSPECTIVE PURCHASER LESS THAN THE AMOUNT OF THE TOKENS SUCH PURCHASER HAS SUBSCRIBED TO PURCHASE. WE SHALL HAVE NO LIABILITY WHATSOEVER TO ANY OFFEREE AND/OR PURCHASER IN THE EVENT THAT ANY OF THE FOREGOING SHALL OCCUR.

**NOTICE TO FOREIGN PURCHASERS:** 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, INCLUDING OBTAINING REQUIRED GOVERNMENTAL OR OTHER CONSENTS OR OBSERVING ANY OTHER REQUIRED LEGAL OR OTHER FORMALITIES.

**FORWARD-LOOKING STATEMENTS**

This Memorandum contains forward-looking statements that are based on the Company’s current views and assumptions and involve a number of risks and uncertainties that could cause actual results to differ materially. These forward-looking statements are typically identified by terms and phrases such as “anticipate,” “believe,”

continue,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “predict,” “project,” “should,” “will,” and similar expressions.

These forward-looking statements, wherever they occur in this Memorandum, are estimates reflecting the best judgment of the management of the Company. These forward-looking statements involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. Forward-looking statements should, therefore, be considered in light of various important factors, including those set forth under “Risk Factors” and elsewhere in this Memorandum. The Company has no obligation to revise or update any forward-looking statement for any reason.

## **SUMMARY OF THE OFFERING**

*The following is a summary of certain information appearing elsewhere in this Memorandum. This summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information and financial data appearing elsewhere in this Memorandum.*

### **Company Overview**

The Company is currently active in Cheyenne, Wyoming.

The Company was founded by Devon Fanfair, Charles Nader and Phylcia Manyweather.

The Company was incorporated on August 23rd, 2021. The Company’s principal executive offices are located at 1603 Capitol Ave. Ste. 509c Cheyenne, WY 82001. Its telephone number is 832-403-9945. A company representative may be reached by email at [info@valerstudios.com](mailto:info@valerstudios.com).

### **The Offering**

<b>Issuer</b>	Valer Studio DAO, LLC
<b>Type of Tokens Offered</b>	VLR Tokens (the “Tokens”)
<b>Initial Price per token</b>	\$0.01
<b>Minimum Purchase</b>	\$10.00
<b>Offering Period</b>	The offering will terminate on [DATE] or such other date as the Company may decide in its sole discretion

## **RISK FACTORS**

*The purchase of the Tokens involves certain risks. You should carefully consider all of the following risk factors, in addition to all of the information contained in this Memorandum prior to purchasing the Tokens. The risk factors described below are not the only ones facing the Company. Additional risk factors not presently known to us or that we currently deem immaterial may also impair our business operations. Our business, financial condition, results of operations or prospects could be materially and adversely affected by any of these risks. If any of the following risks occur, our business, financial condition or results of*

*operations could be seriously harmed. In such a case, the tokens may not carry any utility and you could lose all funds that were used to purchase the tokens.*

### **Risks Related to our Business**

***We have no operational history and have no basis to evaluate our potential for future success.***

We were formed in 2021 and have, since then, been developing our products and creating our technology through extensive research and development. However, we have no operational history and cannot fully evaluate our business and prospects. Purchasers in the Tokens must consider the risks and uncertainties frequently encountered by early-stage companies like ours. If we are unsuccessful in addressing these risks and uncertainties, our business will be seriously harmed or may fail.

***We may not be able to successfully implement our business model.***

We are in the process of implementing our business model. We are still in the early stages of developing our business strategy, sales and implementation practices, technological capabilities, customer relationships and marketing focus. We face a number of challenges, including a lack of meaningful historical financial data upon which to plan future budgets, competition from a wide range of sources, the need to develop customer relationships and other risks. We may not be able to successfully implement our business model.

***We have generated no revenues, have incurred only losses and may not become profitable in the future.***

Since incorporation, we have generated no operational revenues and have incurred only losses, principally from costs relating to research and development, legal expenses, and salaries and consulting fees. We expect to continue to incur net operating losses for the foreseeable future. Our business model and strategies may not be successful and there is no assurance that we will ever become profitable in any future period.

***We will require additional funding, which may not be available on favorable terms, or at all.***

We plan to continue to expend substantial capital in connection with the research and development of our products. If we fail to obtain the funding necessary to fund such research and development and to satisfy our working capital needs, we may have to delay our plans to commercialize our product and we may miss our market opportunities. We anticipate that our existing capital resources, together with the net proceeds of this offering, will be sufficient to enable us to continue our expansion plans for at least one year. However, our current operating plan could change as a result of many known and unknown factors and we may require additional funding. In addition, we may choose to raise additional capital due to favorable market conditions or strategic considerations even if we have sufficient funds for our current operating plan. To the extent available capital resources are

insufficient to meet future capital requirements, we will have to seek additional funds to continue with our expansion plan. There can be no assurance that such funds will be available on favorable terms, or at all. If adequate funds are not available, we may be required to curtail operations significantly or even altogether. Our inability to raise capital on favorable terms could have a material adverse effect on our business, financial condition and results of operations.

***We may be held liable for the actions and errors of our management.***

Under most conditions, our officers and directors may not be held liable for errors in judgment or other acts or omissions made by them as representatives of the Company because of provisions in our Articles of Incorporation and By-laws holding them harmless and providing them with indemnification against liabilities or losses that arise from such acts or omissions. To the extent that such indemnification provisions are invoked, our assets could be reduced and our business could be impaired.

***Our failure to expand our management systems and controls to support anticipated growth and to hire qualified personnel could seriously harm our business.***

Our inability to manage our growth effectively could affect our ability to pursue business opportunities and expand our business. As we begin to commercialize our products and our operations grow, we will need to hire a significant number of additional employees. This growth may place strain on our management and operations. Our ability to manage growth will depend on the ability of our officers and key employees to implement and improve our operational, management information, sales and marketing and financial control systems and to expand, train and manage our workforce. We believe that competition for qualified technical, sales, marketing and managerial personnel will be intense. Our ability to implement our business plan could be adversely affected if we are unable to hire and retain qualified personnel as needed.

***We are highly dependent on management and other key employees.***

We are highly dependent on the efforts and abilities of our senior management. The loss of our officers or key employees could have a material adverse effect on our financial condition, existing business, or anticipated growth.

***We rely significantly on the use of information technology. Any technology failures causing a material disruption to operational technology or cyber-attacks on our systems affecting our ability to protect the integrity and security of customer and employee information could harm our reputation and/or could disrupt our operations and negatively impact our business.***

We increasingly rely on information technology systems to process, transmit and store electronic information. The future success and growth of our business depends on streamlined processes made available through information systems, global communications, internet activity and other network processes.

Our information technology systems, and those of our third-party service providers, may be vulnerable to information security breaches, [acts of vandalism, computer viruses and interruption or loss of valuable business data]. Stored data might be improperly accessed due to a variety of events beyond our control, including, but not limited to, natural disasters, terrorist attacks, telecommunications failures, computer viruses, hackers and other security issues. We have technology security initiatives and disaster recovery plans in place to mitigate our risk of these vulnerabilities, but these measures may not be adequate or implemented properly to ensure that our operations are not disrupted or that data security breaches do not occur.

Hackers and data thieves are increasingly sophisticated and operate large-scale and complex automated attacks. Any breach of our network may result in damage to our reputation, the loss of valuable business data, misappropriation of our consumers' or employees' personal information, product fulfillment delays, key personnel being unable to perform duties or communicate throughout the organization, loss of retail and internet sales, significant costs for data restoration and other adverse impacts on our business. Despite our existing security procedures and controls, if our network was compromised, it could give rise to unwanted media attention, materially damage our customer relationships, harm our business, reputation, results of operations, cash flows and financial condition, result in fines or lawsuits, and may increase the costs we incur to protect against such information security breaches, such as increased investment in technology, the costs of compliance with consumer protection laws and costs resulting from consumer fraud.

### **Risks Related to our Industry**

#### ***The commercial benefits of our technology are still unproven.***

The commercial prospects for our technology depend on many factors including the degree to which our business model and tokens create operational efficiencies that create incremental value over conventional systems. We have designed, constructed, and are testing an experimental business model and token framework. At this time, key operating efficiencies have not yet been fully tested and validated. Until this can be accomplished there can be no assurance that our technology will offer a higher operating efficiency compared to existing conventional systems.

#### ***Our tokens and business model will compete for customers against well-known products in the market. If we cannot attract these customers to join our business incubator, if the businesses that we incubate cannot attract customers, our business would suffer and all Token utility may be lost.***

We will have to compete on the basis of price and performance with programs that are already well-established in the marketplace. The industries in which our incubated businesses operate, may be intensely competitive. These markets may be characterized by frequent introductions of new or enhanced products, price

competition, continued emergence of new industry standards and regulatory developments. Competitors with an established customer base will have a significant competitive advantage over us and our incubated businesses by virtue of their existing sales channels and ability to create repeat business.

***Federal, state and local authorities have promulgated various securities legislation and commentary that may impact our business and operations.***

We cannot guarantee that we will operate in full compliance with the complex system of federal, state, and local regulations applicable to our business/ industry. In the event of any non-compliance, we may not be able to distribute, market or sell products, and we could be subject to regulatory or civil actions that result in substantial monetary penalties or damage awards. To the extent the applicable laws or regulations change, or if we introduce new products in the future, we may have to adjust our compliance efforts, and some or all of our products may fail to comply. Our compliance program may be burdensome, time consuming, and expensive.

***If we fail to secure or protect our intellectual property rights, competitors may be able to use our technologies, which could weaken our competitive position, reduce our revenue or increase our costs.***

We rely on a combination of copyright, trademark and trade secret laws, confidentiality procedures to establish and protect our proprietary rights. Our pending patent applications may not result in issued patents, and our existing and future patents may not be sufficiently broad to protect our proprietary technologies or may be held invalid or unenforceable in court. Policing unauthorized use of our products will be difficult and we cannot be certain that the steps we have taken will prevent the misappropriation or unauthorized use of our technologies, particularly in foreign countries where the laws may not protect our proprietary rights as fully as United States law. Our competitors may independently develop or may have already developed similar technology, duplicate our products or design around any patents issued to us or other intellectual property rights.

We will also rely on trade secrets and new technologies developed by our employees and consultants to maintain our competitive position. Although we have confidentiality agreements and intellectual property assignment agreements with all our employees we cannot be certain that these agreements will be effective in preventing them and others from misappropriating our trade secrets.

***We may be exposed to liability for infringing intellectual property rights of other companies the cost of which could decrease the value of the Tokens.***

Our success will, in part, depend on our ability to obtain additional trademarks and patents and to operate without infringing on the proprietary rights of others. We may not be able to do this successfully. Although we have conducted searches and are not aware of any patents and trademarks which our products or their use might infringe, we cannot be certain that infringement has not or will not occur.

We would incur substantial costs in defending any patent or trademark infringement lawsuits or in asserting any patent or trademark rights in a lawsuit against another party.

**Risks Related to this Offering**

***Purchasers may never receive any utility for the Tokens, in which case they may be worthless.***

If our business model is not successful, or if we face regulatory sanctions, the Tokens may not have any inherent utility.

***No effort by management will be expended to increase the value of the Tokens, and thus Purchasers should not expect any increase in value.***

A purchase of the Tokens shall only afford the Purchaser with the utility that is directly attributed to the Tokens themselves. Management will not, under any circumstances, actively engage in any activities that will increase the value of the Tokens. Purchasers should not purchase the Tokens if they are doing so with the expectation that the Tokens value will increase. Purchasers should only purchase the Tokens if they are utilizing the utility attached to the Tokens.

***The Tokens have an arbitrary offering price and lack marketability.***

The offering price of the Tokens is not necessarily indicative of their value, and it is not anticipated that there will be any market for resale of the Tokens.