

THIS OFFERING IS ONLY OPEN TO MASSACHUSETTS AND VERMONT RESIDENTS.



REAL PICKLES COOPERATIVE, INC.

PREFERRED STOCK OFFERING MEMORANDUM

REAL PICKLES COOPERATIVE, INC.
A Massachusetts Corporation

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OFFERING MEMORANDUM
Registration by Qualification

\$500,000

Preferred Stock

Brief Description of Offering

Real Pickles Cooperative, Inc. (the "**Cooperative**" or the "**Company**"), is offering up to \$500,000 in preferred stock (the "**Preferred Shares**" or the "**Securities**") to finance the purchase of Real Pickles, a sole proprietorship started in 2001, as well as to provide additional operating capital to increase the Company's production and sales. The minimum investment is \$2,500. There is no maximum investment, however, sales of the Company's Preferred Shares may not exceed 10% of the investor's liquid net worth (excluding value of home, home furnishings, and automobiles). All offering proceeds will be held in an escrow account until the date of the Cooperative's purchase of Real Pickles. If insufficient funds are raised by the Cooperative to purchase Real Pickles pursuant to the Memorandum of Understanding attached hereto as Exhibit A, the purchase will not take place and all funds raised through the offering will be returned to the Investors. The offering will terminate six months from the date of commencement. The offering is limited to Massachusetts and Vermont residents.

Investors are directed to the Risk Factor disclosure that appears on pages 10-12 of this offering memorandum.

About Real Pickles Cooperative, Inc.

Real Pickles Cooperative, Inc., was incorporated on September 12, 2012 as an Employee Cooperative Corporation (under Massachusetts General Laws Part 1 Title XXII Chapter 157A) for the purpose of transitioning Real Pickles from a sole proprietorship to a worker cooperative. Each of five Real Pickles personnel have paid \$6,000 for a single share of common stock ("**Membership Share**") in the Cooperative, entitling him or her to a single vote as a worker-owner. Included among the five worker-owners are Real Pickles' current owners, Daniel Rosenberg (sole proprietor) and his wife, Addie Rose Holland. Once sufficient funds have been raised, the Cooperative intends to purchase Real Pickles from Dan and Addie, as outlined in the Memorandum of Understanding (Exhibit A) signed on August 28, 2012.

The five founding worker-owners have established Articles of Organization (Exhibit B) and Bylaws (Exhibit C) for the Cooperative, aimed at ensuring that, as a worker cooperative, Real Pickles will function effectively and democratically, with its social mission well-protected.

About Real Pickles

BUSINESS MODEL

Real Pickles is an organic food manufacturing company based in Greenfield, MA, and operating since 2001. Real Pickles produces raw, naturally fermented pickles using regionally-grown vegetables, and sells them throughout the Northeast U.S. Real Pickles currently produces twelve products, including Organic Dill Pickles, Organic Sauerkraut, Organic Beets, and Organic Tomatillo Hot Sauce. All Real Pickles products are

certified 100% organic by Baystate Organic Certifiers. Real Pickles currently employs twelve people (full-time or part-time), including its owners (Addie and Dan). It operates out of an energy-efficient, 100% solar-powered facility.

MISSION

Real Pickles is committed to promoting human and ecological health by providing people with delicious, nourishing food and by working toward a regional, organic food system.

GUIDING PRINCIPLES

Real Pickles is guided by the following principles:

- produce the highest quality, traditional pickled foods available, using natural fermentation.
- buy vegetables only from Northeast family farms.
- sell products only within the Northeast U.S.
- use 100% organic ingredients.
- sell only minimally processed foods.
- remain a small business.
- create jobs that support the dignity of all workers.
- commitment to the Co-op Principles of: voluntary and open membership, democratic member control, member economic participation, autonomy and independence, education, training and information, cooperation among cooperatives, concern for community.

MARKET

Real Pickles products are marketed primarily through the natural foods channel, with an additional focus on the specialty foods market. Real Pickles products are currently sold at an estimated 300 stores throughout the Northeast United States, including most of the region's food cooperatives and Whole Foods Market stores, as well as many independent natural foods and specialty foods stores. Most sales derive from wholesaling of products in glass jars, with some food service and direct-to-consumer sales. Real Pickles products bear a number of features that are in increasing demand by natural and specialty foods consumers, including fermented, raw, organic, and local/regional.

Real Pickles is currently one of a small number of businesses in the United States making traditional pickles on a commercial scale. The original pickling process of lactic acid fermentation (or natural fermentation) is used, with no vinegar or pasteurization. Most pickled vegetable products currently produced in the United States rely on modern methods, generally involving vinegar and pasteurization. The market for raw, fermented pickles appears to be on the rise. One reason is a growing awareness of the health benefits associated with live, probiotic foods. Another is the trend toward traditional, artisanal foods and away from processed, industrial foods – as exemplified by the rise of the Slow Food movement.

Real Pickles is also part of the growing organic food market. All Real Pickles products are certified 100% organic according to the USDA national organic standards, which assures consumers that a set of farming practices were used that builds soil health and excludes synthetic pesticides, fertilizers and genetically modified organisms. In the United States, sales of organic food and beverages have grown dramatically over the last two decades, rising from \$1 billion in 1990 to about \$29 billion in 2011. According to the Organic Trade Association, organic food sales are currently growing at an estimated 9% annually.

A major focus for Real Pickles is its commitment to helping to build a regional-scale food system. To promote this development, Real Pickles buys vegetables and fresh herbs and spices only from farms within the Northeast (and as locally as possible), and sells its finished products only within the Northeast. By offering products which are locally- or regionally-grown, Real Pickles is well-positioned to benefit from increasing demand for food produced closer to home. Typical reasons for "buying local" include keeping money in the local economy, supporting and preserving family farms, and minimizing fossil fuel usage. Real Pickles purchasing and marketing practices allow it to be successful in marketing products to consumers who care about these issues.

COMPETITION

While in the past, the market for raw, fermented pickles has been only mildly competitive, some increased competition is anticipated in coming years as demand for these foods continues to grow. The one national company with whom Real Pickles directly competes is Bubbies, which markets non-organic, fermented pickles to natural and specialty retailers throughout Real Pickles' marketing area. The most notable regional brands competing with Real Pickles are Hawthorne Valley Farm, whose high quality, organic products are sold throughout New York; and Deep Root Organic, whose Quebec-made products are available in plastic pouches in many of the region's natural foods stores. Of increasing significance is competition from very small producers (start-ups, in many cases) marketing to their local retailers and, in some cases, displacing Real Pickles products from those retailers' shelves in favor of these "more local" products. To date, however, such competition has not prevented Real Pickles from continuing to grow.

MARKETING PLAN

Over the last eleven years, Real Pickles has developed into the leading producer of organic, fermented pickles in the Northeast, and has built a strong reputation as a mission-driven business actively working to improve the food system. Real Pickles has received significant local, regional, and national recognition, most recently as a result of winning at the 2011 and 2012 Good Food Awards in San Francisco.

Real Pickles, under the ownership of the Cooperative, plans to:

- **Continue producing organic, raw, fermented pickles of the highest quality**, including a mix of both current products and new products.
- **Increase jar sales to natural foods and specialty retailers** through promotion programs, sales relationships, market leadership, and new account development.
- **Build on other sales opportunities**, including: strengthening Real Pickles' presence in the New York City market; branching out into more conventional markets, as feasible; expanding food service sales; and further developing direct-to-consumer sales.
- **Capitalize on increasing demand for raw, fermented, organic, and local/regional foods** by further developing and refining communications to consumers which highlight these features of Real Pickles products. Continue to improve use of product packaging, promotional literature, website, and Facebook, among other tools, to effectively communicate the product message.
- **Expand Real Pickles' role as an advocate for significant social change** with regard to the food system and the larger economy, building on the successful 2011 launch of the blog, *Ferment*, which includes writings on the Occupy movement and other topics. Strengthen Real Pickles' reputation as an emerging leader in regional food systems thinking and advocacy in the Northeast. Develop strategies to

effectively communicate the reasons for Real Pickles' transition to a worker-cooperative and its contribution to the Company's social mission.

HISTORY AND TRANSITION

Real Pickles was launched by Dan Rosenberg in 2001 with a primary mission of contributing to building a regional organic food system and bringing a healthy traditional food – fermented pickles – back into the American diet. Addie joined Dan in managing the business in 2004. Real Pickles operated out of the Franklin County Community Development Corporation's Food Processing Center (in Greenfield, MA) until 2009, when Dan purchased a building across the street from the Center and oversaw renovation of a 6,500 square foot section of the building into an energy-efficient, organic food manufacturing facility for Real Pickles' use.

Operating out of its own facility over the last three years has allowed Real Pickles to grow to the point of becoming a healthy, profitable business. Real Pickles' annual sales have doubled in this time, from \$288,178 in fiscal year 2009 to \$581,410 in fiscal year 2012 (ending June 30). Real Pickles' net income is now solid. Real Pickles employs twelve people on a part-time or full-time basis, including its owners (Dan and Addie). In the 2012 harvest season, Real Pickles anticipates purchasing nearly 200,000 pounds of certified organic vegetables from local farms here in the Connecticut River Valley, providing an estimated \$105,000 in revenue for those farms.

In recent years, many successful organic food entrepreneurs have chosen to continue rapid business growth in order to then sell the business to a large industrial food corporation. We are concerned about the ability of a business following this path to maintain a strong social mission. In the long-term, it is important to Dan and Addie that Real Pickles continue to be successful both in financial terms and in making a significant, on-going contribution to building a better world. After years of hard work in building up the business, Dan and Addie are also looking to set Real Pickles on the path of becoming less dependent on its founders for its future success. After extensive deliberation, Dan and Addie decided that converting Real Pickles to a worker cooperative would allow it to achieve these goals.

In late 2011, Dan and Addie invited the Real Pickles staff to consider participating in such a transition. All staff members expressed support for the idea, and three stepped forward to begin working with Dan and Addie on a possible transition plan to a worker cooperative. After many months of regular meetings – with extensive advice received from outside experts – the five of us declared our commitment to participate as founding worker-owners in the new Real Pickles worker cooperative, and came to an agreement about the details of the plan. On August 28th, 2012, we signed a Memorandum of Understanding (Exhibit A) outlining our agreement.

As a group, we are excited about the role a worker cooperative structure could play in furthering Real Pickles' social mission, as well as supporting its future financial success. As a worker cooperative:

- Real Pickles' mission and guiding principles will be inscribed in the Cooperative's Articles of Organization and Bylaws, and therefore will be difficult to change.
- We expect Real Pickles will be more likely to remain rooted in the community – along with its jobs and local purchasing power – as workers will be unlikely to choose to re-locate their jobs elsewhere.
- Committed members of our staff will have the opportunity to share in the business decision-making and profits. We anticipate that this opportunity will incentivize members of our staff to remain at Real Pickles on a long-term basis. With a core of long-term worker-owners increasingly well-versed in the

operations of an organic pickle business, Real Pickles could become a much stronger and more resilient business over time, eventually able to thrive without its founders.

Management and Ownership

The founding worker-owners of the cooperative are listed below:

Brendan Flannelly-King serves as Real Pickles' facility manager, co-production manager, and shipping manager. He has worked in the business since 2010. Brendan has prior experience in food co-op retail management and natural foods production. He attended Yale University, and is a graduate of Pratt Institute (BFA).

Addie Rose Holland is co-owner of Real Pickles. She served as co-general manager from 2004 to 2008, and currently serves as marketing manager. She is a graduate of Tufts University (BS) and the University of Massachusetts, Amherst (MS).

Kristin Howard has served as Real Pickles' sales manager since joining the business in 2008. Kristin was a worker-owner for eleven years at the Fair Trade coffee company, Equal Exchange, where she worked as a key sales manager and in product development. Kristin is a graduate of Bowdoin College (BA).

Dan Rosenberg is founder, co-owner, and general manager of RP. He is a graduate of Brown University (BA).

Annie Winkler serves as lead production manager and human resources manager. She has worked at Real Pickles since 2009. Annie is a graduate of Carleton College (BA), and has a background in education and non-profit administration.

Following the Cooperative's purchase of Real Pickles, the founding worker-owners will continue to serve in their current managerial capacities. An employment contract will be signed between the Cooperative and Daniel Rosenberg, outlining the conditions of his employment as general manager.

COOPERATIVE OWNERSHIP

<i><u>Owner of Record</u></i>	<i><u>Amount</u></i>	<i><u>% Ownership</u></i>
Brendan Flannelly-King	one share common stock	20%
Addie Rose Holland	one share common stock	20%
Kristin Howard	one share common stock	20%
Dan Rosenberg	one share common stock	20%
Annie Winkler	one share common stock	20%

These persons have received no compensation from the Cooperative to date.

COMPENSATION

In the past twelve months, Real Pickles paid \$95,870 to the founding worker-owners. They are expected to receive the following compensation over the next twelve months for their work in the Cooperative following its purchase of Real Pickles (excluding any patronage dividends):

Brendan Flannelly-King	\$13,404
Addie Rose Holland	\$15,600
Kristin Howard	\$26,622
Dan Rosenberg	\$45,000
Annie Winkler	\$18,505

In future years, it is anticipated that Brendan, Kristin, and Annie will increase their annual work hours in the Cooperative and receive increased annual compensation. Dan may decrease his annual work hours in the future and receive decreased annual compensation. Addie's future work hours and compensation are not expected to change substantially.

Financial Matters

The Cooperative, incorporated on September 12, 2012, has had no income or expense activity as of September 24, 2012. This is because the Cooperative will not begin operations until it has purchased Real Pickles. The Cooperative's initial Balance Sheet (dated September 24, 2012) is attached as Exhibit D, reflecting the purchase of Membership Shares by the founding worker-owners.

Real Pickles has been operating since 2001. Financial statements are attached as Exhibit E, including Income Statements for the last three fiscal years and a Balance Sheet from the closing date of the most recently completed fiscal year (June 30, 2012). Real Pickles' average annual sales growth for the last three years was 26%. We are projecting average annual sales growth of 10% for the next three years.

Litigation and Legal Matters

Neither the Cooperative nor Real Pickles is presently party to any litigation, nor to the knowledge of management is any litigation threatened against either entity, any of its management, or any affiliate, which may materially affect operations or projected goals.

Use of Offering Proceeds

The Cooperative intends to use the proceeds from the sale and issuance of preferred stock, in combination with \$30,000 available from the sale of Membership Shares, for the following purposes:

- 1) To purchase Real Pickles, at an estimated cost of \$524,000 (see explanation below); and
- 2) To provide \$56,000 in new operating capital to increase production and sales of Real Pickles products.

The worker-owners – including Dan and Addie as sellers – have agreed to a valuation of \$400,000 for Real Pickles' goodwill. The total purchase price is estimated to be \$524,000, contingent upon the value on the day of sale of: the assets to be sold, accounts payable to be assumed by the Cooperative, and a bank line-of-credit planned to be assumed by the Cooperative. (Those business debts not assumed by the Cooperative will be re-paid by Dan and Addie from the business sale proceeds.) Real Pickles currently holds a \$145,000 line-of-credit with Greenfield Savings Bank. The bank has committed to extending the line-of-credit to Real Pickles Cooperative Inc. upon its purchase of Real Pickles. The terms for the Cooperative are anticipated to be similar to the current terms, which include: an interest rate equal to the bank's Prime rate (currently 3.25%) plus 2%; a first collateral position on all business assets; and payable upon Demand. The five founding members of the Cooperative will each offer a limited guarantee equal to 20% of the outstanding balance.

No person has or will receive commissions in connection with the acquisition of Real Pickles. No expenses that will be incurred in connection with the acquisition, unless a loan is made to finance the acquisition as described below.

The Cooperative will seek to combine the funds raised from the offering with funds from other sources in order to provide the necessary capital to purchase Real Pickles and to support production and sales growth. Dan and Addie, as sellers, have agreed to extend a loan (at 4% simple interest) to the Cooperative, if necessary, for up to \$150,000 of the business sale amount, in lieu of immediate cash payment. The loan principal would be due as a single balloon payment at the end of five years. Interest accrued-to-date would be due at the end of each calendar year, based on a simple interest calculation of 4%. The interest rate was established with the intent to provide a fair and reasonable means of financing for the Cooperative. The 4% rate is substantially lower than the 8% rate (or higher) quoted by the three nonprofit lenders – Cooperative Fund of New England, Fair Food Fund, and PVGrows Loan Fund – from whom the Cooperative has considered accepting financing in support of the Real Pickles purchase. The rate was also established so as to not exceed the target rate to be offered to preferred shareholders. No independent person reviewed or approved of the loan terms as being reasonable and fair to the Cooperative.

The Cooperative may also seek to borrow money from one or more nonprofit or other lenders in the event that insufficient funds are raised from the offering. No loans have yet been approved. However, representatives of several organizations have expressed interest in lending to the Cooperative in support of its purchase of Real Pickles, including Cooperative Fund of New England, Fair Food Fund, and PVGrows Loan Fund.

NOTE: The tangible assets of Real Pickles to be sold to the Cooperative include cash, inventory, accounts receivable, and manufacturing and office equipment. They do not include the building (311 Wells St, Greenfield, MA) out of which Real Pickles operates. The 12,000 square foot building in which Real Pickles' 6,500 square foot facility is housed is owned by a separate but related entity, Rosenberg Property LLC, of which Dan Rosenberg is the sole member. Rosenberg Property LLC will retain ownership of the real estate and extend a long-term lease to the Cooperative for use of its facility, with a right-of-first-refusal granted to the Cooperative on any future sale of the property. The lease will be signed on the day of the Cooperative's purchase of Real Pickles between Rosenberg Property LLC and the Cooperative, granting to the Cooperative continued use of the food processing facility for Real Pickles' operations. Annual rent paid to Rosenberg Property LLC will be \$67,500. The lease term will be five years, with three additional five-year options to renew.

The \$67,500 annual rent amount was established with the intent to provide the funds necessary for Rosenberg Property LLC to cover its tax-deductible expenses related to the Real Pickles portion of the 311 Wells Street property, plus the appropriate share of mortgage principal payments, plus a modest sum to contribute to the funding of on-going building capital improvements. From the standpoint of retained earnings, the \$67,500 rent obligation will not significantly alter Real Pickles' financial picture. Please see "Real Pickles Income Statement for Fiscal Years 2010-2012" in Exhibit E. For 2010-2012, Real Pickles incurred an annual average of \$41,363 in tax-deductible "Facility Expenses". (Please see "Facility Expenses" under both "Cost of Goods Sold" and "Selling and Admin Expenses".) Below the Net Income line, additional funds were drawn out of Real Pickles (see "Transferred to Rosenberg Property LLC") to cover mortgage principal payments (totaling approximately \$12,000-\$14,000 annually) and building capital improvements (varying from year to year). The average annual sum of the "Facility Expenses" and "Transferred to Rosenberg Property LLC" lines – all to be replaced by the fixed rent following the business purchase – closely matches the \$67,500 annual rent amount for the Cooperative. Thus, there is essentially no significant new financial obligation associated with the fixed building rent. The terms of the lease provide strong protection for Real Pickles' continued use of the facility, following Real Pickles' purchase by the

Cooperative. The Cooperative is granted use of the 6,500 square foot food manufacturing facility for a term of five years, and is granted the option to renew the lease for three additional five-year terms. The Cooperative is provided with a right of first-refusal on sale of the real estate. No independent person reviewed or approved of the rental terms as being reasonable and fair to the Cooperative.

Plan Of Distribution

This offering will be offered and sold on a best efforts basis, with a maximum of \$500,000 to be raised. The offering will terminate six months from the date of commencement. Funds will be held in an impound account until the date of the Cooperative's purchase of Real Pickles.

The Cooperative's board members will conduct the offering. They will not receive any special commissions for work performed to distribute preferred shares, but may receive regular wages from Real Pickles in the course of normal duties as Real Pickles staff. The Cooperative will not employ any underwriters, recipients of finders' fees, selling groups, broker-dealers, or any other agents in connection with the offering. The Cooperative will not offer any underwriting or selling discounts or commissions or finders' fees of any kind in connection with the offering.

We will advertise the offering using Real Pickles marketing channels, including website, email list, Facebook page, and printed materials. We will advertise at public events where Real Pickles products are being sampled and/or sold. We may send press releases to local newspapers and radio stations. We may conduct public presentations to educate potential investors about the offering.

All communications will direct Investors to our offering circular. We will offer and sell the Securities only to Massachusetts and Vermont residents.

The estimated amounts of selling expenses, including legal, engineering, and accounting charges shall be approximately \$10,000.

Preferred Stock Attributes

The Cooperative is offering up to 20,000 shares of non-voting, non-convertible Preferred Stock (the "**Preferred Shares**" or the "**Securities**") at a price of \$25 per share (the "**Purchase Price**"). The minimum investment per investor is 100 shares, or \$2,500.

There will be no variation in the kind and amount of securities to be offered or the proposed offering price or the method by which it is to be computed. The purchase price may only be paid in cash.

DIVIDENDS

At the end of each fiscal year, the Board of Directors may, at its discretion, declare a non-cumulative dividend on the outstanding Preferred Shares.

Our annual target dividend on Preferred Shares will be 4%. However, there is no guarantee that Investors will receive dividends in any particular amount in any given year. **DIVIDENDS ARE NOT CUMULATIVE WHICH MEANS THAT THE INVESTOR DOES NOT HAVE THE RIGHT TO RECEIVE A DIVIDEND UNLESS THE BOARD DECLARES A DIVIDEND IN ANY GIVEN YEAR. THE INVESTOR WILL HAVE NO REMEDY IF THE COOPERATIVE CHOOSES NOT TO PAY A DIVIDEND.**

Any and all declared dividends will be paid out of our annual net income, and will be distributed at a rate equal to or exceeding the 4% target prior to allocation of any Patronage Dividends or any other dividends to the holders of Membership Shares.

LIQUIDATION PREFERENCE

If the Cooperative is liquidated or dissolved, holders of Preferred Shares will be entitled to be paid from any funds and assets legally available to be distributed an amount equal to their original investment plus all declared but unpaid dividends, before any payment is made to holders of Membership Shares.

CONVERSION RIGHTS

The Preferred Shares are non-convertible.

VOTING RIGHTS

The Preferred Shares are non-voting, other than as required by the laws of the Commonwealth of Massachusetts. The Board of Directors is elected solely by the vote of holders of Membership Shares.

REDEMPTION BY COOPERATIVE

The Cooperative may, at the discretion of the Board of Directors, elect to redeem any or all Preferred Shares at any time. If the Cooperative elects to redeem Preferred Shares, holders of the redeemed shares will receive an amount equal to the amount originally paid for the Preferred Shares plus all declared but unpaid dividends ("**Redemption Price**"). The Cooperative will notify the holders of the Cooperative's intention to redeem their shares in writing thirty days before the effective date of the redemption.

REDEMPTION BY HOLDER

Holders of Preferred Shares may, after five years from the issue date of those shares, request redemption of their Preferred Shares at the Redemption Price. Holders must submit a written request for redemption to the Cooperative. The Board of Directors, at its discretion, may delay redemption up to six months from the date of receipt of the request for redemption. If the Board of Directors determines that a requested redemption may impair the Cooperative's ability to operate effectively, the Board of Directors may limit, postpone, or refuse the redemption. THERE IS NO GUARANTEE THAT AN INVESTOR'S SHARES WILL BE REDEEMED UPON REQUEST – REDEMPTION IS AT THE BOARD'S DISCRETION. THE ONLY REMEDY FOR THE INVESTOR IF THE COOPERATIVE FAILS TO REDEEM THE INVESTOR'S STOCK IS LITIGATION.

RESTRICTIONS ON TRANSFERABILITY

Preferred Shares are nontransferable, except to the Cooperative.

Investor Requirements

GENERAL

This offering is made in reliance on the small offering exemption safe harbor of Rule 504 promulgated under the 1933 Securities Act ("the Securities Act") and the provisions for registration by qualification

under Massachusetts General Laws Part I, Title XV, Chapter 110A, Section 303 of the Massachusetts Securities Act and other applicable laws or regulations.

Investment in the Securities is highly speculative, involves significant risks, and is suitable only for persons of adequate financial means who have no need for liquidity with respect to this investment and who can bear the economic risk of a complete loss of their investment. Prospective investors are encouraged to consult their personal financial advisors to determine whether an investment in the Cooperative is appropriate.

Sales of the Company's Preferred Shares may not exceed 10% of the investor's liquid net worth (excluding value of home, home furnishings, and automobiles).

Each Investor will be required to make certain representations and warranties to the Company and to agree to indemnify, hold harmless, and pay all fees and expenses that are incurred by, and all judgments and claims made against the Cooperative, its affiliates and counsel, for any liability that is incurred as a result of any misrepresentation made by the Investor.

The Cooperative may reject subscriptions, in whole or in part, at its absolute discretion.

NO REVOCATION

Once a person has executed a Subscription Agreement and submitted funds, such subscription may not be revoked without the consent of the Company.

How to Purchase Preferred Shares

- 1) Review this Offering Memorandum, the Subscription Agreement, and all exhibits.
- 2) Complete the blanks on the Signature Page of the Subscription Agreement. The Subscription Agreement must be executed by an individual authorized to bind the Investor (if an entity).
- 3) Write a check, payable to "Real Pickles Cooperative, Inc., Escrow Account" for the number of shares you wish to purchase (note: this amount must be at least \$2,500) and send the check and the SIGNED Subscription Agreement to Real Pickles Cooperative at the address specified in the Subscription Agreement. If the Minimum Raise Amount has been reached and offering proceeds have been released from Escrow, checks shall be made payable to the Company. Wired funds shall be wired in accordance with the instructions in the wire instructions attached to the Subscription Agreement. Note that fractional shares will not be sold.
- 4) The Cooperative will mail you a copy of your share certificate. Important: Your investment has not been accepted by the Cooperative until you receive a share certificate from the Cooperative. The Cooperative reserves the right to reject any prospective investment for any reason.

If you don't hear from us within 14 days of sending in your subscription, please contact us to make sure we received it.

Risk Factors Generally

EACH INVESTOR IS AWARE THAT AN INVESTMENT IN THE COMPANY IS SPECULATIVE AND INVOLVES A HIGH DEGREE OF RISK, INCLUDING THE POSSIBLE LOSS OF THE ENTIRE INVESTMENT, AND SUCH INVESTOR HAS CAREFULLY READ AND CONSIDERED THE FOLLOWING RISK FACTORS AND ALL MATTERS SPECIFIED IN THESE

SUBSCRIPTION DOCUMENTS IN DETERMINING WHETHER OR NOT TO INVEST IN THE COMPANY AS SPECIFIED HEREIN. EACH INVESTOR UNDERSTANDS THAT THE FOLLOWING FACTORS ARE NOT AN ALL-INCLUSIVE LIST OF POSSIBLE RISKS INHERENT IN THE OFFERING.

Risks Related to An Investment in Our Company

Certain Factors May Affect Future Success. Any continued future success that the Company might enjoy will depend upon many factors, including factors beyond our control and/or which cannot be predicted at this time. These factors may include but are not limited to changes in general economic conditions; increases in operating costs; our ability to expand our customer base and retain key customers; and reduced margins caused by competitive pressures. These conditions may have a material adverse effect upon our business, operating results, and financial condition.

Dependence on Key Personnel. Much of the Company's success depends on the skills, experience, and performance of its key persons. Success also depends on our ability to recruit, train, and retain qualified personnel. The loss of and subsequent failure to adequately replace the services of any of our key personnel, or a failure in our efforts to recruit, train, and retain key personnel may have a material adverse effect upon our business, operating results, and financial condition.

Increased Competition. As demand for raw, fermented vegetables has continued to increase in recent years in the Northeast, so has the supply of such products available for sale. In particular, a number of very small producers in various locales around the Northeast have begun selling raw, fermented vegetables to their local markets, in some cases displacing our products on store shelves. While increased competition has not to date prevented us from continuing to grow our business, it may in the future have a material adverse effect upon our business, operating results, and financial condition.

Dependence Upon a Large Customer. A single chain of retail stores currently accounts for an estimated 25% of Real Pickles' total dollar sales. Real Pickles has a solid, 10-year track record of doing business with this customer, but there is no long-term agreement in place. A decision by this customer that were to lead to a termination of our relationship would have a material adverse effect upon the Company's business, operating results, and financial condition.

Weather and Global Climate Change. To help promote the idea of a regionally-based food system, we have committed ourselves to purchasing our vegetables from farms only within the Northeast. This decision increases the chances that our production of Real Pickles product in a given year will be adversely affected by the region's weather in that year. Weather patterns can be unpredictable from one year to the next, resulting in poor crop yields for even the most skilled farmer. With global climate change expected to intensify in the coming years – leading to increasing impacts on regional weather patterns – the farmers on whom we depend for our ingredients could face even bigger challenges. Such challenges could have a material adverse effect upon our business, operating results, and financial condition.

Control of the Company. Upon purchase of Real Pickles by the Cooperative, control of Real Pickles and all of its operations will rest solely with the worker-owners and managers, upon whose judgment and skills Investors must rely.

No Guarantee of Return. No assurance can be given that an Investor will realize a substantial return on investment, or any return at all, or that an Investor will not lose a substantial portion or all of the investment. For this reason, each prospective investor should carefully read this memorandum and all exhibits attached hereto and should consult with an attorney, accountant, and/or business advisor prior to

making any investment decision. PAYMENT OF DIVIDENDS AND REDEMPTION OF PREFERRED STOCK IS AT THE DISCRETION OF THE BOARD – THE INVESTOR HAS NO RIGHT TO RECEIVE DIVIDENDS OR REDEMPTION. THE INVESTOR’S ONLY REMEDY IF THE COOPERATIVE FAILS TO PAY DIVIDENDS OR REDEEM STOCK AS REQUIRED IS LITIGATION.

Financial Statements Prepared by Management. Real Pickles prepared its financial statements internally. They have not been reviewed or audited by a certified public accountant. While Real Pickles management endeavored to make them as accurate and clear as possible, the statements may contain errors and may lead investors to make false assumptions about the financial status of Real Pickles.

Tax Risks. No representation or warranty of any kind is made by the Company, the officers, directors, counsel to the Company, or any other professional advisors thereto with respect to any tax consequences of any investment in the Company. EACH PROSPECTIVE INVESTOR SHOULD SEEK THE INVESTOR’S OWN TAX ADVICE CONCERNING THE TAX CONSEQUENCES OF AN INVESTMENT IN THE COMPANY.

Borrowing Risks. The Company may borrow funds to complete its acquisition of Real Pickles. If the loan is made by the sellers, the loan will require the payment of principal and accrued interest after five years. This kind of balloon payment will create risks for the Company, particularly the risk that the Company will not have the necessary funds to make the payment when it comes due, which could create an event of default.

Rent Risk. The Cooperative will be obligated to pay \$67,500 annually to continue to operate its business from the space it has been using. If the Cooperative does not have sufficient revenues to pay the rent, there is the risk that the Cooperative will lose the space from which it conducts its business.

Restrictions

OTHER INFORMATION IS NOT AUTHORIZED

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION WITH RESPECT TO THE COMPANY OR THIS OFFERING EXCEPT SUCH INFORMATION AS IS CONTAINED IN THIS MEMORANDUM. ONLY INFORMATION OR REPRESENTATIONS CONTAINED HEREIN MAY BE RELIED UPON AS HAVING BEEN AUTHORIZED.

THE INFORMATION IN THIS MEMORANDUM SUPERSEDES AND REPLACES IN ITS ENTIRETY ANY INFORMATION PREVIOUSLY DISTRIBUTED TO, PROVIDED TO, OR VIEWED BY ANY INVESTOR.

WITHDRAWAL, CANCELLATION OR MODIFICATION

THIS OFFERING IS MADE SUBJECT TO WITHDRAWAL, CANCELLATION, OR MODIFICATION BY THE COMPANY WITHOUT NOTICE. OFFERS TO PURCHASE THESE SECURITIES MAY BE REJECTED IN WHOLE OR IN PART BY THE COMPANY AND NEED NOT BE ACCEPTED IN THE ORDER RECEIVED. THE COMPANY RESERVES THE RIGHT, IN ITS SOLE DISCRETION, TO ALLOT TO ANY PROSPECTIVE INVESTOR LESS THAN THE AMOUNT OF THE SECURITIES SUCH INVESTOR DESIRES TO PURCHASE. THE COMPANY SHALL HAVE NO LIABILITY WHATSOEVER TO ANY OFFEREE AND/OR INVESTOR IN THE EVENT THAT ANY OF THE FOREGOING SHALL OCCUR.

THE STATEMENTS IN THIS MEMORANDUM ARE MADE AS OF THE EFFECTIVE DATE UNLESS OTHERWISE SPECIFIED.

NO WARRANTY OF PROJECTIONS OR ASSUMPTIONS

Projections concerning the business or financial affairs of the Company that may be provided to prospective investors, including without limitation those set forth in this Memorandum and its exhibits, are for illustrative purposes only. These projections are based upon assumptions that management of the Company believes to be reasonable. However, there can be no assurance that actual events will correspond to the assumptions, and the projections should be viewed merely as financial possibilities based on the assumptions stated and not as a prediction or guarantee of future performance. The assumptions upon which these projections are based should be carefully reviewed by each prospective investor. Projections or conclusions regarding the financial condition of the Company, including projections regarding the profitability of the Company, may be substantially adversely affected by variances from the assumptions made by the Company.

FORWARD-LOOKING STATEMENTS

This statement is being included in connection with the safe harbor provision of the Private Securities Litigation Reform Act. THIS MEMORANDUM CONTAINS FORWARD LOOKING STATEMENTS. FROM TIME TO TIME, ADDITIONAL WRITTEN FORWARD LOOKING STATEMENTS MAY BE MADE BY THE COMPANY. SUCH FORWARD LOOKING STATEMENTS ARE WITHIN THE MEANING OF THAT TERM IN SECTION 27A OF THE SECURITIES ACT AND MAY INCLUDE PROJECTIONS OF REVENUES, INCOME OR LOSS, CAPITAL EXPENDITURES, BUSINESS RELATIONSHIPS, FINANCINGS, PROPOSED FINANCINGS OR INVESTMENTS BY THIRD PARTIES, PRODUCT DEVELOPMENT, PLANS FOR FUTURE OPERATIONS, PLANS RELATING TO PRODUCTS OF THE COMPANY, AS WELL AS ASSUMPTIONS RELATING TO THE FOREGOING. SUCH STATEMENTS ARE BASED UPON MANAGEMENT'S CURRENT EXPECTATIONS, BELIEFS, AND ASSUMPTIONS ABOUT FUTURE EVENTS, AND ARE OTHER THAN STATEMENTS OF HISTORICAL FACT AND INVOLVE A NUMBER OF RISKS AND UNCERTAINTIES.

THE WORDS "BELIEVE," "EXPECT," "INTEND," "ANTICIPATE," "ESTIMATE," "PROJECT," AND SIMILAR EXPRESSIONS IDENTIFY FORWARD-LOOKING STATEMENTS, WHICH SPEAK ONLY AS OF THE DATE THE STATEMENT WAS MADE, BUT ARE NOT THE EXCLUSIVE MEANS OF IDENTIFYING SUCH STATEMENTS. FORWARD-LOOKING STATEMENTS ARE INHERENTLY SUBJECT TO RISKS AND UNCERTAINTIES, SOME OF WHICH CANNOT BE PREDICTED OR QUANTIFIED. FUTURE EVENTS AND ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE SET FORTH IN, CONTEMPLATED BY, OR UNDERLYING THE FORWARD-LOOKING STATEMENTS. STATEMENTS IN THIS MEMORANDUM -- INCLUDING THOSE CONTAINED IN THE SECTION ENTITLED "RISK FACTORS" -- DESCRIBE FACTORS, AMONG OTHERS, THAT COULD CONTRIBUTE TO OR CAUSE SUCH DIFFERENCES.

ADDITIONAL INFORMATION

Real Pickles Cooperative, Inc.

Address: 311 Wells Street, Greenfield, MA 01301

Form of organization: Employee cooperative corporation (MGL Section 157A)

State and date of organization: Massachusetts; September 12, 2012

Directors and Officers of the Issuer

Name: Annie Winkler, President

Address: 311 Wells Street, Greenfield, MA 01301

Principal occupation for the past five years: Production Manager at Real Pickles

Amount of securities of the issuer held as of the date of the filing of the registration statement: one share of common stock

Amount of the securities covered by the registration statement to which he has indicated his intention to subscribe: none

Description of any material interest in any material transaction with the issuer or any significant subsidiary effected within the past three years or proposed to be effected: N/A

Name: Kristin Howard, Clerk

Address: 311 Wells Street, Greenfield, MA 01301

Principal occupation for the past five years: Sales Manager at Real Pickles

Amount of securities of the issuer held as of the date of the filing of the registration statement: one share of common stock

Amount of the securities covered by the registration statement to which he has indicated his intention to subscribe: none

Description of any material interest in any material transaction with the issuer or any significant subsidiary effected within the past three years or proposed to be effected: N/A

Name: Brendan Flannelly-King, Treasurer

Address: 311 Wells Street, Greenfield, MA 01301

Principal occupation for the past five years: Facility Manager at Real Pickles

Amount of securities of the issuer held as of the date of the filing of the registration statement: one share of common stock

Amount of the securities covered by the registration statement to which he has indicated his intention to subscribe: none

Description of any material interest in any material transaction with the issuer or any significant subsidiary effected within the past three years or proposed to be effected: N/A

Name: Addie Rose Holland

Address: 311 Wells Street, Greenfield, MA 01301

Principal occupation for the past five years: Marketing Manager at Real Pickles

Amount of securities of the issuer held as of the date of the filing of the registration statement: one share of common stock

Amount of the securities covered by the registration statement to which he has indicated his intention to subscribe: none

Description of any material interest in any material transaction with the issuer or any significant subsidiary effected within the past three years or proposed to be effected: please see description above of the purchase of Real Pickles by the Company

Name: Daniel Rosenberg

Address: 311 Wells Street, Greenfield, MA 01301

Principal occupation for the past five years: General Manager at Real Pickles

Amount of securities of the issuer held as of the date of the filing of the registration statement: one share of common stock

Amount of the securities covered by the registration statement to which he has indicated his intention to subscribe: none

Description of any material interest in any material transaction with the issuer or any significant subsidiary effected within the past three years or proposed to be effected: please see description above of the purchase of Real Pickles by the Company and the lease with Rosenberg Property LLC

The capitalization and long-term debt, on both a current and a pro forma basis, of the issuer: Current capitalization totals \$30,000 equity from common stock (Member Shares), with no debt. If and when the maximum number of shares of preferred stock are sold, capitalization will equal \$30,000 equity from common stock plus \$500,000 equity from preferred stock. As described above, it is possible that the Cooperative will incur debt from Dan and Addie and/or a lender such as Cooperative Fund of New England, Fair Food Fund, or PVGrows Loan Fund.