



LUCKY CITY BREWING CO-OP. INC,
228 Gilmer St Reidsville, NC 27320
Series A Preferred Shares

Prospectus

Updated February 10, 2019

For more information on Luck City Brewing Co-op, Inc.
Series A Preferred Shares, contact:

Eric Smith

luckycitybrewing@gmail.com

To invest or service existing Series A Preferred Shares, contact:

Eric Smith 336-471-6758
228 Gilmer St.
Reidsville, NC 27320

CAVEATS

INVESTORS SHOULD READ THIS PROSPECTUS IN CONJUNCTION WITH THE DISCLOSURE ACCOMPANYING THE PREFERRED SHARES SUBSCRIPTION AGREEMENT.

THIS PROSPECTUS TO THE PREFERRED SHARES CONTAINS ALL OF THE REPRESENTATIONS BY LUCKY CITY BREWING COMPANY, INC. CONCERNING THIS SECURITY OFFERING.

INVESTORS ARE CAUTIONED NOT TO RELY ON ANY INFORMATION NOT EXPRESSLY SET FORTH IN THIS PROSPECTUS. PERSONS ARE ADVISED TO READ THIS PROSPECTUS CAREFULLY PRIOR TO MAKING ANY DECISION TO PURCHASE THESE SECURITIES.

THIS PROSPECTUS DOES NOT CONSTITUTE THE OFFER OR THE SOLICITATION OF AN OFFER TO SELL TO ANY PERSON OR ENTITY IN ANY STATE OR OTHER POLITICAL JURISDICTION IN WHICH SUCH SECURITY OFFER OR SOLICITATION MAY NOT BE LAWFULLY MADE.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE SECURITY OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DISCLOSURE DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THESE SECURITIES ARE OFFERED UNDER AN EXEMPTION FROM FEDERAL REGISTRATION PURSUANT TO SECTION 3(a)(11) OF THE SECURITIES ACT OF 1933 AND RULE 147 OF THE SECURITIES ACT OF 1933; HOWEVER, THE SECURITIES AND EXCHANGE COMMISSION HAS NOT MADE AN INDEPENDENT DETERMINATION THAT THESE SECURITIES ARE EXEMPT FROM REGISTRATION. UNDER THIS EXEMPTION, AND THE TERMS OF THE PREFERRED SHARES PROGRAM, PURCHASES AND RE-SALES ARE RESTRICTED TO LUCKY CITY BREWING COMPANY, INC. MEMBERS.

THESE SECURITIES ARE OFFERED UNDER AN EXEMPTION FROM STATE REGISTRATION PURSUANT TO SECTION 78A-16(14) OF THE NORTH CAROLINA SECURITIES ACT; HOWEVER, THE STATE OF NORTH CAROLINA HAS NOT MADE AN INDEPENDENT DETERMINATION THAT THESE SECURITIES ARE EXEMPT FROM REGISTRATION.

THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND THE NORTH CAROLINA SECURITIES ACT. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

FEDERAL AND STATE SECURITIES LAWS MAY AFFECT LUCKY CITY BREWING COMPANY, INC' ABILITY TO CONTINUE TO SELL PREFERRED SHARES.

THESE SECURITIES ARE BEING OFFERED BY THE ISSUER AS FURTHER DISCUSSED BELOW UNDER "DISTRIBUTION".

OFFERING SUMMARY

Overview. Preferred Shares are an investment opportunity for owners of the Common Stock of LUCKY CITY BREWING COMPANY, INC. to efficiently channel local investment into an economically, socially, and environmentally responsible business. Please also see "Use of Proceeds".

Go to: <http://www.secretary.state.nc.us/corporations> to view a copy of the charter of LUCKY CITY BREWING

Go to: <http://www.secretary.state.nc.us/corporations> to view a copy of the Charter of LUCKY CITY BREWING COMPANY, INC. describing the Common Stock and the Preferred Shares.

Uses of Proceeds. The proceeds from the sale of Preferred Shares will be used to fund the purchase, renovation, and upfit of the building located at 228 Gilmer St, Reidsville, NC 27320, and equipment/hard assets, as well as the opening and initial operating costs of the brewery.

Potential for Grant Funds. Lucky City Brewing Company, Inc. has received from the Reidsville Downtown Corporation a grant in the amount of \$15,000 and a CDBG grant of \$275,000 to cover certain building improvements.

Bank Financing. A loan has been established in the amount of \$275,000 in order to begin construction

Administration of Funds. All funds from the sale of Preferred Shares will be utilized by the Board of Directors for business and operational purposes if determined that it is in the best interest of Lucky City Brewing Company, Inc. Preferred Shares are issued upon the deposit of funds made available to Lucky City Brewing Company, Inc. by the investor

Investments. Investments can be made by completing a Subscription Agreement and mailing it, along with payment to:

Lucky City
Brewing
243 SW Market St
Reidsville, NC 27320

Please read all materials carefully before you invest or send money.

Description of Lucky City Brewing. Lucky City Brewing Company, Inc. is a cooperative corporation formed in September 2016, with the goal of establishing a consumer owned cooperative brewery in downtown Reidsville, to participate in and encourage the revitalization of downtown Reidsville, and to create a model for cooperative, locally based development.

Lucky City Brewing intends to fund the building, renovation and upfit, equipment, and initial operations with the combination of owner investment, bank financing, and governmental grant(s).

Lucky City Brewing currently has over 200 owners of Common Stock (owner shares).

mailing address is 243 SW Market St, Reidsville, NC 27320, Lucky City Brewing's physical location will be 228 Gilmer St Reidsville, NC 27320. At this time, all questions should be directed by email to luckycitybrewing@gmail.com. Eric Smith is currently the Board President and he is currently responsible for providing information about Preferred Shares.

What is a cooperative corporation? Cooperatives are corporations organized differently from other for-profit corporations. One key difference is that each person can buy only one share of Common Stock in Lucky City Brewing, and each shareholder has one vote.

About Preferred Shares. Preferred Shares are a financial vehicle for owners of the Common Stock of Lucky City Brewing, Inc. to make capital investments directly in Lucky City Brewing Company, Inc.

Preferred Shares are unsecured ownership of equity in Lucky City Brewing Company, Inc and are not deposits or obligations of, or guaranteed or endorsed by, any bank, and are not insured by any federal or state agency.

Preferred Shares are junior (subordinate) to company debt, including all loaned funds and bank financing. This means that whenever there is a decision as to whether a Lucky City Brewing's debt gets paid or a Preferred Share owner gets paid, the debt holder must be satisfied before the Preferred Share owner. Additionally, no reserve fund has or will be established by Lucky City Brewing Company, Inc. to provide for the redemption of

the Preferred Shares or the dividends. Redemption by Lucky City Brewing Company, Inc., if applicable, and dividend payments will ultimately be dependent solely upon the financial condition and strength of Lucky City Brewing Company, Inc. Therefore, the relative risk level may be higher for these Preferred Shares than for other similar securities.

- Preferred Shares are not FDIC insured.
- Preferred Shares are not tax-deductible.
- You are required to pay income tax on dividends received.
- Preferred Shares are only available to member/owners of Lucky City Brewing Company, Inc. Common Shares.

(See section titled “Description of the Preferred Shares”, heading “Overview” and the heading “Risk Factors”, for a discussion of investment risk levels).

RISK FACTORS

THE FOLLOWING PARAGRAPHS DESCRIBE VARIOUS RISK FACTORS ASSOCIATED WITH YOUR INVESTMENT. HOWEVER, NOTHING CONTAINED HEREIN, OR IN THE SUBSCRIPTION AGREEMENT, OR THE PREFERRED SHARES CERTIFICATE, SHOULD BE CONSTRUED AS PROHIBITING YOU, THE INVESTOR, FROM PURSUING AND EXERCISING ANY AND ALL RIGHTS AND REMEDIES AS MAY BE AVAILABLE AT LAW OR IN EQUITY.

Lack of Current Operations. Lucky City Brewing Company, Inc. is currently in the stages of construction and raising enough capital by the sale of common and preferred shares to fully complete the renovation and upfit of our building at 228 Gilmer St Reidsville, NC 27320, purchase equipment, and provide for initial operating capital. This capital must be received in order to fully operate as a brewery.

The goal of Lucky City Brewing, at this time, is to open the Brewery in the summer of 2019. However, a number of factors, including the ability to raise the appropriate amount of capital to complete the project, obtain permanent financing, community support, and other general economic factors could directly impact the success and viability of this venture.

In the event that, for some reason, the brewery does not open, the building and all other assets would be sold and investors should be aware that there is a risk that the investor could lose all or part of their investment.

If Lucky City Brewing determines that it cannot open the Brewery after renovations are made, any proceeds of that sale would be allocated shareholders, to the extent possible, on a pro-rata basis and in accordance with their Liquidation Preference set forth below.

Because Lucky City Brewing plans to use the proceeds of Preferred Shares to fund the renovation and upfit of its building, opening and operating expenses of the brewery, and to purchase fixed assets, there will be little or no liquid assets (i.e., cash).

Financials. To date, operating funds have not been received from operations as a brewery, but have been received through the sale of stock and other merchandise, which is typical for a start-up operation. Current and past balance sheets may be obtained upon request.

Payment of Non-cumulative Dividends and Redemption Obligations. There are, as with any investment, risks associated with an investment in Preferred Shares. While Lucky City Brewing will make every good faith effort to meet its redemption obligations, there can be no guarantee that it will be able to do so. Preferred Shares therefore are suitable only for persons or entities of adequate means who can bear the economic risk of losing their investment.

Investors can only expect to be paid from Lucky City Brewing Company, Inc., and not from any other entity or person.

Forward Looking Statements. This Prospectus contains forward-looking statements that involve risks and uncertainties. Lucky City Brewing's actual results likely will differ materially from those anticipated in such forward looking statements as a result of certain factors, including those set forth in these risk factors and elsewhere in this Prospectus.

Public and Secondary Markets. The nature of this program does not afford the opportunity of a public or secondary market. Consequently the purchase of Preferred Shares should be viewed as an investment to be held indefinitely.

(See "Transfer of Preferred Shares" in section "Description of the Preferred Shares" and "Limitations on Resale" in Section "Distribution", below).

Subordination. Preferred Shares are unsecured equity and are subordinate to all Lucky City Brewing's bank or other debt. Preferred Shares are only senior to the Common Stock.

State Regulations. While it is not anticipated that this will occur, changes in state laws, rules or regulations regarding the sale of securities may make it more costly and difficult for Lucky City Brewing to offer and sell Preferred Shares in the future. Such an occurrence could result in the decrease in the amount of Preferred Shares sold by Lucky City Brewing. To the extent that Lucky City Brewing is dependent upon the proceeds from future sales of Preferred Shares to make principal and interest payments on its outstanding indebtedness, a substantial decrease in such sales could affect its ability to meet its obligations. However, at this time Lucky City Brewing does not contemplate or foresee curtailing or eliminating the sale of Preferred Shares.

Change in Operations. Lucky City Brewing Company, Inc. is not obligated to continue offering Preferred Shares or to continue its operations or its existence as a cooperative corporation. Any such change in its operations or status could have a negative impact on its ability to pay non-cumulative dividends or honor its redemption obligations. Lucky City Brewing Company, Inc. has no plans to significantly modify its present plan of action.

Tax Consequences. Preferred Shares are not tax-deductible. Federal and State income taxes are due on the noncumulative dividends received. Persons considering the purchase of Preferred Shares should consult their own tax advisors concerning the United States federal income tax and state income tax consequences to them in light of their particular situations, as well as any consequences to them under the laws of any other taxing jurisdiction. (See section titled "Description of the Preferred Shares" under the heading "Dividend and Tax Reporting.")

Social Mission. Lucky City Brewing's mission is a social and local economic development mission. Its business focus is to provide a benefit for the community, not solely to make a profit for its owners. Business decisions may be at odds with maximizing profitability.

Bank Loan Restrictions. Lucky City Brewing's establishment more than likely will require bank loans which will have certain covenants and restrictions, including restrictions on additional borrowing that could make it difficult to borrow additional money in the future should the need arise, and restrictions preventing the redemption of Preferred Shares and payment of non-cumulative dividends if bank loan payments are not met.

Business Interruption. Lucky City Brewing is subject to delays in establishing operations as well as interruption of its business due to power outages, severe weather, and other potential disruptions. Once the Brewery opens, such disruptions can result in closures and stock loss. Suppliers of additional inventory may also be affected by interruption of the transportation system, which may have a materially adverse effect on normal sales levels and profitability. These disruptions could have an adverse effect on Lucky City Brewing's future sales and profitability.

Reliance on Key Management. Lucky City Brewing has a dedicated, experienced, diversely-skilled volunteer,

part-time Board. The Board is unpaid. The loss of the services of key Board or management figures in the future could have a material adverse effect on Lucky City Brewing's business and financial condition. Lucky City Brewing will hire a General Manager prior to the opening of the brewery. However, as of this date, Lucky City Brewing has not hired a General Manager.

Board of Directors and Corporate Governance. A Board of Directors sets overall policy, hires the General Manager, and monitors the operations of Lucky City Brewing. The initial directors, serve 3 year terms. Directors may not serve more than eight consecutive years. Due to the elective structure of the Board, there is no guarantee that there will be long-term continuity of leadership, or that competent directors will be elected to replace retiring directors.

Currently, the operations of Lucky City Brewing Company, Inc. are managed by the Board of Directors, with professional advice from a CPA firm and a law firm.

Please review Lucky City Brewing's website at www.luckycitybrewing.com for a current listing of directors.

Litigation. Although there is currently no litigation with respect to Lucky City Brewing Company, Inc. it could potentially be the subject of various lawsuits arising in the ordinary course of business. In addition, Lucky City Brewing faces the inherent risk of exposure to liability claims due to the nature of its business. Lucky City Brewing's business and financial condition could be materially and adversely affected by legal and settlement expenses in the event of such lawsuits.

Competition. Although, at this time, there is no other brewery in the Reidsville area with the same model adopted by Lucky City Brewing, there can be no assurance that such an establishment or establishments will not be opened in the future and be competitive with Lucky City Brewing. Further, any restaurant or bar selling craft beer and food and offering an atmosphere or services like those to be offered by Lucky City Brewing are competition to Lucky City Brewing and could affect the profitability of Lucky City Brewing.

DESCRIPTION OF THE PREFERRED SHARES

Overview

- Preferred Shares are offered for \$100.00 per share with the following minimum base non-cumulative dividend rate of 2%
- A discretionary non-cumulative dividend of up to 2% may also be received, ratably, by all holders of Preferred Shares if declared by the Board of Directors.
- Lucky City Brewing has the option to Call at any time (purchase a shareholder's Preferred Shares at the original purchase price of \$100 each).
- Holders of 2% Preferred Shares have the option to Put their Preferred Shares after ten
years from the date of issuance (request that Lucky City Brewing purchase their shares at the original purchase price of \$100 each).

Base Non-cumulative Dividends. The holders of shares of Preferred Shares may be entitled to receive, ratably, if and when declared payable by the Board of Directors, non-cumulative dividends out of funds legally available for the payment of non-cumulative dividends. The amount that may be paid each fiscal year may be up to, but not exceeding, the product of the non-cumulative dividend rate for such series times the Redemption Price (as defined below) (the "Base Dividend"). The Base Dividend may not exceed such rate. However, Preferred Shares are also entitled to any Discretionary Dividend that may be authorized by the Board of Directors.

The non-cumulative dividends shall be payable on such dates as shall be fixed by the Board. Dividends shall not be cumulative and no rights shall accrue to the holders of the Preferred Stock by reason of the fact that dividends on Preferred Shares are not declared or paid in any period even though Lucky City Brewing has funds legally available for the payment of such dividends. For purposes of this section, the term “dividends” shall include any pro rata distribution by Lucky City Brewing of cash, property, securities (including, but not limited to, rights, warrants, or options), or other property or assets, whether or not paid out of capital, surplus or earnings.

Discretionary Dividend. In terms of dividends or liquidation, Preferred Shares are senior to Common Stock. Therefore, the Base Dividend must be paid to Preferred Shareholders first, before any dividends are paid to Common Stock holders.

The holders of all Preferred Shares may also receive, ratably, if and when declared payable by the Board of Directors, a variable dividend out of funds legally available for the payment of dividends of the Redemption Price for such Preferred Shares (the “Discretionary Dividend”); provided, however, that Lucky City Brewing Company, Inc. may, in its sole discretion, choose not to pay such Discretionary Dividend.

Redemption Rights. Lucky City Brewing may, at any time, repurchase Preferred Shares at the original purchase price (“Call”).

Holders of Series A-2, but specifically excluding Series A-0, may, after ten (10) years from the date of issuance, request that Lucky City Brewing redeem their Preferred Shares for the original purchase price (“Put”). Lucky City Brewing is not legally obligated to redeem the investment or exact a partial withdrawal of Preferred Shares prior to the date of any Investor’s Put option.

The price for the Put or the Call is equal to the purchase price paid to Lucky City Brewing Company, Inc. for the Preferred Shares for the original issuance of those shares (the “Redemption Price”). The Redemption Price will be paid in cash or certified funds on the date established by Lucky City Brewing for redemption.

The Redemption Price is to be paid within sixty (60) days of a Put request. However, in the event Lucky City Brewing determines that payment in full within that sixty (60) day period will impair the finances of Lucky City Brewing, it shall have the option of making payment in installments at such times and in such amounts as determined by Lucky City Brewing.

If Lucky City Brewing (a) tenders the Redemption Price in cash or certified funds or (b) tenders a promissory note to the holder for the Redemption Price (having a term not to exceed two (2) years and bearing an interest rate equal to or greater than the Base Dividend rate for the shares), then all rights with respect to those shares shall terminate on the date fixed for redemption, except the right of the holders to receive the Redemption Price.

An investor’s option to Put (request repayment of the investment at the original purchase price) his or her Preferred Shares after the ten year period should be made in writing by certified mail.

Liquidation Preference. If Lucky City Brewing has to close and liquidate, Preferred Shares are junior to Lucky City Brewing’s expenses and debt, but senior to Common Stock. Upon any liquidation, dissolution, or winding up of Lucky City Brewing, no distribution shall be made to the holders of shares of Common Stock or any other class of stock junior to Preferred Shares unless, prior thereto, the holders of the Preferred Shares shall have received an amount per share equal to the Redemption Price. Following the payment of the full amount of such liquidation preference, no additional distributions shall be made to the holders of Preferred Shares.

If, upon any liquidation, dissolution, or winding up of Lucky City Brewing, the assets are not enough to pay in full the Redemption Price, then those assets shall be distributable ratably among the Preferred Share owners.

In general, the order of payment in the case of liquidation is:

- Costs of liquidation (attorney, filing, recording, advertising, etc. fees)
- Secured creditors (bank, etc.)
- Unsecured creditors (business debt, promissory note holders)
- Preferred Shareholders
- Common Shareholders (owner shares)

Please note, if liquidation or dissolution is the result of Lucky City Brewing's bankruptcy or there are not enough assets remaining for shareholders, the Preferred Share owners may receive nothing.

Voting Rights. Since all Preferred Shareholders must own Common Stock (owner shares), they will have, except as otherwise required by law, no voting rights (either individually or as a class).

Transfer Restrictions. Holders of Preferred Shares may only transfer shares to other Common Stock owners.

Prior to any transfer of any shares of Preferred Stock, the owner must first offer Lucky City Brewing the right of purchasing such shares under the same terms as offered to any bona fide third party purchaser not related to the owner, but, in no event, for a price per share greater than the purchase price paid to Lucky City Brewing per share (at present, \$100.00 per share).

Limitations on Resale. Purchasers of Preferred Shares are prohibited from offering or reselling their Preferred Shares for a period of one year from the date of issuance by Lucky City Brewing, Inc.

Death of an Investor. The investor may designate a beneficiary of this investment. Upon the investor's death, the beneficiary will receive dividend payments (if any) and repayment of the original purchase price according to the original terms agreed upon.

Dividend Payment and Tax Reporting. Dividends will be paid, ratably, when declared by the Board of Directors. If a dividend is paid, Lucky City Brewing will mail you a Form 1099 in January indicating the dividend paid on your investment in the prior year. These investments are not tax deductible. Federal and state tax is due on the dividend paid on Preferred Shares. Consult your tax advisor regarding the effect on your taxes, if any, of accepting a possibly below-market rate of return on your investment.

DISTRIBUTION

Lucky City Brewing, as the issuer of the Preferred Shares, is serving as the sole distributor of these Preferred Shares.

HOW TO INVEST

To invest, fully complete and sign the Preferred Share Subscription Agreement and include a check made payable to 'Lucky City Brewing' in the amount of your total investment.

Confirmation of your investment will be sent to you by Lucky City Brewing of a signed Subscription Agreement and payment.

Please mail Subscription Agreement and payment to:

Lucky City Brewing
243 SW Market St
Reidsville, NC 27320

