

REAL ESTATE RESTORATION & RENTAL, INC.
Form S-1/A
May 02, 2011

SECURITIES AND EXCHANGE COMMISSION

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AMENDMENT NO. 5 TO FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

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REAL ESTATE RESTORATION AND RENTAL, INC.
(Exact Name of Registrant in its Charter)

Nevada (State or other Jurisdiction of Incorporation)	6510 (Primary Standard Industrial Classification Code)	27-1488943 (IRS Employer Identification No.)
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710 Wellingham Drive
Durham, North Carolina 27713
Tel.: (919) 656-8646
(Address and Telephone Number of Registrant's Principal
Executive Offices and Principal Place of Business)

CSC Services of Nevada, Inc.
502 East John Street
Carson City, NV 89706
(775) 883-3711
(Name, Address and Telephone Number of Agent for Service)

Copies of communications to:
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Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement becomes effective. If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. x

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, please check the following box and list the Securities Act registration Statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act of 1933, check the

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following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act of 1933, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box.
Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

- | | | | |
|-------------------------|-----------------------|---------------------------|----------------------------------|
| Large accelerated filer | <input type="radio"/> | Accelerated filer | <input type="radio"/> |
| Non-accelerated filer | <input type="radio"/> | Smaller reporting company | <input checked="" type="radio"/> |

Table of Contents

CALCULATION OF REGISTRATION FEE

Title of Each Class Of Securities to be Registered	Amount to be Registered	Proposed Maximum Aggregate Offering Price per share	Proposed Maximum Aggregate Offering Price	Amount of Registration fee
Common Stock, \$0.0001 par value per share.	566,500	\$ 0.10	\$ 56,650	\$ 4.04

(1) This Registration Statement covers the resale by our selling shareholders of up to 566,500 shares of our common stock, par value \$0.0001 per share, previously issued to such selling shareholders.

(2) The offering price has been estimated solely for the purpose of computing the amount of the registration fee in accordance with Rule 457(o). Our common stock is not traded on any national exchange and in accordance with Rule 457; the offering price was determined by the price of the shares that were sold to our shareholders in a private placement memorandum. The price of \$0.10 per share is a fixed price at which the selling security holders may sell their shares until our common stock is quoted on the OTCBB at which time the shares may be sold at prevailing market prices or privately negotiated prices. There can be no assurance that a market maker will agree to file the necessary documents with the Financial Industry Regulatory Authority, which operates the OTC Bulletin Board, nor can there be any assurance that such an application for quotation will be approved.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SUCH SECTION 8(a), MAY DETERMINE.

Table of Contents

The information in this preliminary prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the U.S. Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

PRELIMINARY PROSPECTUS

Subject to completion, dated April_____, 2011

REAL ESTATE RESTORATION AND RENTAL, INC.
566,500 SHARES OF COMMON STOCK

The selling security holders named in this prospectus are offering all of the shares of common stock offered through this prospectus. We will not receive any proceeds from the sale of the common stock covered by this prospectus.

Our common stock is presently not traded on any market or securities exchange. The selling security holders have not engaged any underwriter in connection with the sale of their shares of common stock. Common stock being registered in this registration statement may be sold by selling security holders at a fixed price of \$0.10 per share until our common stock is quoted on the OTC Bulletin Board (“OTCBB”) and thereafter at a prevailing market prices or privately negotiated prices or in transactions that are not in the public market. There can be no assurance that a market maker will agree to file the necessary documents with the Financial Industry Regulatory Authority (“FINRA”), which operates the OTCBB, nor can there be any assurance that such an application for quotation will be approved. We have agreed to bear the expenses relating to the registration of the shares of the selling security holders. The selling security holders may be deemed underwriters.

Investing in our common stock involves a high degree of risk. See “Risk Factors” beginning on page 4 to read about factors you should consider before buying shares of our common stock.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The Date of This Prospectus is: April __, 2011

Table of Contents

TABLE OF CONTENTS

	PAGE
<u>Prospectus Summary</u>	1
<u>Summary of Financial Information</u>	3
<u>Risk Factors</u>	4
<u>Use of Proceeds</u>	9
<u>Determination of Offering Price</u>	9
<u>Dilution</u>	9
<u>Selling Shareholders</u>	9
<u>Plan of Distribution</u>	11
<u>Description of Securities to be Registered</u>	12
<u>Interests of Named Experts and Counsel</u>	12
<u>Description of Business</u>	13
<u>Description of Property</u>	15
<u>Legal Proceedings</u>	15
<u>Market for Common Equity and Related Stockholder Matters</u>	15
<u>Index to Financial Statements</u>	F-
<u>Management Discussion and Analysis of Financial Condition and Results of Operations</u>	16
<u>Changes In And Disagreements With Accountants On Accounting And Financial Disclosure</u>	17
<u>Directors, Executive Officers, Promoters And Control Persons</u>	17
<u>Executive Compensation</u>	18
<u>Security Ownership of Certain Beneficial Owners and Management</u>	19
<u>Transactions with Related Persons, Promoters and Certain Control Persons</u>	19
<u>Where You Can Find Additional Information</u>	20
<u>Disclosure of Commission Position on Indemnification of Securities Act Liabilities</u>	20

Please read this prospectus carefully. It describes our business, our financial condition and results of operations. We have prepared this prospectus so that you will have the information necessary to make an informed investment decision.

You should rely only on information contained in this prospectus. We have not authorized any other person to provide you with different information. This prospectus is not an offer to sell, nor is it seeking an offer to buy, these securities in any state where the offer or sale is not permitted. The information in this prospectus is complete and accurate as of the date on the front cover, but the information may have changed since that date.

Table of Contents

PROSPECTUS SUMMARY

This summary highlights selected information contained elsewhere in this prospectus. This summary does not contain all the information that you should consider before investing in the common stock. You should carefully read the entire prospectus, including “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the Financial Statements, before making an investment decision. In this Prospectus, the terms “Real Estate Restoration and Rental,” “Company,” “we,” “us” and “our” refer to Real Estate Restoration and Rental, Inc.

Overview

We are a development stage company incorporated on December 15, 2009, under the laws of the State of Nevada. Our initial operations have included organization and incorporation, target market identification, marketing plans, and capital formation. A substantial portion of our activities to-date has involved developing a business plan and establishing contacts and visibility in the marketplace. Our plan is to provide property management services for large real estate development companies and hedge funds that are purchasing foreclosed and distressed vacation and rental properties in North and South Carolina at below-market prices. The development companies and hedge funds could contract with Real Estate Restoration and Rental to complete any necessary renovation work, manage and rent the properties. Real Estate Restoration and Rental offers the additional benefit of being able to act as a local management agent for out-of-state companies and hedge funds. We are also pursuing opportunities in green energy solutions by utilizing green energy companies for application in our managed properties or by licensing green energy solutions from such companies. We are based in Durham, North Carolina.

Our activities to-date have been investigative in nature. We are identifying strategic developer and hedge fund prospects and evaluating revenue potential for the renovation, management and rental services we provide. We are also identifying green energy solutions that may have strong revenue potential when applied to the vacation properties we will manage. We have entered into a licensing agreement with Madison Energy Group for the exclusive rights to sell Frigitek products – fan controls for cooling condensers that have the potential to be repositioned for residential applications.

We have not yet generated any revenue and do not yet have any signed contracts to provide renovation or management services for third parties.

Where You Can Find Us

Our principal executive office is located at 710 Wellingham Drive, Durham, NC 27713, and our telephone number is (919) 656-8646.

Table of Contents

The Offering

Common stock offered by selling security holders	566,500 shares of common stock. This number represents 8.32% of our current outstanding common stock (1).
Common stock outstanding before the offering	6,802,500 common shares as of April 29 , 2011.
Common stock outstanding after the offering	6,802,500 shares.
Use of proceeds	We are not selling any shares of the common stock covered by this prospectus.
Risk Factors	The common stock offered hereby involves a high degree of risk and should not be purchased by investors who cannot afford the loss of their entire investment. See “Risk Factors” beginning on page 4.

(1) Based on 6,802,500 shares of common stock outstanding as of April 29 , 2011.

Table of Contents

SUMMARY OF FINANCIAL INFORMATION

The following summary financial data should be read in conjunction with “Management’s Discussion and Analysis,” “Plan of Operations” and the Financial Statements and Notes thereto, included elsewhere in this prospectus. The statement of operations and balance sheet data from inception, December 15, 2009 through June 30, 2010 are derived from our audited financial statements. The balance sheet and statement of operations as of December 31, 2010 are derived from our unaudited financial statements.

	For the Six Months Ended December 31, 2010 (Unaudited)	For the Period from Inception (December 15, 2009) through June 30, 2010 (Audited)
STATEMENT OF OPERATIONS		
Revenues	\$ -	\$ -
Professional Fees	49,425	24,725
General and Administrative Expenses	6,121	13,200
Total Operating Expenses	55,546	37,925
Net Loss	(55,546)	(37,925)

	As of December 31, 2010 (Unaudited)	As of June 30, 2010 (Audited)
BALANCE SHEET DATA		
Cash	\$ 62,507	\$ 141,125
Total Assets	94,210	143,625
Total Liabilities	10,956	7,500
Total Stockholders’ Equity	83,254	136,125

Table of Contents

RISK FACTORS

The shares of our common stock being offered for resale by the selling security holders are highly speculative in nature, involve a high degree of risk and should be purchased only by persons who can afford to lose the entire amount invested in the common stock. Before purchasing any of the shares of common stock, you should carefully consider the following factors relating to our business and prospects. If any of the following risks actually occurs, our business, financial condition or operating results could be materially adversely affected. In such case, you may lose all or part of your investment. You should carefully consider the risks described below and the other information in this process before investing in our common stock.

Risks Related to Our Business

OUR AUDITOR HAS EXPRESSED SUBSTANTIAL DOUBT AS TO OUR ABILITY TO CONTINUE AS A GOING CONCERN.

Based on our financial history since inception, our auditor has expressed substantial doubt as to our ability to continue as a going concern. We are a development stage company that has never generated any revenue. If we cannot obtain sufficient funding and/or sign contracts with a sufficient number of developer and hedge fund clients, we may have to delay the implementation of our business strategy or cease operations.

WE HAVE LIMITED OPERATING HISTORY AND FACE MANY OF THE RISKS AND DIFFICULTIES FREQUENTLY ENCOUNTERED BY A DEVELOPMENT STAGE COMPANY.

There can be no assurance that management of the Company will be successful in completing the Company's business development with large real estate companies or hedge funds, or in implementing the corporate infrastructure to support operations at the levels called for by the Company's business plan. Due to the significant downturn in the real estate market and our lack of operating history we may be unable to secure strategic partners that will contract for our management services. Additionally, because of the large downturn in the economy and an oversupply in the number of vacant properties we may be unable to manage properties with the possibility to produce positive earnings. These factors may make it difficult to implement our business plan and may lead to the company ceasing operations.

WE HAVE NOT YET DEMONSTRATED THE ABILITY TO LAUNCH NEW BUSINESS DEVELOPMENT EFFORTS.

We are a development-stage company, and to date, our development efforts have been focused primarily on the development of our business model. We have limited operating history for investors to evaluate the potential of our business development. In addition, we also face many of the risks and difficulties inherent in introducing new products. These risks include the ability to:

- Develop effective business plan;
- Meet customer standards;
- Implement a successful marketing plan;
- Maintain current strategic relationships and develop new strategic relationships;
- Respond effectively to competitive pressures;
- Continue to develop and upgrade our service; and
- Attract, retain and motivate qualified personnel.

Our future will depend on our ability to manage our properties properly, which requires careful planning of renovations to avoid incurring unnecessary cost and expense. Our operating results can also be affected by our ability to rent our properties or to adjust pricing to increase our competitive advantage.

WE CURRENTLY HAVE NO REVENUES.

We currently have no revenues and have sustained net losses of \$93,471 for the period from inception through December 31, 2010. Because of the significant time required to execute our business plan we cannot give you any assurance that we will experience any positive revenues for the foreseeable future.

WE MAY FACE DIFFICULTIES IN FINDING SUITABLE PROPERTY OWNERS.

Our principal business strategy is to contract with real estate development companies and hedge funds that are purchasing foreclosed properties from financial institutions (often referred to as real estate owned by the lender, or REOs) or distressed owners. We will provide the management services necessary to renovate the distressed properties so they can be rented at substantial profit. We have few established business relations with targeted developers and hedge funds, having expended only minimal amounts on such activities to-date. There can be no assurance that our initial business development activities will be successful in creating the desired access to developers and funds that acquire REO properties.

Table of Contents

FORECLOSURE LAWS IN NORTH AND SOUTH CAROLINA MAY AFFECT THE OVERALL BUSINESS OPPORTUNITY FOR OUR COMPANY.

We will monitor the foreclosure laws and proceedings in North and South Carolina as a service for our strategic partners and to help our Company anticipate business opportunity. There can be no assurance as to the content, timing or effect of future regulations on the federal, state or local laws or that such regulations would not have a materially adverse effect on the Company's business.

UNCERTAINTY IN THE GOVERNMENTAL SECTOR MAY RESULT IN CREATION OF NEW SUPPORT PROGRAMS THAT COULD REDUCE THE NUMBER OF AVAILABLE PROPERTIES.

Politicians and governmental agencies are calling for intervention in the real estate foreclosure market to assist at-risk mortgage holders and thereby reduce the number of properties going into foreclosure. Interest rates could be adjusted downward or new programs could be instituted to provide financial relief and assistance to mortgage holders at risk of foreclosure. This could adversely affect the numbers of foreclosed properties available for purchase by large developers or hedge funds, which in turn could limit the Company's potential business opportunity for providing renovation and management services, or reduce overall profit margins.

OUR FUTURE SUCCESS IS DEPENDENT, IN PART, ON THE PERFORMANCE AND CONTINUED SERVICE OF DEBORAH LOVIG, OUR PRESIDENT AND DIRECTOR. WITHOUT HER CONTINUED SERVICE, WE MAY BE FORCED TO INTERRUPT OR EVENTUALLY CEASE OUR OPERATIONS.

The Company will be dependent on its key executive, President Deborah Lovig, for the foreseeable future. The loss of the services from Deborah Lovig could have a material adverse effect on the operations and prospects of the Company. At this time, the Company does not have an employment agreement with Deborah Lovig, though the Company may enter into such an agreement with its president on terms and conditions usual and customary for its industry. The Company does not currently have "key man" life insurance on Deborah Lovig.

Table of Contents

WE MAY INCUR SIGNIFICANT COSTS TO BE A PUBLIC COMPANY TO ENSURE COMPLIANCE WITH U.S. CORPORATE GOVERNANCE AND ACCOUNTING REQUIREMENTS AND WE MAY NOT BE ABLE TO ABSORB SUCH COSTS.

We may incur significant costs associated with our public company reporting requirements, costs associated with newly applicable corporate governance requirements, including requirements under the Sarbanes-Oxley Act of 2002 and other rules implemented by the Securities and Exchange Commission. We expect all of these applicable rules and regulations to significantly increase our legal and financial compliance costs and to make some activities more time consuming and costly. We also expect that these applicable rules and regulations may make it more difficult and more expensive for us to obtain director and officer liability insurance and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for us to attract and retain qualified individuals to serve on our board of directors or as executive officers. We are currently evaluating and monitoring developments with respect to these newly applicable rules, and we cannot predict or estimate the amount of additional costs we may incur or the timing of such costs. In addition, we may not be able to absorb these costs of being a public company which will negatively affect our business operations.

WE WILL FACE INTENSE COMPETITION FOR PROPERTIES AND TENANTS.

The media is covering the ARM and foreclosure issues on a daily basis and there are many web sites, businesses and consultants promoting these opportunities to the mass market. The Company believes that there are significant numbers of adjustable-rate mortgage (ARM) holders facing foreclosure over the next few years because the interest rates on their loan have increased substantially, producing a large potential market for new entrants such as the Company to achieve profits. However, there can be no assurance that the Company's competitors will not be able to use financial and other advantages in competing on price to secure contracts with developers and hedge funds to renovate and manage REO properties or in marketing the rental properties more aggressively for higher profits, resulting in material adverse effects on the business of the Company.

THE LACK OF PUBLIC COMPANY EXPERIENCE OF OUR MANAGEMENT TEAM COULD ADVERSELY IMPACT OUR ABILITY TO COMPLY WITH THE REPORTING REQUIREMENTS OF U.S. SECURITIES LAWS.

Our management team lacks public company experience, which could impair our ability to comply with legal and regulatory requirements such as those imposed by Sarbanes-Oxley Act of 2002. Our senior management has never had responsibility for managing a publicly traded company. Such responsibilities include complying with federal securities laws and making required disclosures on a timely basis. Our senior management may not be able to implement programs and policies in an effective and timely manner that adequately respond to such increased legal, regulatory compliance and reporting requirements, including the establishing and maintaining internal controls over financial reporting. Any such deficiencies, weaknesses or lack of compliance could have a materially adverse effect on our ability to comply with the reporting requirements of the Securities Exchange Act of 1934 which is necessary to maintain our public company status. If we were to fail to fulfill those obligations, our ability to continue as a U.S. public company would be in jeopardy in which event you could lose your entire investment in our company.

Table of Contents

Risk Related To Our Capital Stock

WE MAY NEVER PAY DIVIDENDS TO OUR SHAREHOLDERS.

We have never declared or paid any cash dividends or distributions on our capital stock. We currently intend to retain our future earnings, if any, to support operations and to finance expansion and therefore we do not anticipate paying any cash dividends on our common stock in the foreseeable future.

The declaration, payment and amount of any future dividends will be made at the discretion of the board of directors, and will depend upon, among other things, the results of our operations, cash flows and financial condition, operating and capital requirements, and other factors as the board of directors considers relevant. There is no assurance that future dividends will be paid, and, if dividends are paid, there is no assurance with respect to the amount of any such dividend.

OUR ARTICLES OF INCORPORATION PROVIDE FOR INDEMNIFICATION OF OFFICERS AND DIRECTORS AT OUR EXPENSE AND LIMIT THEIR LIABILITY WHICH MAY RESULT IN A MAJOR COST TO US AND HURT THE INTERESTS OF OUR SHAREHOLDERS BECAUSE CORPORATE RESOURCES MAY BE EXPENDED FOR THE BENEFIT OF OFFICERS AND/OR DIRECTORS.

The Company's Certificate of Incorporation and By-Laws include provisions that eliminate the personal liability of the directors of the Company for monetary damages to the fullest extent possible under the laws of the State of Nevada or other applicable law. These provisions eliminate the liability of directors to the Company and its stockholders for monetary damages arising out of any violation of a director of his fiduciary duty of due care. Under Nevada law, however, such provisions do not eliminate the personal liability of a director for (i) breach of the director's duty of loyalty, (ii) acts or omissions not in good faith or involving intentional misconduct or knowing violation of law, (iii) payment of dividends or repurchases of stock other than from lawfully available funds, or (iv) any transaction from which the director derived an improper benefit. These provisions do not affect a director's liabilities under the federal securities laws or the recovery of damages by third parties.

We have been advised that, in the opinion of the SEC, indemnification for liabilities arising under federal securities laws is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification for liabilities arising under federal securities laws, other than the payment by us of expenses incurred or paid by a director, officer or controlling person in the successful defense of any action, suit or proceeding, is asserted by a director, officer or controlling person in connection with the securities being registered, we will (unless in the opinion of our counsel, the matter has been settled by controlling precedent) submit to a court of appropriate jurisdiction, the question whether indemnification by us is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue. The legal process relating to this matter if it were to occur is likely to be very costly and may result in us receiving negative publicity, either of which factors is likely to materially reduce the market and price for our shares, if such a market ever develops.

THE OFFERING PRICE OF OUR COMMON STOCK WAS DETERMINED BASED ON THE PRICE OF OUR PRIVATE OFFERING, AND THEREFORE SHOULD NOT BE USED AS AN INDICATOR OF THE FUTURE MARKET PRICE OF THE SECURITIES. THEREFORE, THE OFFERING PRICE BEARS NO RELATIONSHIP TO OUR ACTUAL VALUE, AND MAY MAKE OUR SHARES DIFFICULT TO SELL.

Since our shares are not listed or quoted on any exchange or quotation system, the offering price of \$0.10 per share for the shares of common stock was determined based on the price of our private offering. The facts considered in determining the offering price were our financial condition and prospects, our limited operating history and the general condition of the securities market. The offering price bears no relationship to the book value, assets or

earnings of our company or any other recognized criteria of value. The offering price should not be regarded as an indicator of the future market price of the securities.

YOU WILL EXPERIENCE DILUTION OF YOUR OWNERSHIP INTEREST BECAUSE OF THE FUTURE ISSUANCE OF ADDITIONAL SHARES OF OUR COMMON STOCK AND OUR PREFERRED STOCK.

Currently, there is no established public trading market for our common stock. In the future, we may issue our authorized but previously unissued equity securities, resulting in the dilution of the ownership interests of our present stockholders. We are currently authorized to issue 100,000,000 shares of common stock, par value \$0.0001 per share, and 10,000,000 shares of preferred stock, par value \$0.0001 per share.

Table of Contents

We may also issue additional shares of our common stock or other securities that are convertible into or exercisable for common stock in connection with hiring or retaining employees or consultants, future acquisitions, future sales of our securities for capital raising purposes, or for other business purposes. The future issuance of any such additional shares of our common stock or other securities may create downward pressure on the trading price of our common stock. There can be no assurance that we will not be required to issue additional shares, warrants or other convertible securities in the future in conjunction with hiring or retaining employees or consultants, future acquisitions, future sales of our securities for capital raising purposes or for other business purposes, at a price (or exercise prices) below the price at which shares of our common stock are quoted on the OTCBB.

OUR COMMON STOCK IS CONSIDERED A PENNY STOCK, WHICH MAY BE SUBJECT TO RESTRICTIONS ON MARKETABILITY, SO YOU MAY NOT BE ABLE TO SELL YOUR SHARES.

Currently, there is no established public trading market for our common stock.