

SUMMARY OF THE OFFERING

- Issuer:** Widget Acquisition Corp., Inc. an Ohio limited liability corporation incorporated in 2007. As used in this Memorandum and any supplement, the terms “WAC,” “Issuer,” “we,” “us,” or “our” refer to Widget Acquisition Corp., Inc..
- Purpose:** WAC has been formed by ABC Capital, Inc. (“ABC”) for the primary purpose of acquiring substantially all of the assets (the “Acquisition”) of Blue Widget Company, Inc. (“BWC” collectively with the predecessor company of BWC, the “Company”). The Company is in the business of manufacturing redundant default high speed widgets for the aerospace industry.
- Preferred Units:** WAC shall issue Preferred Units with detachable warrants to accredited investors only. The Preferred Units will accumulate dividends at the rate of 12% per annum which may be paid, subject to certain debt covenants, at any time at the option of WAC. All accrued and unpaid dividends would be paid prior to or concurrent with redemption of the Preferred Units.
- Warrants:** Each Preferred Unit shall be issued with warrants to purchase one shares of WAC’s fully-diluted membership units (or 1.0% of fully-diluted membership units for each 100 Preferred Units) (the “Warrants” and, together with the Preferred Units, the “Securities”) at any time prior to ten years from the date of issuance. The Warrants will be exercisable at a nominal price of \$0.01 per share of membership units and will have, among other features, a cashless exercise option. The Warrants will benefit from anti-dilution protection and the shares of membership units into which such Warrants are convertible shall receive, demand and piggyback registration rights, tag-along rights, preemptive rights, and will contain other terms and provisions to be satisfactory to WAC. Holders of Warrants will have the right to sell their Warrants (or membership units issued from the exercise thereof) back to WAC (“Put Option”) at any time subsequent to five years after Closing and WAC would have the right to purchase the Warrants (or the membership units issued from the exercise thereof) from the holders of the Warrants (“Call Option”) at any time subsequent to six years after Closing. This Put/Call will be valued at fair market value as determined by an independent appraiser.
- Preferred Return:** Subject to the terms herein and in the Operating Agreement and Subscription Package, the Preferred Units shall be entitled to a preferred rate of return of 25% per annum (the “Preferred Return”). In the event Investors earn less than a 25% annual rate of return on the Preferred Units taking into account all principal, dividends, and distributions on the Preferred Units, the Warrants, and the membership units issued by the exercise thereof, Investors shall be entitled to the proceeds from the sale of membership units of WAC held by ABC until the earlier of either (a) Investors achieve a 25% annual rate of return or (b) the Investors receive 100% of the proceeds from the sale of the membership units of WAC held by ABC (which equals 60% of the fully-diluted membership units of WAC). Investors shall be entitled to this Preferred Return only in the event that (a) the Warrants, or the membership units issued by the exercise thereof are purchased pursuant to (i) the Call Option, (ii) some other forced exercise, or (iii) a liquidity event, or (b) the Warrants remain worthless