



# HOW YOU CAN EARN OWNERSHIP STOCKS

CanZell Realty is excited to offer ownership stock in the company through our Common Stock Program. See how it works:

## \$ IN OWNERSHIP STOCKS

When you join the company, after your first closing...	<b>\$250</b>
Every time you sponsor an agent, after their first closing...	<b>\$250</b>
When you cap...	<b>\$4,000</b>
When you cap and become an Influencer...	<b>\$10,000</b>

### HOW YOU BECOME AN INFLUENCER:

CAP | SELL 30+ HOMES | TEACH 1 CLASS/MONTH

## COMMON QUESTIONS

### 1 What is ownership stock?

Ownership stocks are simply stocks owned in the company. You can earn ownership stock through the common stock program.

### 2 Why are we offering stocks?

We want to give agents interest in the company.

### 3 What is the vesting schedule?

It is 3 years from the date the stocks were given. *Example:* if you earned ownership stocks in January of 2021, your stocks would vest in January 2024.

### 4 Do I have to pay taxes on my stocks?

Most likely, yes. You will probably have two options when it comes to paying the taxes. You will want to discuss this with your accountant to decide what option is best for you—we cannot give tax advice.

### 5 When does the tax happen?

Once stock is given to the person, they can elect to claim income (and pay taxes) in the year it was issued or wait until it vests in year 3 to declare the income at whatever value of the stock at that time. You will want to consult your own advisor—we cannot give tax advice.

### 6 When can I cash out my stock?

This depends. As of now, we are a private company, and are issuing shares based on an exemption that requires that we control resales. It is likely that once the shares have vested you can sell them to anyone within the company. We hope to become a public company, and when that happens you can sell your vested shares to anyone.

### 7 Do I have to sell my stocks back to the company?

After the shares have vested, we do not have a buyback program. Once your stocks are vested, you do not have to sell them to anyone within the company. We hope to become a public company, and when that happens you can sell your vested shares to anyone.

### 8 How do you determine the value of my shares as an agent?

There is presently no public market for the shares, but once a quarter we will do an internal valuation based on the formula we had a CPA create. The value of the shares will be based on that formula.

## COMMON QUESTIONS

### 9 How will I get a copy of how the company is doing financially?

Certain information about the company is posted on the SEC Website [www.sec.gov](http://www.sec.gov). Informal financials will be calculated, and will include the formula that has been created to determine the valuation. Shareholders will be able to request copies of the financials.

### 10 Will I receive dividends?

No, you will not receive dividends.

### 11 What is the evidence of ownership?

The investor will sign and execute a Subscription Agreement that indicates the investor's commitment to purchase shares in the company. After the offering is consummated, the investor will receive stock certificates evidencing ownership of the shares.

### 12 Will I receive an ownership stock certificate?

Yes you will get a digital copy. The ownership stocks are managed through Option Trax.

### 13 How do I get notification of my ownership stock?

It will be on the CanZell Portal and on Option Trax [www.optiontrax.com](http://www.optiontrax.com).

### 14 Does a financial institution need to issue the shares?

No. This is a private offering through Option Trax.

### 15 I don't know how the privately offered stock sales work? What trading platform will agents have available to them?

The company is Option Trax which has an API and the [CanzellPortal.com](http://CanzellPortal.com).

### 16 What happens if I leave the Company before the shares vest?

If an agent leaves and the shares have not vested, then the company gets the shares back.

### 17 Do you have the option to keep ownership shares with out selling? If you leave the company can you keep them?

After 3 years from the date of granting the ownership; the shares are vested. After 3 years, you can keep them even if you leave the company. If the company goes public they will vest immediately.

### 18 How do I lose the asset?

If you leave before the shares have vested you will lose them.

## COMMON QUESTIONS

**19** What happens if I become an influencer, get 10k in shares, pay the taxes now, and then leave the company? Do I lose the money I have already paid in taxes?

Yes, if you decide to pay the taxes and then choose to leave CanZell Realty you should not expect to get the taxes back. This is not our doing. It is the current tax regulations from the Federal Government.

**20** If I have a share of stock and am coming up on my 3 years but I do not want to pay taxes on it, what do I do?

You will either have to give it back to the company or sell some of the stock to pay the taxes (or pay the taxes out of your own pocket). Please consult your own tax advisor.

**21** After my shares have vested and are eligible for resale, does the company have to serve as a broker to facilitate the buying and selling?

No, the company will not serve as the broker or agent on any purchasing and selling shares that are eligible for resale. Until we become a public company, eligible resales would be handled through Option Trax.

**22** What is the difference between ownership interests that are called membership units and those that are called common stock?

The difference is that membership units are ownership interests in a limited liability company (LLC) and common stock or shares of stock are ownership interests in a sub-chapter S or S Corporation. CanZell Realty will be a C Corp.

**23** What happens if the company goes public or gets sold before my shares vest?

It is our hope that this will happen! Which is great news to you, because in that event, we contemplate that the stock will vest immediately regardless of how long you have had the shares and that your shares will be more liquid (that there will be a public trading market for the shares). We can not promise this, but it is our hope.

**24** Are you going to be selling shares to private investors who are not agents or affiliates of the company?

At this time CanZell Realty is not selling shares to private investors, we have enough money. Our current capital needs are met. In the future we may consider investments from private investors.

## COMMON QUESTIONS

### 25 At what point will the company go public?

It is our intent to go public, but we are unsure of when that will happen. We cannot offer to the public without filing a registration statement and we cannot “condition the market” by making statements that would be a solicitation.

### 26 Can an agent sell their stocks to someone outside of the company privately?

The intention of the company is once it goes public, you can sell to whoever you want. At this time, we are trading privately and do not need the capital from outside buyers. We suggest that you sell it to someone within the company. Because our offering of shares is based on an exception from registration that depends upon restrictions on resale, the company will need to “clear” any private resale. Clearance may be more likely if the proposed purchaser is an agent affiliated with the company.

### 27 When do I get my shares?

Shares of stock will be given within 3 business days of the qualifying event. *It is imperative that you go in and sign the agreement within 3 business days or they expire.* We will not reissue them if they expire.

**Example:** Closing first deal, capping, recruit closing first deal, becoming an influencer on Monday the stock will be showing in your CanZell Portal which will feed to Option Trax.

**NOTE:** For ease of understanding, we have been referring to “shares” of stock and vesting of the shares interchangeably with stock.