

Business Plan

dea.li

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3.0 EXECUTIVE SUMMARY

3.1 INTRODUCTION

dea.li (or the Company), is a new company that will specialize in a unique online offering:

The first Web Portal to combine the ability of businesses to market themselves through coupons or promotions to smartphone users and for them to be accessed through a free Application download on any smartphone with GPS (iPhone, Blackberry, Palm and Windows Mobile) or through Twitter. The convergence of these technologies and markets into one concept will provide multi-dimensional opportunities for businesses, a source of information and savings for the users, and an opportunity for members of Social Marketing Network, Affiliate Website Owners Network or Not-For-Profit Fundraiser to make money by enrolling business to participate.

The Founders, Mr. Dan Peak and Mr. Matt Dunn have both developed and launched websites. They are industry experts and very in tune with current trends. The concept for *dea.li* evolved from these trends, some of which are listed in bullet form below:

- 10%-11% of all US adults carry smart phones¹
- In North America, smartphone sales totaled 7.3 million units in the first quarter of 2008, a 106.2 percent increase from the same period of the previous year²
- The success of the launch of the iPhone in 2007 with GPS and the Application Store
- The 71% of mobile phone subscribers who feel fairly safe or very safe in making purchase over their phone³
- The 24.6 million small businesses (under 500 employees) in the United States⁴, particularly those in and around the 210 major Direct Marketing Areas who need an affordable, easy to use advertising venue to reach smartphone users.
- The \$133 billion e-commerce sales projected for 2009
- The 140% growth rate of Internet coupon sales in 2008 over 2007 with redemption up from 1% to 13%⁵

Based on these industry trends, the concept of *dea.li* described above began to shape and the initial application and website development has begun.

3.2 THE PURPOSE

The purpose of *dea.li* is to make money offering a unique value proposition in the business of providing a unique Web Portal to a wide audience. The purpose of this business

¹ Gartner, Inc

² Gartner, Inc.

³ Billing Revolution

⁴ <http://www.smallbusinessnotes.com/aboutsb/sbfacts/sbnumber.html>

⁵ eMarketer

plan is [1] to raise \$2,000,000 in start-up financing, and [2] to establish goals against which management can measure the success of its strategies.

The key organizing agents behind this company are its founders, Mr. Dan Peak and Mr. Matt Dunn, who have recognized an opportunity in the Global Market to offer a Web Portal with access through a free downloaded application; and thereby, achieve brand recognition in the market and generate profits for the owners and investors

3.3 THE VALUE PROPOSITION

Essentially, the Web Portal's value proposition derives from the impact of its Special Qualities on the lives of its users and its participating businesses:

It will empower its users:

- With a free downloadable application
- A direct connect form Twitter
- Information, products and services from anywhere
- Rapid navigation by category of business or geographic location within 210 major metropolitan areas

It will benefit advertisers by:

- Providing a means to reach the smartphone user segment of the population
- Provide an affordable advertising venue (\$25 per coupon per month)
- Provide a measureable return on investment (ROI)

It will benefit those desiring additional revenue generation

- Provide a \$25 Fee for each enrollment
- Provide a 15% commission for each renewal

It will benefit society by

- Donating 2.5% of revenue to Charity

Ultimately, the value proposition of the concept will deliver tangible results to the Company by influencing:

- Steadily increasing revenues for the Company
- Steadily increasing market share for the Company
- Steadily increasing profits for the Company
- Steadily increasing value for the owners and investors

3.4 OBJECTIVES

dea.li has definite objectives in order to fulfill its desire to participate and achieve an ever-growing market share of the exciting industry that it is entering. What follows is a brief summary of the key objectives of *dea.li*:

1. Identify a server host and server manager that can accommodate the expected growth
2. Obtain investment needed within two months
3. Complete site and application development within three months of funding
4. Launch site within four months
5. Establish itself as a "must have" application for smartphone users
6. Have all revenue generators fully operational by six months after funding
7. Increase sales and revenue according to the goals projected in this plan to generate profits for the owners and to meet commitments to investors

4.0 COMPANY SUMMARY

4.1 COMPANY DESCRIPTION

dea.li will begin operations in September of 2009. The inspiration for the company derives from the professional insight that there is a need for smartphone users to easily access coupons and promotions by businesses from anywhere. *dea.li* will:

- Provide a free application download
- Provide direct access from Twitter
- Provide affordable advertising for businesses
- Provide income generation capability to individuals, website owners or not-for-profits

dea.li will be the *first-to-market* combining e-commerce and m-commerce.

4.2 DEA.LI MISSION STATEMENT

dea.li's objective is to become a "go to" site for coupon advertising for businesses and a "must have" application for smart phone users.

dea.li's commitment is to always exceed its members and advertisers expectations.

dea.li's goal is to become the dominant new entrant in this segment of the industry

***dea.li*'s mission is to change the relationship between smartphones and the Internet and make a positive impact on society globally.**

4.3 COMPANY OWNERSHIP

Dea.li will be established as an "S" Corporation. It will be organized in accordance with the laws of the State of Kansas and the regulations of the United States Internal Revenue Service. The ownership is currently held equally by Mr. Dan Peak and Mr. Matt Dunn. It is anticipated that future equity contributors may obtain a percentage of the ownership.

4.4 COMPANY HISTORY

The impetus for the creation of *dea.li* is the desire of Mr. Peak and Mr. Dunn to create such a site in order to respond to current cultural trends and the significant absence of a site structured in this manner. The development of the *dea.li* website and application has begun. It will use Web 2.0 integrations and other existing platforms with new approaches to authentication and redemption.

4.5 COMPANY LOCATIONS AND PREMISES

Corporate Office will initially be located at
16321 Nieman Rd, Overland Park, Kansas 66062

Phone (816) 419-7940, (913) 706-1367

E-mail: Dan Peak: dan@dea.li;

Matt Dunn: matt@dea.li

Upon receipt of funding, the Company may relocate to larger quarters.

4.6 BARRIERS TO ENTRY

Technology and Cost: *dea.li* realizes that creating a site and application of this type is technologically complicated and might require substantial funding, but the Founders have extensive experience in site development and will utilize existing technology to the extent possible and just integrate the new concepts they have envisioned, thereby keeping the cost of development relatively low.



Competition: *dea.li* also recognizes that there is competition in the individual components of the concept, but none combines all of the special qualities that this Web Portal.

Competition Response: *dea.li* also understands that competitors may respond to the launch of this site. However, the market is very large and it is unlikely that the small market share upon which these projections are based is likely to trigger an immediate response. By the time it does, *dea.li* will have established, through its special qualities and Value Proposition, a brand and name recognition and loyal customer base that will actually create greater barriers to entry for others.

4.7 START-UP SUMMARY

To launch the Company, an equity investment of \$2,000,000 is being sought, although launch may occur upon receipt of the first \$1,000,000. The Founder's initial investment of up to \$10,000 will be used to cover research and development and initial development of the Application.

The equity investment obtained will be primarily used to complete the development of the Application and the website, assemble the marketing networks, embark on an aggressive pre-launch and post-launch advertising and public relations campaign and cover pre-revenue operating costs. The table below identifies the use of funds.

Sources and Uses of Funds		
<u>SOURCE</u>	<u>AMOUNT</u>	<u>WHERE CAPTURED</u>
Equity Investment	\$ 2,000,000	Cash Flow
TOTAL	\$ 2,000,000	
 <u>USES</u>		
Cost of Capital	\$ 200,000	Cash Flow
Website and Application Development	\$ 150,000	Cash Flow
Initial Content Development	\$ 10,000	Cash Flow
Furniture, Fixtures and Equipment	\$ 25,000	Cash Flow
Initial Advertising (\$50,000 for first 10 months)	\$ 500,000	Profit and Loss
Salaries (First 12 months)	\$ 242,000	Profit and Loss
Initial Public Relations (\$5,000 first 10 months)	\$ 50,000	Profit and Loss
Server Hosting and Server Management (\$3,000 first 10 months)	\$ 36,000	
Working Capital*	\$ 787,000	Cash Flow
TOTAL	\$ 2,000,000	

5.0 DESCRIPTION OF BUSINESS

5.1 REVENUE STREAMS

Revenue Metrics		
<u>Revenue Stream</u>	<u>Quantity</u>	<u>Comments & Projections</u>
Direct Marketing Areas (DMA)	210	Major Metro Areas
Businesses Per DMA	25	Year 1: Builds by 50% Yr.2; 25% Yr. 3
Number of "Coupons" Per Month/Per Business	1	
<u>Revenue</u>	<u>Price</u>	
Coupon	\$ 25.00	Year 1= 5,250 business x 1 coupon/month @ \$25
Priority Position	\$ 100.00	Year 1 = 2 per DMA
Other	TBD	
<u>Direct Costs</u>		
Enrollment Fee	\$ 25.00	Paid to Social Marketer
Commission	15.0%	Paid to Social Marketer per Monthly Renewal
Charitable Contribution	2.5%	Paid to Charity of Business (or DMA's) Choice
<u>Allowances</u>		
Promotional Allowances	5.0%	Free Membership, Pricing Discounts and other allowances designed to populate a DMA and build to Viral Marketing Level
Bad Debt	1.0%	Credit Card Issues

5.2 SERVICE AND SERVICE STRENGTHS

The strengths and capabilities of our core products and services pertain to **variety, quality, flexibility, comfort** with respect to use of the application and an opportunity for **revenue generation**. The Company expands on its strengths as follows:

- **Variety** – a wide variety of businesses with a wide variety of products and services will enroll in the coupon program in order to reach the large and growing target audience.
- **Quality** - the website will create a trusting relationship with its users and ease of redemption of coupons will be closely monitored for the benefit of all.
- **Flexibility** – in addition to being available from any smartphone (or Twitter) from anywhere, the structure of website allows for rapidly locating a business by category or geographic location. Page changes will be fast and effortless.
- **Comfort**– the application download will be free – no agonizing or whether it is worth it-just press the button and try it-free
- **Revenue Generation** – any member of the Social Marketing Network, Affiliate Website Owner Network or Not-For-Profit Fundraiser, by introducing their current business contacts to the program resulting in an enrollment will earn an enrollment fees and ongoing commissions as long as the business continues with the coupon program.

5.3 COMPETITIVE COMPARISON

While there is competition related to internet coupon advertising and various smartphone applications, *dea.li* is unique in terms of the convergence of two technologies into one concept. Further differentiating features include:

Deal Distribution

- Current mobile deal solutions rely on users signing up for the deal alerts sent to their phone and thus limit the number of customers. It is a “push model” based on a subscriber list.
- The *dea.li* mobile application will be available free to smartphone users on their mobile application store (Apple, Blackberry, Window Mobile, Palm and Android). It is a “pull model” based on the free download of the application.

Sales/Marketing

- The Distributed Social Marketing (DSM) -Sales for other deals/coupon sites depend on an in-house sales force that can only reach large national companies. The *dea.li* DSM solution creates a marketing team across the entire country without paying for an in-house sales team.
- The Creation of the DSM Network -The network facilitates the distribution of the *dea.li* products and services to local business without the overhead of an in house sales organization so the cost of advertising can be reduced and a greater ROI will be produced.

Other Differentiating Features

- Any smart phone user can download the *dea.li* mobile application and find deals where they are or where they will be. Twitter users can tweet for a *dea.li*
- DSM solution creates a large marketing team that reaches across the country informing local business of the *dea.li* advertising solution and will rapidly populate the site with businesses from 210 Direct Marketing Areas (DMA).

dea.li is a well designed web concept with some very unique pieces of the application related to authentication and redemption, is properly positioned with a well-timed first to enter the market

5.4 SALES/MEDIA INFORMATION

Dea.li is committed to preparing a sales/media information strategy for members and advertisers (separately) that highlights all of the most important benefits and features the site offers. This information will present a compelling point of view regarding the features and benefits of the Web Portal for each. The blending of our offerings with the enhancement of our members’ lifestyles makes for an attractive and alluring business. For internet users who crave services such as those being offered, there is a strong enticement to become a member because this is one site that offers multiple elements. Substantial funds have been allocated to communicate this message both pre-launch and post-launch.

5.5 SOURCING AND FULFILLMENT

dea.li envisions a powerful launch of this business. Its Founders will always require total professionalism from its in-house and out-sourced associates. *dea.li* will fulfill its promises to the target consumers and businesses from the beginning, to the middle, to the end of the transactional relationships. Because of our special re-conceptualization of this service, *dea.li* can be said to have brought new meaning to the term ‘customer fulfillment’.

5.6 TECHNOLOGY

dea.li has positioned itself in such a way as to take full advantage of all the existing technology available for its particular industry and will concentrate on integration of this technology into the platform for its Web Portal. Its founders have substantial web site

development experience and have the ability to create, and incorporate, new authentication and redemption features into the Application.

Administratively, management has determined that state of the art software and appropriate hardware will be implemented whenever necessary to ensure proper client fulfillment, as well as business organization and financial reporting.

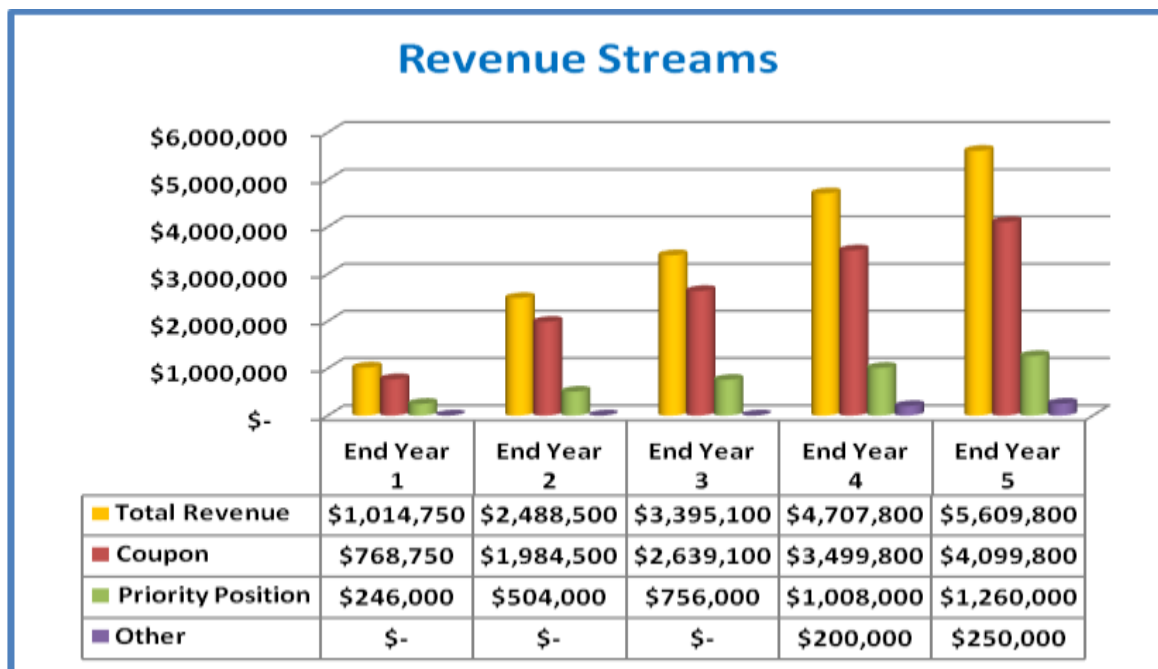
5.7 BUSINESS MODEL

dea.li envisions the future in terms of its potential dominance of the market. The website will be branded to appeal to the most active online and smartphone demographics: socially active, young, active adults with some college education and average to above average income. This is also a similar demographic to the population segment that visits Twitter (21.9 US Monthly Users⁶)

The business model is based on a classic service dynamic – more service at less cost. The Company will penetrate and redefine the market by continually innovating ways to provide unique services to the target market segment.

The website will be an innovative concept in the market, changing the way people use smartphones and businesses advertise to the growing segment of the population using smartphones.

During the first year after launch, the Company projects monthly revenue to increase sharply as a result of the Distributed Social Marketing strategy and viral marketing. By the twelfth month, over 5,000 businesses are expected to be offering coupons on a monthly basis with that number swelling to over 9,000 by year three and over 13,000 by year five. Annual revenues are expected to reach over \$1 million in year one, over \$3 million in year three and over \$5 million in year five.



⁶ <http://www.quantcast.com/twitter.com>

6.0 MARKET ANALYSIS

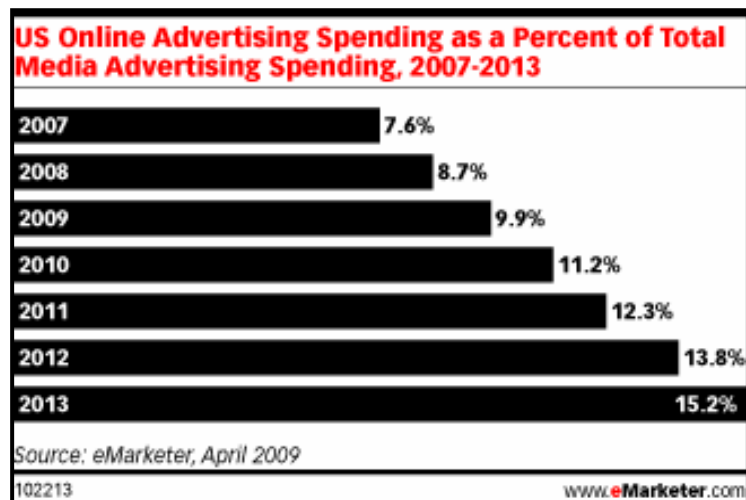
6.1 SIZE OF MARKET AND MARKET TRENDS

dea.li represents the convergence of two markets, A.) The Internet Advertising component of the E-Commerce market and B.) The M-Commerce component of the use of smartphones (not only using the device to look for information, but also to act on it and purchase goods and services). This section examines the current size of each market and the trends of each.

E-Commerce and Internet Advertising

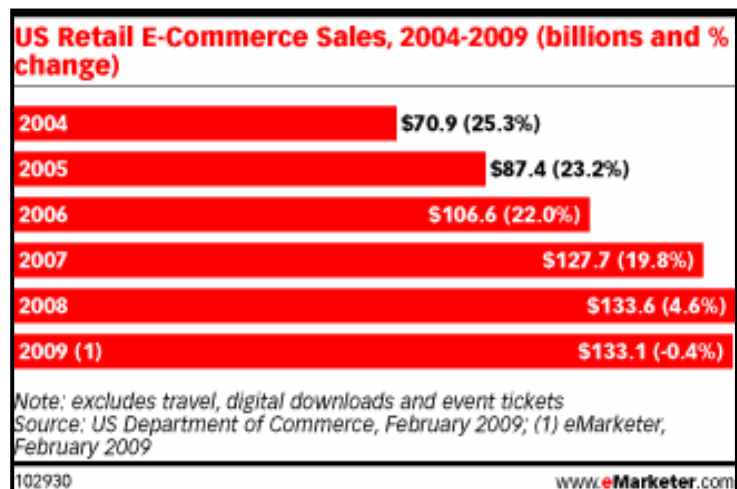
According to eMarketer, the Internet's share of total media ad spending is rising by at least 1 percentage point every year—for two reasons: Marketers are spending more on Internet ads, and less on ads in traditional media.

Their **US Ad Spending** report analyzes the shifts in the media landscape due to changing usage patterns, economics and technology. The media spending shifts predate the recession, but the current economy reinforces the new advertising models and makes them more permanent. Digital marketing offers compelling benefits, especially for cash-conscious companies. Marketers can more readily measure the results of Internet advertising than with most traditional media. This produces more-efficient advertising and higher ROI, which in turn pushes traditional media to compete with lower pricing. eMarketer projects that the online share of ad dollars will continue to grow, rising from nearly 10% this year to slightly more than 15% in 2013.⁷



Looking forward, however, the projection for online sales for the balance of 2009 does not appear so rosy. After years of unbroken growth, eMarketer forecasts that continued recessionary pressure will cause online sales to ac-

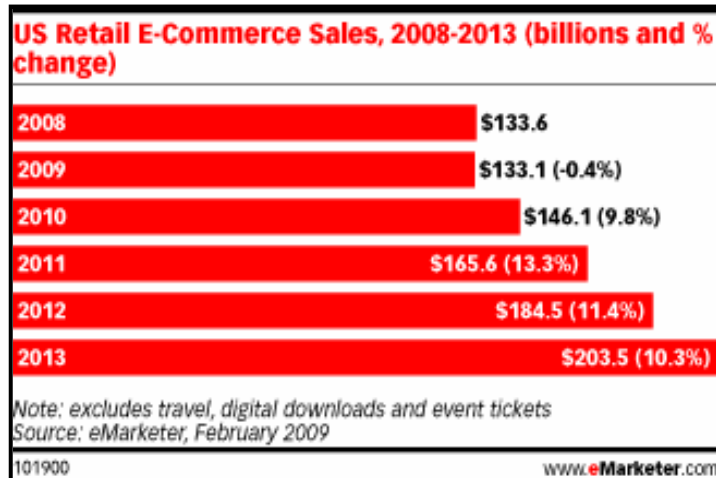
In April 2009, eMarketer ran an article based on a study that showed US online retail sales on average were up 11% in Q1 2009. Looking forward, however, the projection for online sales for the balance of 2009 does not appear so rosy. After years of unbroken growth, eMarketer forecasts that continued recessionary pressure will cause online sales to ac-



⁷ http://www.emarketer.com/Report.aspx?code=emarketer_2000576 From their website—“eMarketer aggregates and analyzes information from over 3,000 sources, and brings it together in analyst reports and the most comprehensive database of e-business and online marketing statistics in the world”

tually contract in 2009 by 0.4% --but still exceed \$133.4 billion.

“eMarketer forecasts that on-line sales will be virtually flat in 2009,” says Jeffrey Grau, eMarketer senior analyst and author of the new report, [E-Commerce in a Recession: The Impact on Consumers and Retailers](#). “Assuming the economy will begin to recover in 2010, however, retailers will see a return to sales growth and hit full stride again in 2011.” eMarketer projects that from 2011 to 2013 online sales will rebound to double-digit growth.



In the meantime, even in the trough of the economy, there are opportunities for online retailers. “The current economic upheaval has weakened many traditional retailers, putting consumers’ wallets up for grabs,” says Mr. Grau. “Online retailers that can fill the void with superior customer service, rich product information and greater ... conveniences have a chance to win new customers for life.”

In addition, even as consumers are reining in spending, they are increasingly researching purchases online. “There is nothing new about consumers using the Internet to help them make purchase decisions on big-ticket items such as cars and computers,” says Mr. Grau. “But a new breed of consumers is extending their research to everyday products.” These information-hungry shoppers go online to find out whether a toy is safe, a shampoo is unscented or a diaper manufacturer is environmentally responsible. In other words, the way consumers shop is changing, and smart online retailers will take advantage their new behavior—and information needs. “The new online consumer is independent and less likely to trust recommendations of a salesperson or be swayed by the emotional appeal of a TV ad,” says Mr. Grau.⁸

M-Commerce and Purchasing Using Smartphones⁹

A 2008 Nielsen Mobile poll found that only 9.2 million US mobile subscribers purchased goods or services with their handset—a low figure when compared with a JPMorgan projection of 233 million total subscribers. Even lower next to eMarketer’s estimate of 270 million US mobile phone subscribers in 2008. In fact, an Internet Retailer survey found that only 7% of online retailers had an m-commerce site in late 2008.

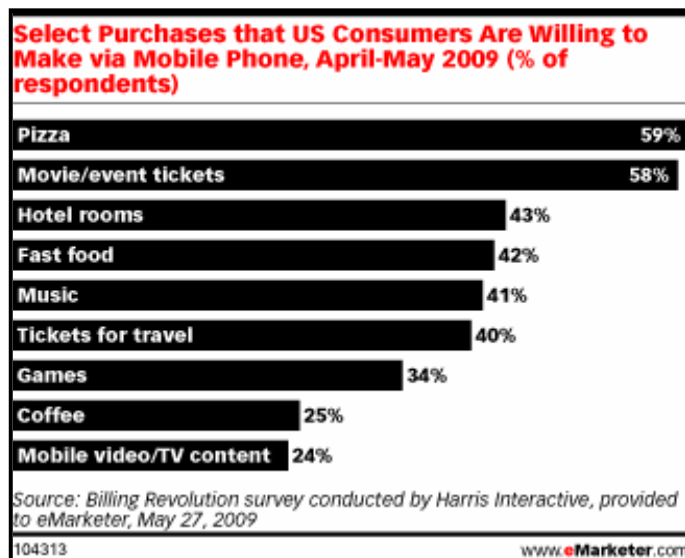
Still, consumers are at least *starting* to grow comfortable with the idea of m-commerce. According to a poll conducted by Harris Interactive on behalf of Billing Revolution, 71% of US adults felt that it was safe to make a purchase via their mobile phone.

⁸ <http://www.emarketer.com/Article.aspx?R=1007068>

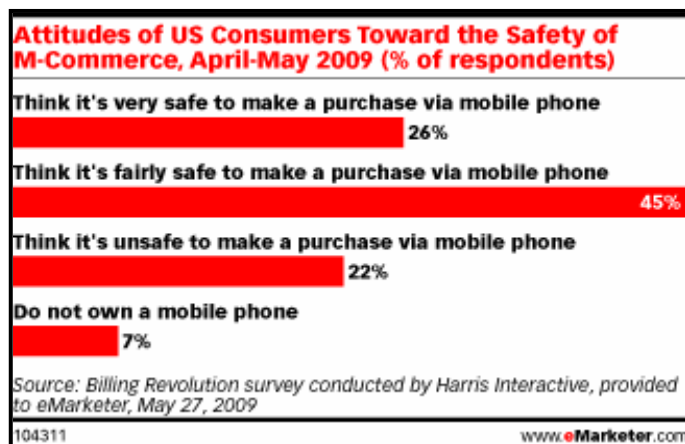
⁹ <http://www.emarketer.com/Article.aspx?R=1007126>, June 10, 2009

In the Harris poll, 59% of respondents said they were willing to purchase pizza over a mobile phone; 58% said movie and event tickets, followed by hotel rooms, fast food, music and travel tickets.

On the other hand, PriceGrabber.com research found that the most popular mobile purchases were digital mobile content such as ringtones and music, followed by consumer electronics, computers and related equipment, books, apparel and jewelry.



Regardless of which poll is correct, there is clearly a large percentage of the population accepting the concept of not only seeking information using their cell phone, but also using it to purchase products and services. The chart to the right compiled from a Billing Revolution Survey provided to eMarketer demonstrates this growing trend.



Summation

The increasing revenue spent on Internet advertising and specifically online coupons (which posted a 140% growth rate in 2008 over 2007 with redemption up from 1% to 13%¹⁰) and the large, and growing, use of smartphones to acquire products and services bodes well for *dea.li*. It is a concept whose time has come.

6.2 MARKET SEGMENTATION

dea.li is committed to ongoing market analysis as it pertains to market segmentation. At the current time, management believes the market for *dea.li* is the large and growing number of smartphones and smart phone users, plus the businesses that wish to economically and efficiently convey their message to this segment of the population. The Company believes strongly that the market is ripe for its innovative site concept and *dea.li* should be able to rapidly capture a firm market share.

¹⁰ eMarketer

6.3 TARGET MARKET AND SEGMENT STRATEGY

The target market segment is:

- The 230,000,000 plus subscribers to mobile phone service who are migrating to smartphones with GPS in increasing numbers- 10%-11% of all US adults currently carry smartphones¹¹.
- The 71% of mobile phone subscribers who feel fairly safe or very safe in making purchase over their phone
- The 24.6 million small businesses (under 500 employees) in the United States¹², particularly those in and around the 210 major Direct Marketing Areas.



The segment strategy is:

- *dea.li* will provide the Application download free to attract smartphone users
- *dea.li* will provide direct access from Twitter
- *dea.li* will establish a national Social Marketing Network who will receive compensation for enrolling businesses with attractive products/services and willing to offer coupon promotions. This will generate the site revenue (\$25 per coupon per month) and further entice smartphone users to frequently use the service. The frequent use of the service by a large number translates into a positive ROI for the business.
- *dea.li* will establish an Affiliate Website Owners Network who will also receive compensation for enrolling businesses on the site.
- *dea.li* will also create opportunities for utilize Not-For-Profits to utilize the enrollment concept as fund raisers.
- *dea.li* will utilize existing social networking vehicles already in place for viral advertising (i.e. Twitter, Facebook, MySpace, etc.)
- *dea.li* will utilize a Public Relations campaign encompassing press releases and guest appearances on talk shows

The primary reason for choosing these marketing channels is that:

- Costs are minimal and Social Marketing Networking is inexpensive.
- Low or No cost advertising and free press.
- Cross promotions can be inexpensive or free when the deals are arranged as a win-win scenario.

6.4 MARKET NEEDS

dea.li evaluates its market primarily from the standpoint of what the needs are of the individual. In today's society there is a massive trend toward the promotion of both knowledge and entrepreneurship. This trend bodes well for the future of the Company. *dea.li* will capitalize on the growing awareness of our company's offering for the everyday consumer and provide a unique service for those who value these offerings the most.

¹¹ Gartner, Inc., a 25 year old international consulting firm

¹² <http://www.smallbusinessnotes.com/aboutsb/sbfacts/sbnumber.html>

Specific needs include:

- Reduced advertising costs for businesses
- Desire to get information from anywhere, anytime
- Opportunities to generate revenue
- Opportunities to socially interact
- Opportunities to save money on products and services.

6.5 RESPONSE TO NEEDS

The Company understands and appreciates the varying perspectives among consumers as individuals. The needs of our target member will be well-fulfilled, the current desires of the culture will be addressed, and the mission to make a positive impact on society globally will be realized.

dea.li will respond to the Market Needs as follows:

- Free download of the Application from any smartphone with GPS
- Direct access from Twitter
- Low cost advertising for businesses (\$25 per coupon per month) with positive and documented return on investment reports
- Ability for user to find businesses anywhere from anywhere
- Ability for users to obtain coupons for restaurants, hotels or a large variety of products or services
- Ability for individuals, website owners or not-for-profits to generate additional income

Dea.li will change the way this generation and the next generation uses their smartphones and purchase goods and services.



7.0 STRATEGY AND IMPLEMENTATION

dea.li centers its strategy on the premise that the company will resonate with a broad spectrum of the American public because it offers a substantial value in the form of coupons or discounts from participating businesses for anyone downloading the application to their smartphone. The Company will always maintain a focus on creating positive user and participating business relationships, while keeping expenses modest. *dea.li* is diligent in dissecting every aspect of this business to ensure that each component remains popular and contributive to the goal of a highly profitable enterprise. The Company will always think strategically and proactively so that all business actions are geared toward providing services for users thereby keeping them as active users and thereby producing positive results for participating businesses.

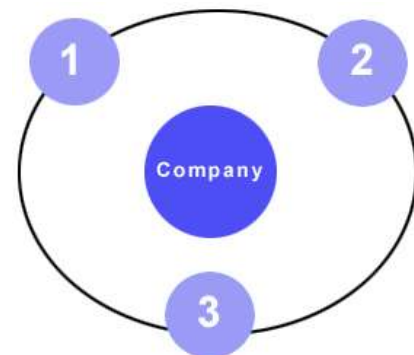
7.1 ORBITAL MODEL STRATEGY

dea.li envisions an orbital model strategy comprising three areas of focus and flow for our activities. In area #1 is the delivery of our unique value proposition to the individual user and participating business. In area #2 we see the preparation of key personnel and employees for the delivery of products and services in a timely and efficient manner. In area #3 lies management's organization of company operations including financials, assets, marketing, and work space. *dea.li* understands the orbital model strategy as a three key elements for success and envisioning the best company we can be. In this way we easily partition and manage our company according to these three distinct but intertwined aspects of the operation.

[1] The delivery of our unique value proposition to the individual user and participating business

[2] The preparation of key personnel and employees for the delivery of products and services in a timely and efficient manner

[3] Management's organization of company operations including financials, assets, marketing, and workspace



7.2 SWOT ANALYSIS

Our strengths and weaknesses are shown relative to our competitors. Strengths are shown if they are better than the competitors. Weaknesses are weaker than the competitors.

Strengths

- An easy to use, free smartphone Application to take advantage of location based services, deals and offers.
- Available on all major smartphone platforms; iPhone, Blackberry, Palm Pre, Android, Windows Mobile, etc.
- Businesses can create and manage their special deals and services using the *dea.li* web-based tools.
- Businesses can manage their services, deals, and offers from all computers, any time-of-day, anywhere.
- Founders' thorough knowledge of marketing and the emerging smartphone consumer market.

Weaknesses

- New concept in a rapidly changing market
- Lack of familiarity with concept by users and potential participating businesses

Opportunities

- The rapidly growing smartphone market and expanding use of smartphones for all purposes
- The ability to offer Social Marketing Affiliates the opportunity to make money and receive ongoing commissions for simply presenting the concept to “warm” leads—entities with whom they are already doing business

Threats

- Lack of capitalization
- Failure of Social Marketing Network to populate site with participating businesses as rapidly as forecasted.

There are no real outside threats to this business plan. It is driven by *dea.li*'s own strengths in the market place. The niche for *dea.li* lies in the confluence of two very popular concepts; a) the use of coupons and discounts to attract customers and the response of customers to those promotions, and b) the inclusion of GPS in the smartphones and their use for almost every daily need.

7.3 BUSINESS MILESTONES AND TIMELINE

In this section we draw important timelines for pre and post funding milestones.

Milestones and Time Line-Before Funding				
Actions Before Funding	Projected Completion Date	Responsibility for Action	Percent Completed	Comments
Preparation of Business Plan	6/20/2009	CEO	100%	Completed
Formation of Corporate Entity	7/15/2009	CEO	50%	In Process
Identification of Application Development Consultants	7/15/2009	CTO	50%	In Process
Selection of Accountant	7/15/2009	CEO	50%	In Process
Selection of Attorney	7/15/2009	CEO	50%	In Process
Identification of Management Team	8/1/2009	CEO	75%	In Process
Identification of Server Host/Management	10/1/2009	CTO	25%	In Process
Obtain Financing	10/1/2009	CEO	10%	In Process
Milestones and Time Line-After Funding				
Actions After Funding	Months After Funding	Responsibility for Action	Percent Completed	Comments
Lease Commitment	2	CEO	0%	In Process
Acquisition of Furnishings and Equipment	2	CEO	0%	In Process
Complete Application and Website	3	CTO	10%	In Process
BETA Test	3	CEO, CTO	0%	In Process
Development of Social Marketing Teams	3	VP-Bus. Dev.	0%	In Process
Launch	3	All	0%	In Process
Reach Break-Even Level	9	All	0%	In Process
Reach annual revenue of \$1,000,000	12	All	0%	In Process
Reach annual revenue of \$3,000,000	36	All	0%	In Process
Reach annual revenue of \$5,000,000	60	All	0%	In Process

7.4 MARKETING COMMUNICATION PLAN

dea.li is aware of the choices it faces in relation to its marketing strategy. Because of its research and recommendations from management it has chosen to market what it does through a comprehensive marketing plan centered on a Social Marketing Network supplemented by paid and unpaid advertising and a public relations campaign. It has chosen this strategy because it represents the most efficient correlation of costs, communication to the nationwide target market, and brand recognition. Management will continue to monitor how this translates to user growth and revenue and always be open to experimenting with opportunities for increasing both. The Company will also place a great emphasis on our ability to quickly reach critical mass for viral marketing among users and participating businesses.

The initial target market segment for *dea.li* will be a) the 10%-11% of US adults who carry smartphones¹³ (a rapidly increasing percentage) and b) the 24.6 million small businesses (under 500 employees) in the United States¹⁴, particularly those in and around the 210 major Direct Marketing Areas.

The Company understands the importance of rapidly populating the site with participating businesses and rapidly deploying the application to as many smartphone users as possible. Therefore, a substantial portion of the initial capitalization is allocated to enrollment fees and commissions for Social Marketing Networks complimented by pre-launch and post-launch advertising and public relations as well as no cost affiliate programs and viral marketing.

Marketing Campaign Strategy	
Advertising (1 Month Pre-Launch Plus 9 Months Post-Launch)	\$ 500,000
Public Reactions (1 Month Pre-Launch Plus 9 Months Post Launch)	\$ 50,000
Social Marketing Enrollment Bonuses (First Year)	\$ 131,250
Social Marketing Commissions (First Year)	\$ 95,627
Affiliate Advertising-Joint Program with Other Sites	\$ -
Viral Marketing-Utilizing Existing Social Networks (Twitter, Facebook, MySpace, etc.)	\$ -

7.5 POSITIONING STATEMENT

The *dea.li* "Location-Based Services" (LBS) network provides businesses with tools to create demand for and market their products and services to mobile consumers and Twitter users. Mobile consumers using the *dea.li* mobile application for iPhone, Blackberry, Palm and Windows Mobile can locate special offers from business next door, around the corner, or the next city using the GPS capabilities of the new smart phones. *dea.li* wants to be the "go to" location for businesses to advertise and the "must have" application for every smartphone user.

¹³ Gartner, Inc., a 25 year old international consulting firm

¹⁴ <http://www.smallbusinessnotes.com/aboutsb/sbfacts/sbnumber.html>

7.6 PRICING STRATEGY

dea.li, in order to appeal to the average smartphone user and the average small business will offer a free application download for the user and a modest \$25 per month fee for the small business to post coupons and other promotions. There will also be an opportunity for businesses to buy priority positioning similar to Google's AdSense.

The concept is to entice users to access the application by offering real and recognizable value and for businesses to realize a positive return on their investment of advertising and promotion assets. The initial pricing strategy appears below.

Pricing Strategy		
Category	Initial Price	Comment
User	Free	Download of Application to Smartphone
Business Advertiser	\$25	Per Month Per Coupon (Promotion)
Priority Position	\$100	Two Per Direct Marketing Area (DMA)

7.7 SALES STRATEGY

dea.li will assemble a nationwide Social Marketing Network that will distribute marketing material to businesses across the nation. The Social Marketing Affiliate gets a commission on all services, deals and offers that are booked using the Affiliate's ID number. *dea.li* will be part of all major social networks for marketing the *dea.li* smartphone application and its deals. Twitter will be used by *dea.li* to not only market its product and service but twitter users can tweet *dea.li* and get a list of the latest deals. The next time the user opens up the *dea.li* smartphone application, the twitter deals will be front and center.

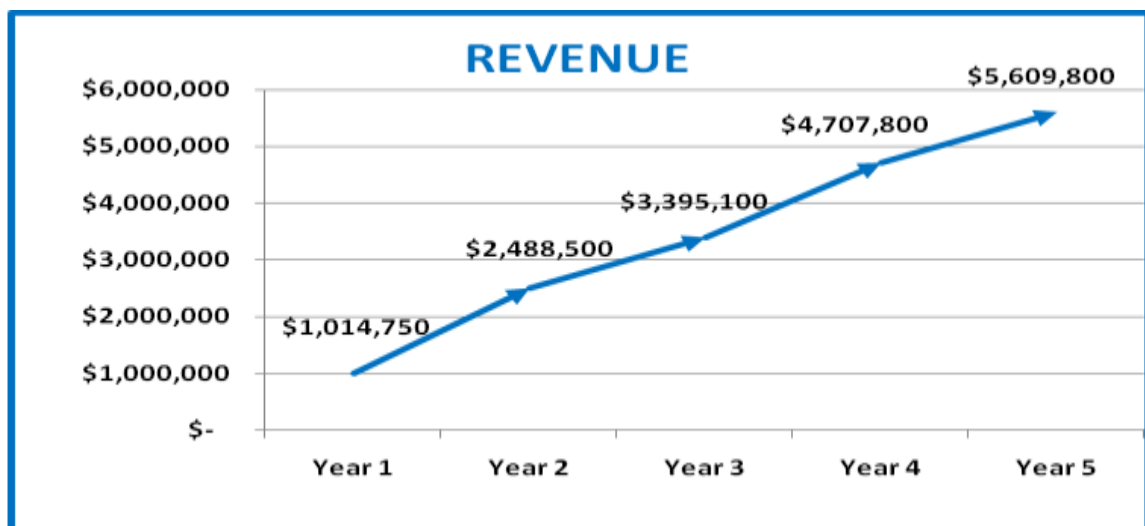
In addition, an affiliate advertising network of website owners will also be established. They will be able to run a *dea.li* widget on their site and get a commission on all the revenue that originates from their website.

Direct mail to schools, churches, and other not-for-profits will be used to inform them that they can use *dea.li* as a fundraiser. The organization can hand out our marketing material to business and receive a commission on all revenue that uses their ID number.

An industry veteran VP-Business Development, in addition to the Founders, will oversee the development of these networks. The sales strategy will be complemented through the implementation of our marketing plan, which include print ads, direct mailing, and internet advertising and joint no cost advertising programs. The Company will consider the customer centric attitude of its staff plus the feedback from its members and advertisers as integral components in the evolution of its sales strategy.

7.8 SALES FORECAST

dea.li has developed a projected sales forecast for the next five years of operations. The company has determined that based on its target market usage patterns, competitive advantages, and sound financial analysis, it can expect to see the following:



The company knows that in order to make its business plan happen, everything has to flow in a logical manner from management visions, to personnel training, to coupon fulfillment. *dea.li* management is grounded in the orbital model strategy outlined above in order to continue making sound monetary decisions and reasonable assumptions about the business.

7.9 STRATEGIC ALLIANCES

dea.li is constantly working to build a network of key individuals and companies that work as strategic allies to accomplish its major strategies. We are also committed to networking with any and all individuals that may have a favorable impact on the business. A great strength of this company will be the cadre of alliances that it will assemble to facilitate the growth of the Company from launch to liquidity event.

8.0 WEB PLAN SUMMARY

dea.li is in the process of building a new Web Portal: www.dea.li. The Company understands the increasing importance of online sales and marketing and the rapidly expanding access to Internet information through smartphones. Management will continually strive to have a competitive edge by maintaining a significant presence, and plans for sophisticated exposure online. *dea.li* will appeal to smartphone users who want information and opportunities to take advantage of coupons and promotions. It also will appeal to those who want an opportunity to make additional revenue and will become part of the Social Marketing Network.

Because of the ever-increasing sophistication of the global consumer and ever-increasing participation in online shopping by the typical consumer, *dea.li* will apply its networking resource to be an industry leader in utilization of the internet's e-commerce potential when coupled with a smartphone application.

8.1 WEB MARKETING STRATEGY

dea.li recognizes that there are at least five aspects of our company's success relevant to its involvement in the internet:

- (1) a sophisticated application that allows free accessibility and free flow of information to smartphone users and constituents within the Company's alliance of participating businesses, consumers, management, and investors,
- (2) a nationwide Social Marketing Network that will earn Enrollment Fees and Renewal Commissions for introducing the concept to their network of friends and business acquaintances
- (3) a program of search engine optimization to assure that penetration of the marketplace is vast and consistent,
- (4) an easily navigated site with prompt page turns to facilitate page views,
- (5) an easy to understand business classification system and effective geographic grouping system

8.2 DEVELOPMENT REQUIREMENTS

dea.li is committed to aligning itself with industry leaders associated with the development of its Web Portal, the implementation of search engine optimization, the continual development of Internet capabilities to match the growth of the business, and relevant procedures utilizing the World-Wide Web. In addition, it will locate a web host capable of delivering an affordable and versatile service, backed with excellent 24-7 customer service in order to support our web marketing strategy into the future, with special emphasis on the continued expansion of our Web Portal.

8.3 SEARCH ENGINE OPTIMIZATION

Goals

- Strategize use of the right words to ensure website is created correctly so it can coordinate all marketing with tactical use of keywords.

- Be open to creatively envisioning new keywords for the ongoing SEO strategy, which is to allow target customers to find us easily.
- Contract with recognized professionals in order to maximize the Company's advantage through SEO "best practices"

8.4 AFFILIATE PARTNERS

We need to always pay close attention to Affiliate Partners. In addition to the Social Marketing Network of Affiliates, an Affiliate Advertising Network of Website Owners will be established. They will receive a commission on all revenue that generates from their sites.

Likewise, we will want to position ourselves as affiliates on other websites as well. The industry leader in social networking is facebook.com and the industry leader in film and program viewing is hulu.com. By examining trends of their visitors, a target group of sites for affiliate relationships for *Dea.li* evolves.

9.0 MANAGEMENT SUMMARY

Management is the core and nucleus of any organization. It is not just personnel and individuals' resumes but vision, talent, and commitment that lead to success. *Dea.li* is led by Mr. Dan Peak and Mr. Matt Dunn, who are the key players providing all the talent necessary to complete every aspect of this business plan.

9.1 MANAGEMENT

Co-Founder and Chief Executive Officer (CEO): Mr. Dan Peak

Mr. Peak is an experienced industry veteran with over 15 years as a founder, content manager, vice-president and general manager of .com businesses. Mr. Peak created and launched KansasCity.com in 1995 and currently serves as its General Manager. In this position he directly manages both the sales and content teams for Kansas City's leading media website plus oversees the \$25,000,000 online revenue budget.

Prior to the creation of KansasCity.com he served as:

- Vice President of Product Development for Knight Ridder Digital and managed the development and deployment of its content management system.
- Vice President Midwest Regional Operations for Knight Ridder Digital and managed operations for eight Midwest newspaper websites and the relationships with the eight newspaper publishers.
- Assistant Managing Editor for the Online, Kansas City Star where he managed content, development, and staffing for KansasCity.com
- Co-founded JustLinux.com, an information and services site, and served as its President. As President he negotiated and arranged for the sale of the company to Internet.com

Mr. Peak understands the need for a Web Portal containing the multiple elements incorporated in *dea.li*; a Web Portal where each smartphone user who downloads the application can avail themselves of coupons and/or "deals" offered by businesses by business type or geographic location.

Co-Founder and Chief Technical Officer (CTO): Mr. Matt Dunn

Mr. Dunn is also an experienced industry veteran and currently serves as the Director of Information Technology at KansasCity.com. In this position he created the JOIN platform for rapid building of social niche sites and manages programming challenges across various sites that deliver traffic to 3,000,000 unique monthly visitors.

In this capacity, he oversees a department of 7 additional programmers, including a team of 4 in India and directed an increase in the number of servers from 1 to 15 (including load balancers and redundant failovers). He conducts classes and OOP and employs the latest technology (ADODB/SMARTY/AJAX) to develop and maintain Enterprise level applications.

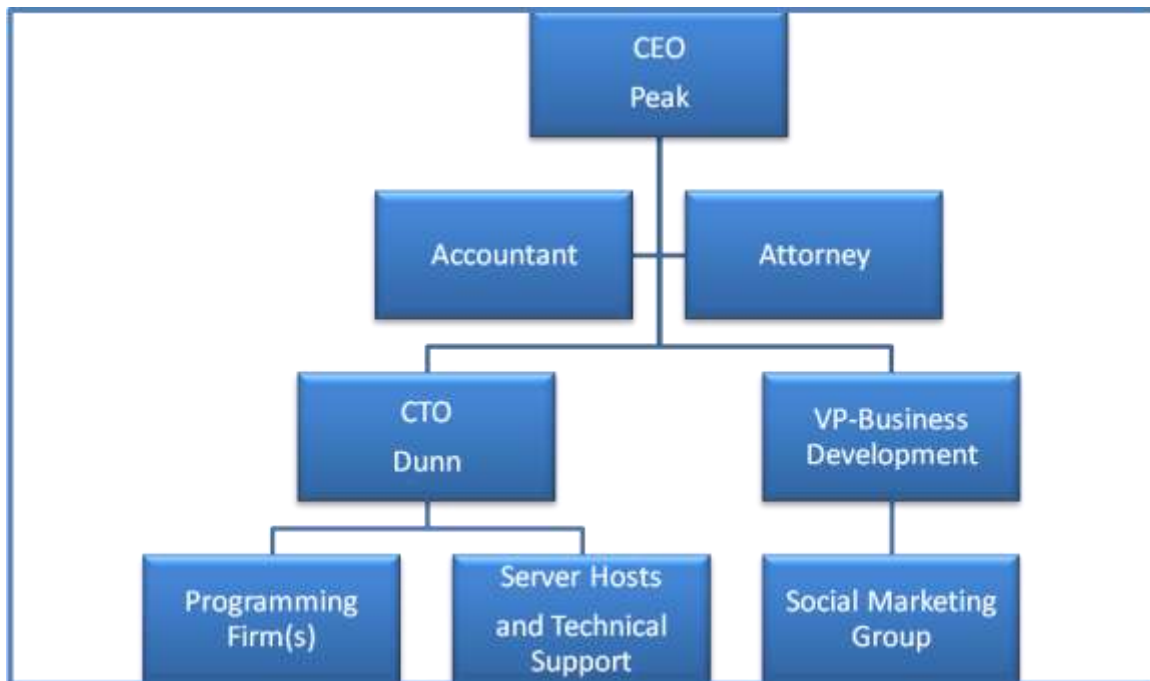
Mr. Dunn also Founded ComicBookRealm.com

9.2 MANAGEMENT TEAM GAPS

dea.li recognizes that in any growing company management personnel often have to wear more than one hat. As a result a gap or gaps may exist until the company is developed enough to have a specific person for every task required. *dea.li* currently projects adequate staffing to develop the application and the site and provide the services promised to users. As users grow, the company will always be sensitive to these issues and prevent any weaknesses by planning a contingency program that overlaps job responsibilities.

9.3 ORGANIZATIONAL STRUCTURE

dea.li knows how important the organizational structure is to the success of a company. Each position within this company will have a detailed job description as well as a well-defined relationship to the whole.



9.4 PERSONNEL PLAN

dea.li encourages its total work force to protect the success of its business plan. All aspects of the business have been sufficiently analyzed to determine every position required to run a fully functioning operation that can complete all of the strategies and programs to be undertaken. The following tables identify the key positions that have to be filled, the starting dates for each and the growth of payroll over three years.

Staffing Matrix					
POSITION	NUMBER	INITIAL	START DATE		COMMENTS
Employees		Per Month	Year	Month	Captured as Part of Payroll
CEO	1	\$ 8,000	1	1	Peak
CTO	1	\$ 8,000	1	1	Dunn
VP-Business Development	1	\$ 5,000	1	3	Develop Social Marketing Teams
Others	5	\$ 3,750	3	1	As needed (Average Salary)
Payroll Burden	18%		1	1	18% in Yr. 1 (Payroll Taxes, Workers Comp., Etc); 29% in Yr. 2 to include Employee Benefits
Contracted Affiliates		Expensed			Separate Expense Lines in P & L
CFO-CPA	1	\$ 2,000	1	1	Captured as expenses in P & L Statements
Legal Counsel	1	\$ 1,000	1	1	Captured as expenses in P & L Statements
Consultants/Programmers	2	\$ 5,000	1	1	Captured as expenses in P & L Statements

Staffing and Payroll			
Position	Year 1	Year 2	Year 3
CEO	\$ 96,000	\$ 120,000	\$ 150,000
CTO	\$ 96,000	\$ 120,000	\$ 150,000
VP-Business Development	\$ 50,000	\$ 63,000	\$ 69,300
Others	\$ -	\$ 90,000	\$ 207,000
Total Payroll	\$ 242,000	\$ 393,000	\$ 576,300

9.5 PROFESSIONAL ADVISORS

Accountant

(Space reserved for name and address)

Attorney

(Space Reserved for name and address)

10.0 FINANCIAL PLAN

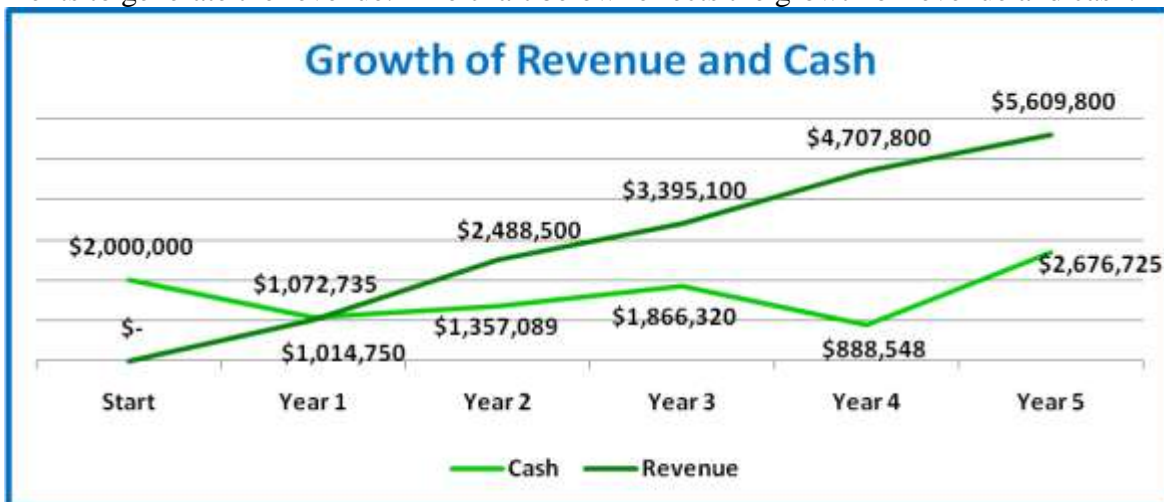
This plan has been developed [1] to cover the next five years (three years at a monthly detail level), and [2] to spotlight the business sales and revenue during this period. The purpose of our financial plan is to survey the solid growth through our exciting business model punctuated by a healthy relation between continually increasing revenues, and diligent cost containment. The projections in this business plan are based on an evaluation of the potential market, the growth of the market, and the potential growth of an entity developed with the proposed business model and strategies.

10.1 IMPORTANT ASSUMPTIONS

Assumptions
1. Founders will have invested approximately \$10,000 for research and to cover pre-funding costs.
2. The Company is requesting an equity investment of \$2,000,000 Terms are anticipated to include the issuance and sale of 2,000,000 investor units at \$1 each. Each investor unit will contain a 10% preferred annual dividend and conversion rights. Preferred dividends are projected to be paid in year three an additional 8% exit fee (producing a 12% annual ROI) If converted to ownership units, investors units would represent 20% ownership in the Company
4. Revenue Projections: Calculated from Revenue Metrics
5. Direct Costs and Allowances: Calculated from Revenue Metrics
6. Expenses Payroll: In accordance with Staffing-Payroll Matrix Payroll Burden: In accordance with Payroll Matrix Advertising: \$50,000 for first 10 months (1 month pre-launch) Depreciation/Amortization: \$185,000 Capital Expenditures over 5 years (\$3083 per month) Rent: 1000 sq. ft. @ \$12/ sq. ft. per year (\$1,000 per month) URL (Server): Increasing costs as users demands more space.
7. Tax burden represents distribution to owners to cover taxes-projected at 30%

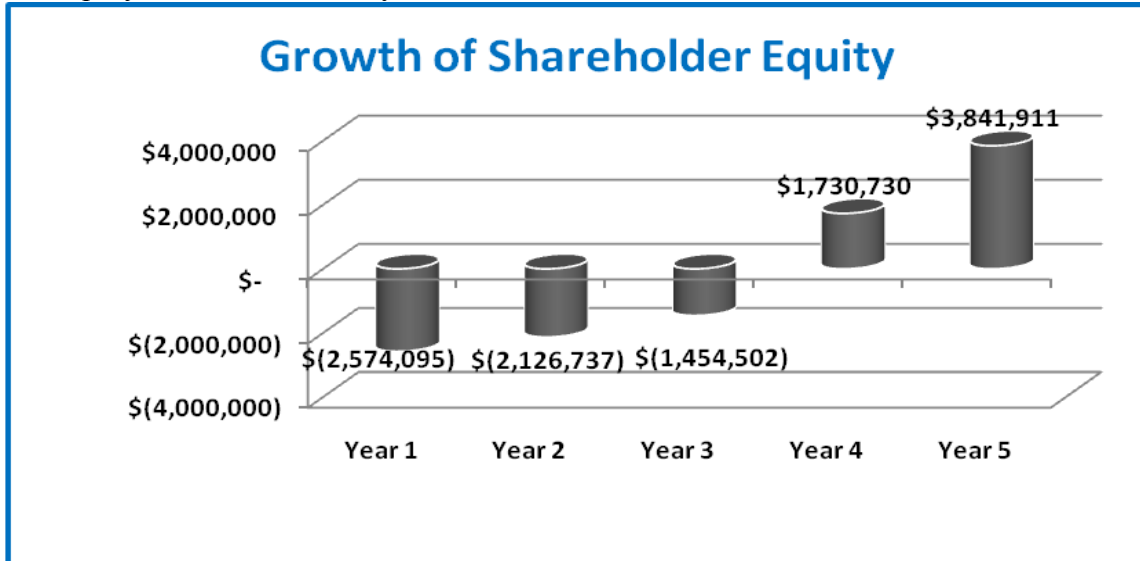
10.2 KEY FINANCIAL INDICATORS

The most important financial indicators are cash and bottom line. The Company will constantly monitor the flow of revenue to the company, as well as, the expense requirements to generate the revenue. The chart below reflects the growth of revenue and cash.



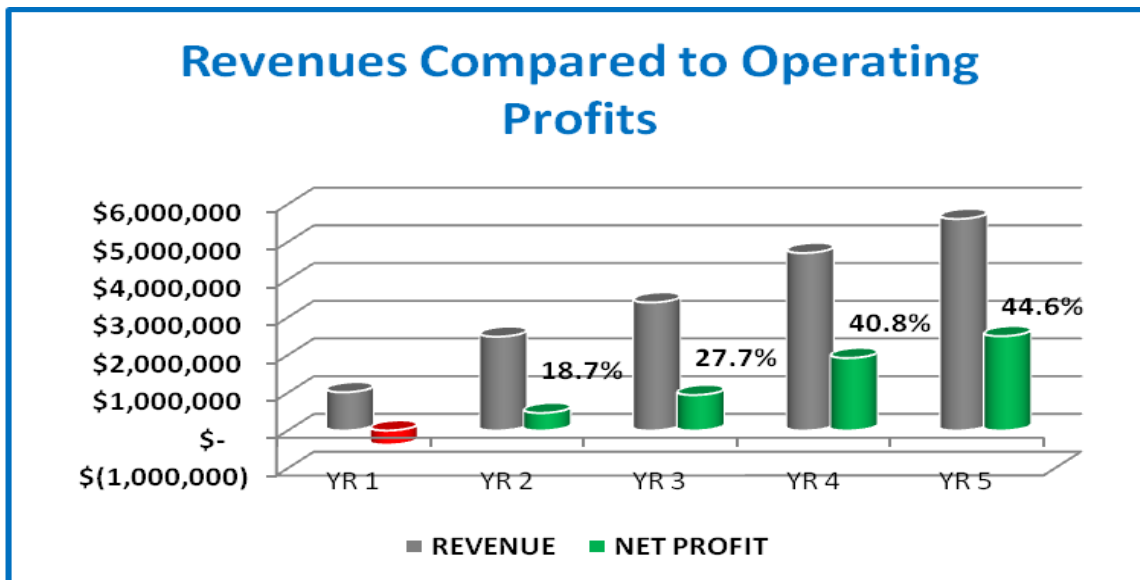
10.3 EXPLANATION OF PROJECTED BALANCE SHEET

The projected **Balance Sheet** for *dea.li* highlights total assets, total liabilities, and owner's equity. The salient feature of our projected Balance Sheet is that it demonstrates the relationship between the Company's assets and liabilities (see **10.7 Business Ratios**) and the owner's equity. The graph below represents the projected improvement in the owner's equity over the next five years.



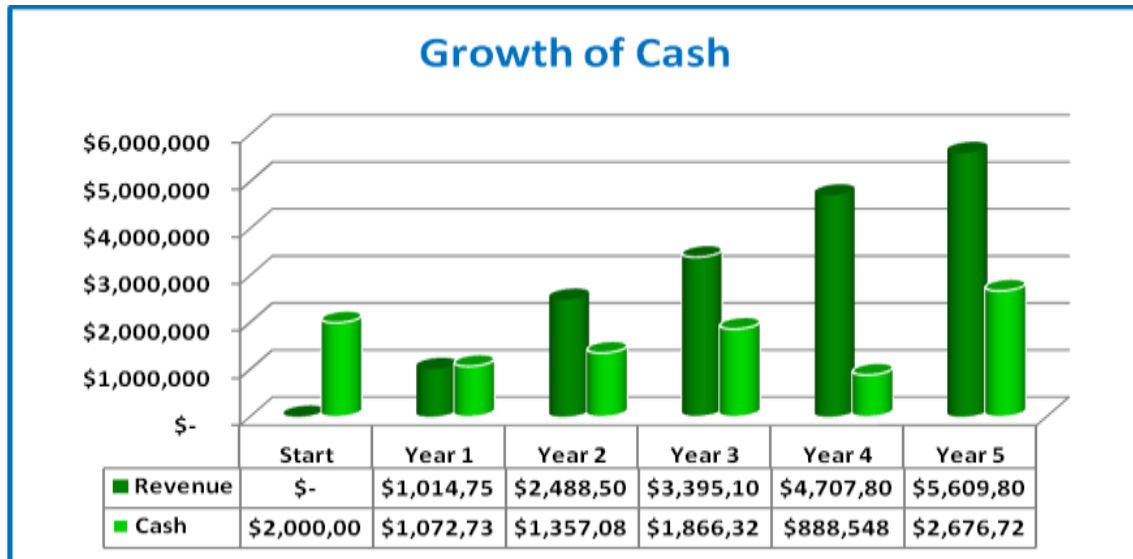
10.4 EXPLANATION OF PROJECTED PROFIT & LOSS

The projected **Profit & Loss Statement** for *dea.li* highlights the relation between the sales forecast and the operating expenses. These figures are based on the projections of the Company and the industry knowledge of the owner. The chart below reflects the operating profit.



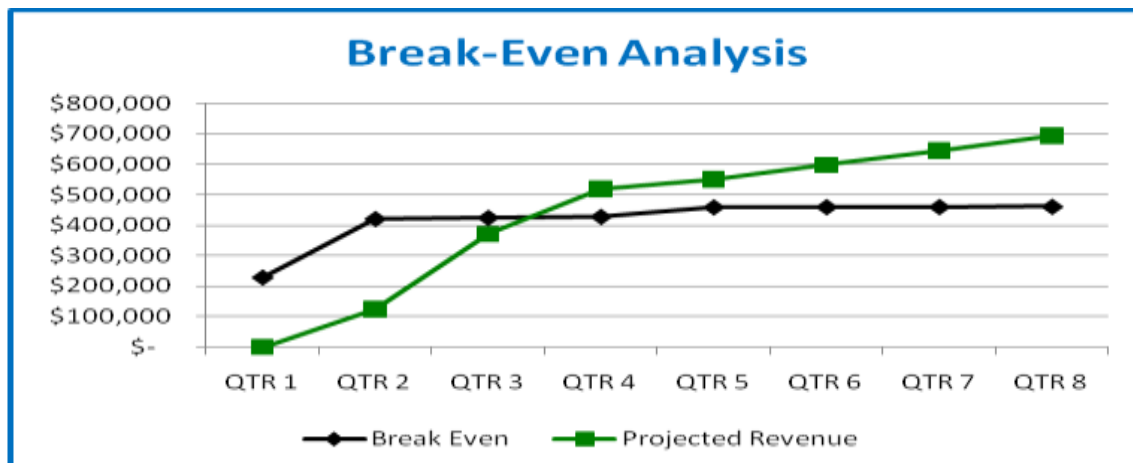
10.5 EXPLANATION OF PROJECTED CASH FLOW

The projected **Cash Flow Statement** for *dea.li* represents the cash balance remaining at the end of each year after deducting the expenses from the gross profit (revenue minus direct costs) and any other uses of cash (increases in inventory or accounts receivable). Cash flow is crucial to business survival. With the equity investment requested, the Company is confident that it will have the resources to handle contingencies, take advantage of new opportunities, and make capital improvements as needed. The chart below compares revenues to the cash balance at the end of the next five years. The cash balance in year four is after the return of the initial investment, the preferred dividends, and exit fee.



10.6 EXPLANATION OF BREAK-EVEN ANALYSIS

The break-even analysis for this company calculates at what point the company is profitable, and what level of revenue keeps it above the break-even (profitable) level. The graph below reflects the seasonality and the increasing “delta” between break-even and revenue projected. This then becomes a visual indicator of the increasing profitability of the Company, evidences its ability to fund future growth from income from operations, and build value.



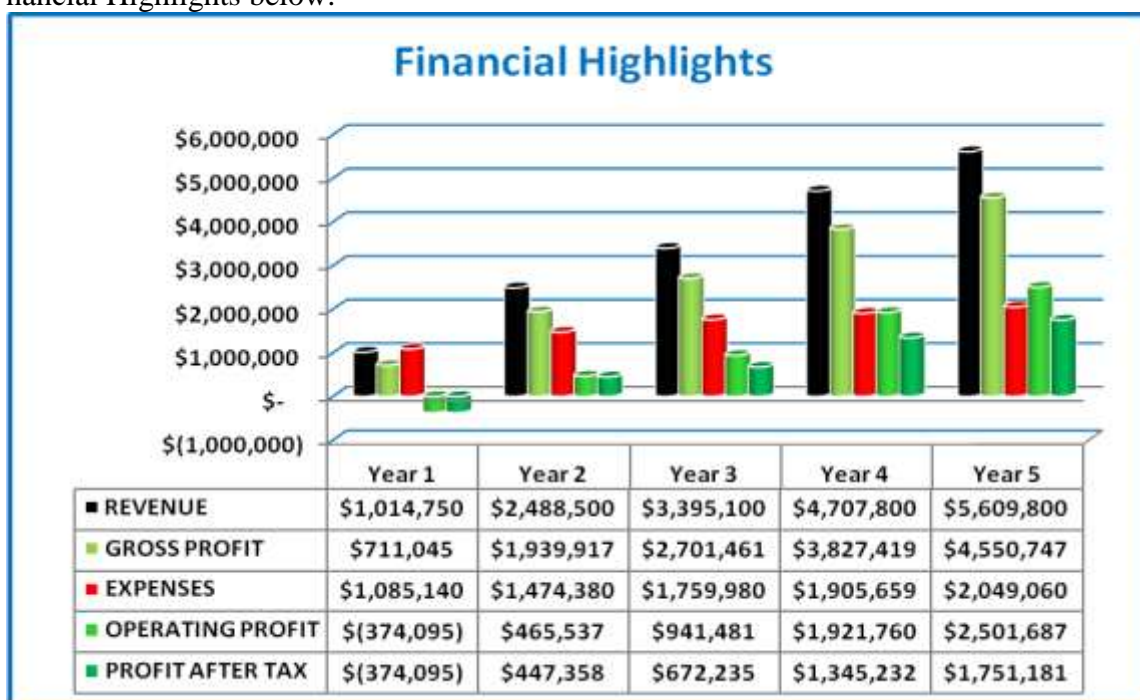
10.7 BUSINESS RATIOS

At the very least, the Company will utilize the following ratios as quantitative measures of its financial health. These numbers derive from our three-year projections for Current Assets, Total Assets, Current Liabilities, Net Profit, and Gross Sales. Among many of the management tools that will be utilized, [1] the Current Ratio, [2] the Net Profit Margin Ratio, and [3] the Return on Investment Ratio, will be evaluated and included in the Company's financial reports.

Business Ratios			
Ratios	1 st Year	2 nd Year	3 rd Year
Current Assets	\$1,072,735	\$ 1,357,089	\$ 1,866,320
Current Liabilities	\$ 200,000	\$ 200,000	\$ 200,000
Current Ratio	5.36	6.79	N/A
Net Profit	\$ (374,095)	\$ 465,537	\$ 941,481
Gross Sales	\$1,014,750	\$ 2,488,500	\$ 3,395,100
Net Profit Margin Ratio	-37%	19%	28%
Net Profit	\$ (374,095)	\$ 465,537	\$ 941,481
Total Assets	\$1,226,905	\$ 1,474,263	\$ 1,946,498
Return on Investment Ratio	-30%	32%	48%

10.8 LONG-TERM PLAN AND FINANCIAL HIGHLIGHTS

The Company believes that our long-term prospects for growing a successful business are excellent. The Company will break through the startup barriers, acquire the capital equipment needed, and develop a loyal customer base. Under the leadership of the experienced business owners, the business model and value proposition and the customer centric strategy, the Company expects to clearly differentiate itself from the competition and reach its growth goals. The impact of the leadership and attitude are reflected in the Financial Highlights below.



10.9 EXIT STRATEGY

The Company plans to create value in the business itself. The projections include the repayment of principal and preferred obligations to the investor in year four. However management understands that the attractiveness of the Company may prompt a liquidity event such as an acquisition, merger, equity buy-back, or IPO. Should this occur the valuation of the Company becomes an important part of the management decision.

10.10 POTENTIAL VALUATIONS

There are several methods of valuing a Company. Two of them are: 1) Applying a multiplier to the Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) and 2) Applying a multiplier to Revenue. The chart below reflects possible future valuations of the Company utilizing these two methods.

Potential Valuations						
Year	Projected Revenue	Revenue Multiplier	Enterprise Value	Projected EBITDA	EBITDA Multiplier	Enterprise Value
2	\$ 2,488,500	1.5	\$3,732,750	\$ 502,533	3	\$1,507,599
2	\$ 2,488,500	1.75	\$4,354,875	\$ 502,533	4	\$2,010,132
2	\$ 2,488,500	2	\$4,977,000	\$ 502,533	5	\$2,512,665
3	\$ 3,395,100	1.5	\$5,092,650	\$ 978,477	3	\$2,935,431
3	\$ 3,395,100	1.75	\$5,941,425	\$ 978,477	4	\$3,913,908
3	\$ 3,395,100	2	\$6,790,200	\$ 978,477	5	\$4,892,385
4	\$ 4,707,800	1.5	\$7,061,700	\$1,958,756	3	\$5,876,268
4	\$ 4,707,800	1.75	\$8,238,650	\$1,958,756	4	\$7,835,024
4	\$ 4,707,800	2	\$9,415,600	\$1,958,756	5	\$9,793,780
5	\$ 5,609,800	1.5	841470000%	\$2,538,683	3	\$7,616,049
5	\$ 5,609,800	1.75	\$9,817,150	\$2,538,683	4	\$10,154,732
5	\$ 5,609,800	2	\$11,219,600	\$2,538,683	5	\$12,693,415

11.0 PRO FORMA BALANCE SHEET

Balance Sheet Projection					
ASSETS	Year 1	Year 2	Year 3	Year 4	Year 5
Current Assets					
Cash	\$ 1,072,735	\$ 1,357,089	\$ 1,866,320	\$ 888,548	\$ 2,676,725
Accounts Receivable	\$ -	\$ -	\$ -	\$ -	\$ -
Inventory	\$ -	\$ -	\$ -	\$ -	\$ -
Securities	\$ -	\$ -	\$ -	\$ -	\$ -
Prepaid Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Total Current	\$ 1,072,735	\$ 1,357,089	\$ 1,866,320	\$ 888,548	\$ 2,676,725
Fixed Assets					
Real Estate/Buildings	\$ -	\$ -	\$ -	\$ -	\$ -
Equipment, Furnishings, etc.	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Other (Site Development)	\$ 160,000	\$ 160,000	\$ 160,000	\$ 160,000	\$ 160,000
Accumulated Depreciation	\$ (30,830)	\$ (67,826)	\$ (104,822)	\$ (141,818)	\$ (178,814)
Total Fixed	\$ 154,170	\$ 117,174	\$ 80,178	\$ 43,182	\$ 6,186
Other					
Goodwill	\$ -	\$ -	\$ -	\$ -	\$ -
Intellectual Property (Software)	\$ -	\$ -	\$ -	\$ -	\$ -
Total Other	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL ASSETS	\$ 1,226,905	\$ 1,474,263	\$ 1,946,498	\$ 931,730	\$ 2,682,911
LIABILITIES					
Current Liabilities					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Notes Payable (Short Term)	\$ -	\$ -	\$ -	\$ -	\$ -
LOC Loan Payment	\$ -	\$ -	\$ -	\$ -	\$ -
Preferred Obligations	\$ 200,000	\$ 200,000	\$ 200,000	\$ 360,000	\$ -
Total Current	\$ 200,000	\$ 200,000	\$ 200,000	\$ 360,000	\$ -
Long Term Liabilities					
Mortgage	\$ -	\$ -	\$ -	\$ -	\$ -
Note Payable (Long Term)	\$ -	\$ -	\$ -	\$ -	\$ -
Total Long Term	\$ -	\$ -	\$ -	\$ -	\$ -
Total Liabilities	\$ 200,000	\$ 200,000	\$ 200,000	\$ 360,000	\$ -
Shareholder Equity					
Additional Paid in Capital	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,090,730	\$ 3,841,911
Retained Earnings	\$ (374,095)	\$ 73,263	\$ 745,498	\$ 1,345,232	\$ 1,751,181
Current Year Income/Loss	\$ (374,095)	\$ 447,358	\$ 672,235	\$ 1,730,730	\$ 3,841,911
Total Shareholder Equity	\$ (2,574,095)	\$ (2,126,737)	\$ (1,454,502)	\$ 1,730,730	\$ 3,841,911
TOTAL LIABILITIES & EQUITY	\$ 1,226,905	\$ 1,474,263	\$ 1,946,498	\$ 931,730	\$ 2,682,911

12.0 PRO FORMA PROFIT & LOSS STATEMENT

Profit and Loss Projections-Five Year Annual					
	YR 1	YR 2	YR 3	YR 4	YR 5
REVENUE	\$ 1,014,750	\$ 2,488,500	\$ 3,395,100	\$ 4,707,800	\$ 5,609,800
DIRECT COST	\$ 242,815	\$ 399,267	\$ 489,927	\$ 597,913	\$ 722,465
ALLOWANCES	\$ 60,890	\$ 149,316	\$ 203,712	\$ 282,468	\$ 336,588
GROSS PROFIT	\$ 711,045	\$ 1,939,917	\$ 2,701,461	\$ 3,827,419	\$ 4,550,747
EXPENSES					
Payroll	\$ 242,000	\$ 393,000	\$ 576,300	\$ 660,000	\$ 750,000
Payroll Burden (29%)	\$ 43,560	\$ 113,976	\$ 167,130	\$ 191,400	\$ 217,500
Advertising/Marketing	\$ 500,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000
Bank/Credit Card Fees	\$ 10,150	\$ 24,888	\$ 33,954	\$ 47,078	\$ 56,098
Depreciation	\$ 30,830	\$ 36,996	\$ 36,996	\$ 36,996	\$ 36,996
Equipment Rental-Office	\$ 9,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000
Insurance-General	\$ 9,000	\$ 12,000	\$ 15,000	\$ 18,000	\$ 21,000
Interest	\$ -	\$ -	\$ -	\$ -	\$ -
Outside Services-Consultants	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000
Outside Services-Graphic Artist	\$ -	\$ -	\$ -	\$ -	\$ -
Outside Service-Tech. Support	\$ -	\$ -	\$ -	\$ -	\$ -
Postage & Supplies	\$ 3,300	\$ 6,000	\$ 9,000	\$ 10,500	\$ 12,000
Professional Fees-Acct.-CFO	\$ 24,000	\$ 24,000	\$ 30,000	\$ 34,000	\$ 38,000
Professional Fees-Atty.	\$ 6,000	\$ 6,000	\$ 9,000	\$ 10,000	\$ 10,000
Public Relations	\$ 50,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000
Rent	\$ 12,000	\$ 13,200	\$ 15,000	\$ 17,500	\$ 19,000
Telephone	\$ 5,000	\$ 9,000	\$ 9,600	\$ 10,560	\$ 11,616
Travel & Entertainment	\$ 20,000	\$ 24,000	\$ 36,000	\$ 38,000	\$ 40,000
Utilities	\$ 1,800	\$ 1,320	\$ 1,500	\$ 2,625	\$ 2,850
URL (Server)	\$ 36,000	\$ 54,000	\$ 60,000	\$ 65,000	\$ 70,000
Vehicle Expense	\$ 10,500	\$ 12,000	\$ 16,500	\$ 20,000	\$ 20,000
Miscellaneous	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000
TOTAL EXPENSES	\$ 1,085,140	\$ 1,474,380	\$ 1,759,980	\$ 1,905,659	\$ 2,049,060
NET PROFIT	\$ (374,095)	\$ 465,537	\$ 941,481	\$ 1,921,760	\$ 2,501,687
TAX BURDEN	\$ -	\$ 18,179	\$ 269,246	\$ 576,528	\$ 750,506
PROFIT AFTER TAXES	\$ (374,095)	\$ 447,358	\$ 672,235	\$ 1,345,232	\$ 1,751,181

13.0 PRO FORMA CASH FLOW STATEMENT

Cash Flow Projections - Five Year Annual					
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Operating Activities					
Net Income (after taxes)	\$ (374,095)	\$ 447,358	\$ 672,235	\$ 1,345,232	\$ 1,751,181
Adjustments to Reconcile					
Depreciation & Amortization	\$ 30,830	\$ 36,996	\$ 36,996	\$ 36,996	\$ 36,996
Change In:					
Accounts Receivable	\$ -	\$ -	\$ -	\$ -	\$ -
Inventories	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Other	\$ -	\$ -	\$ -	\$ -	\$ -
Cash From Operating Activities	\$ (343,265)	\$ 484,354	\$ 709,231	\$ 1,382,228	\$ 1,788,177
Investing Activities					
Capital Expenditures*	\$ (185,000)	\$ -	\$ -	\$ -	\$ -
Other Non-Expensed Expenditures*	\$ -	\$ -	\$ -	\$ -	\$ -
Cash Used in Investing	\$ (185,000)	\$ -	\$ -	\$ -	\$ -
Financing Activities					
Equity Infusion (Launch)**	\$ 2,000,000	\$ -	\$ -	\$ (2,000,000)	\$ -
Issuance of Long term Debt	\$ -	\$ -	\$ -	\$ -	\$ -
Repayment of Long Term debt	\$ -	\$ -	\$ -	\$ -	\$ -
(Decrease)Increase in Short Term Debt	\$ (200,000)	\$ (200,000)	\$ (200,000)	\$ (360,000)	\$ -
Dividends Paid on Common Stock	\$ (200,000)	\$ -	\$ -	\$ -	\$ -
Repurchase of Common Stock	\$ -	\$ -	\$ -	\$ -	\$ -
Preferred Obligations	\$ -	\$ -	\$ -	\$ -	\$ -
Cash (Used In)From Financing	\$ 1,600,000	\$ (200,000)	\$ (200,000)	\$ (2,360,000)	\$ -
Net Increase (Decrease) in Cash	\$ 1,071,735	\$ 284,354	\$ 509,231	\$ (977,772)	\$ 1,788,177
Cash, Beginning of Year	\$ 1,000	\$ 1,072,735	\$ 1,357,089	\$ 1,866,320	\$ 888,548
Cash , End of Year	\$ 1,072,735	\$ 1,357,089	\$ 1,866,320	\$ 888,548	\$ 2,676,725

Appendix 14.1 12-Month Revenue Projections

Revenue Forecast for Year One													
Revenue Stream	MTH 1	MTH 2	MTH 3	MTH 4	MTH 5	MTH 6	MTH 7	MTH 8	MTH 9	MTH 10	MTH 11	MTH 12	Totals
Direct Marketing Areas (DMA)	0	0	0	25	50	75	100	150	200	210	210	210	210
New Businesses	0	0	0	625	625	625	625	1,250	1,250	250	0	0	5,250
Total Businesses	0	0	0	625	1,250	1,875	2,500	3,750	5,000	5,250	5,250	5,250	5,250
"Coupons" Per Business	0	0	0	625	1,250	1,875	2,500	3,750	5,000	5,250	5,250	5,250	5,250
Revenue													Totals
Coupon	\$ -	\$ -	\$ -	\$ 15,625	\$ 31,250	\$ 46,875	\$ 62,500	\$ 93,750	\$ 125,000	\$ 131,250	\$ 131,250	\$ 131,250	\$ 768,750
Priority Position	\$ -	\$ -	\$ -	\$ 5,000	\$ 10,000	\$ 15,000	\$ 20,000	\$ 30,000	\$ 40,000	\$ 42,000	\$ 42,000	\$ 42,000	\$ 246,000
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue	\$ -	\$ -	\$ -	\$ 20,625	\$ 41,250	\$ 61,875	\$ 82,500	\$ 123,750	\$ 165,000	\$ 173,250	\$ 173,250	\$ 173,250	\$ 1,014,750
Direct Costs													
Enrollment Fee	\$ -	\$ -	\$ -	\$ 15,625	\$ 15,625	\$ 15,625	\$ 15,625	\$ 31,250	\$ 31,250	\$ 6,250	\$ -	\$ -	\$ 131,250
Commission	\$ -	\$ -	\$ -	\$ -	\$ 2,344	\$ 4,688	\$ 7,031	\$ 9,375	\$ 14,063	\$ 18,750	\$ 19,688	\$ 19,688	\$ 95,627
Charitable Contribution	\$ -	\$ -	\$ -	\$ -	\$ 391	\$ 781	\$ 1,172	\$ 1,563	\$ 2,344	\$ 3,125	\$ 3,281	\$ 3,281	\$ 15,938
Total Direct Costs	\$ -	\$ -	\$ -	\$ 15,625	\$ 18,360	\$ 21,094	\$ 23,828	\$ 42,188	\$ 47,657	\$ 28,125	\$ 22,969	\$ 22,969	\$ 242,815
Allowances													
Promotional Allowances	\$ -	\$ -	\$ -	\$ 1,031	\$ 2,063	\$ 3,094	\$ 4,125	\$ 6,188	\$ 8,250	\$ 8,663	\$ 8,663	\$ 8,663	\$ 50,740
Bad Debt	\$ -	\$ -	\$ -	\$ 206	\$ 413	\$ 619	\$ 825	\$ 1,238	\$ 1,650	\$ 1,733	\$ 1,733	\$ 1,733	\$ 10,150
Total Allowances & Bad Debt	\$ -	\$ -	\$ -	\$ 1,237	\$ 2,476	\$ 3,713	\$ 4,950	\$ 7,426	\$ 9,900	\$ 10,396	\$ 10,396	\$ 10,396	\$ 60,890
Gross Profit	\$ -	\$ -	\$ -	\$ 3,763	\$ 20,414	\$ 37,068	\$ 53,722	\$ 74,136	\$ 107,443	\$ 134,729	\$ 139,885	\$ 139,885	\$ 711,045

Revenue Forecast for Year Two

Revenue Stream	MTH 1	MTH 2	MTH 3	MTH 4	MTH 5	MTH 6	MTH 7	MTH 8	MTH 9	MTH 10	MTH 11	MTH 12	Totals
Direct Marketing Areas (DMA)	210	210	210	210	210	210	210	210	210	210	210	210	210
New Businesses	210	210	210	210	210	210	210	210	210	210	210	210	2,520
Total Businesses	5,460	5,670	5,880	6,090	6,300	6,510	6,720	6,930	7,140	7,350	7,560	7,770	7,770
"Coupons" Per Business	5,460	5,670	5,880	6,090	6,300	6,510	6,720	6,930	7,140	7,350	7,560	7,770	7,770
Revenue													Totals
Coupon	\$ 136,500	\$ 141,750	\$ 147,000	\$ 152,250	\$ 157,500	\$ 162,750	\$ 168,000	\$ 173,250	\$ 178,500	\$ 183,750	\$ 189,000	\$ 194,250	\$ 1,984,500
Priority Position	\$ 42,000	\$ 42,000	\$ 42,000	\$ 42,000	\$ 42,000	\$ 42,000	\$ 42,000	\$ 42,000	\$ 42,000	\$ 42,000	\$ 42,000	\$ 42,000	\$ 504,000
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue	\$ 178,500	\$ 183,750	\$ 189,000	\$ 194,250	\$ 199,500	\$ 204,750	\$ 210,000	\$ 215,250	\$ 220,500	\$ 225,750	\$ 231,000	\$ 236,250	\$ 2,488,500
Direct Costs													
Enrollment Fee	\$ 5,250	\$ 5,250	\$ 5,250	\$ 5,250	\$ 5,250	\$ 5,250	\$ 5,250	\$ 5,250	\$ 5,250	\$ 5,250	\$ 5,250	\$ 5,250	\$ 63,000
Commission	\$ 19,688	\$ 20,475	\$ 21,263	\$ 22,050	\$ 22,838	\$ 23,625	\$ 24,413	\$ 25,200	\$ 25,988	\$ 26,775	\$ 27,563	\$ 28,350	\$ 288,228
Charitable Contribution	\$ 3,281	\$ 3,413	\$ 3,544	\$ 3,675	\$ 3,806	\$ 3,938	\$ 4,069	\$ 4,200	\$ 4,331	\$ 4,463	\$ 4,594	\$ 4,725	\$ 48,039
Total Direct Costs	\$ 28,219	\$ 29,138	\$ 30,057	\$ 30,975	\$ 31,894	\$ 32,813	\$ 33,732	\$ 34,650	\$ 35,569	\$ 36,488	\$ 37,407	\$ 38,325	\$ 399,267
Allowances													
Promotional Allowances	\$ 8,925	\$ 9,188	\$ 9,450	\$ 9,713	\$ 9,975	\$ 10,238	\$ 10,500	\$ 10,763	\$ 11,025	\$ 11,288	\$ 11,550	\$ 11,813	\$ 124,428
Bad Debt	\$ 1,785	\$ 1,838	\$ 1,890	\$ 1,943	\$ 1,995	\$ 2,048	\$ 2,100	\$ 2,153	\$ 2,205	\$ 2,258	\$ 2,310	\$ 2,363	\$ 24,888
Total Allowances & Bad Debt	\$ 10,710	\$ 11,026	\$ 11,340	\$ 11,656	\$ 11,970	\$ 12,286	\$ 12,600	\$ 12,916	\$ 13,230	\$ 13,546	\$ 13,860	\$ 14,176	\$ 149,316
Gross Profit	\$ 139,571	\$ 143,586	\$ 147,603	\$ 151,619	\$ 155,636	\$ 159,651	\$ 163,668	\$ 167,684	\$ 171,701	\$ 175,716	\$ 179,733	\$ 183,749	\$ 1,939,917

Revenue Forecast for Year Three

Revenue Stream	MTH 1	MTH 2	MTH 3	MTH 4	MTH 5	MTH 6	MTH 7	MTH 8	MTH 9	MTH 10	MTH 11	MTH 12	Totals
Direct Marketing Areas (DMA)	210	210	210	210	210	210	210	210	210	210	210	210	210
New Businesses	158	158	158	158	158	158	158	158	158	158	158	158	1,896
Total Businesses	7,928	8,086	8,244	8,402	8,560	8,718	8,876	9,034	9,192	9,350	9,508	9,666	9,666
"Coupons" Per Business	7,928	8,086	8,244	8,402	8,560	8,718	8,876	9,034	9,192	9,350	9,508	9,666	9,666
Revenue													Totals
Coupon	\$ 198,200	\$ 202,150	\$ 206,100	\$ 210,050	\$ 214,000	\$ 217,950	\$ 221,900	\$ 225,850	\$ 229,800	\$ 233,750	\$ 237,700	\$ 241,650	\$ 2,639,100
Priority Position	\$ 63,000	\$ 63,000	\$ 63,000	\$ 63,000	\$ 63,000	\$ 63,000	\$ 63,000	\$ 63,000	\$ 63,000	\$ 63,000	\$ 63,000	\$ 63,000	\$ 756,000
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue	\$ 261,200	\$ 265,150	\$ 269,100	\$ 273,050	\$ 277,000	\$ 280,950	\$ 284,900	\$ 288,850	\$ 292,800	\$ 296,750	\$ 300,700	\$ 304,650	\$ 3,395,100
Direct Costs													
Enrollment Fee	\$ 3,950	\$ 3,950	\$ 3,950	\$ 3,950	\$ 3,950	\$ 3,950	\$ 3,950	\$ 3,950	\$ 3,950	\$ 3,950	\$ 3,950	\$ 3,950	\$ 47,400
Commission	\$ 19,688	\$ 29,730	\$ 30,323	\$ 30,915	\$ 31,508	\$ 32,100	\$ 32,693	\$ 33,285	\$ 33,878	\$ 34,470	\$ 35,063	\$ 35,655	\$ 379,308
Charitable Contribution	\$ 3,281	\$ 4,955	\$ 5,054	\$ 5,153	\$ 5,251	\$ 5,350	\$ 5,449	\$ 5,548	\$ 5,646	\$ 5,745	\$ 5,844	\$ 5,943	\$ 63,219
Total Direct Costs	\$ 26,919	\$ 38,635	\$ 39,327	\$ 40,018	\$ 40,709	\$ 41,400	\$ 42,092	\$ 42,783	\$ 43,474	\$ 44,165	\$ 44,857	\$ 45,548	\$ 489,927
Allowances													
Promotional Allowances	\$ 13,060	\$ 13,258	\$ 13,455	\$ 13,653	\$ 13,850	\$ 14,048	\$ 14,245	\$ 14,443	\$ 14,640	\$ 14,838	\$ 15,035	\$ 15,233	\$ 169,758
Bad Debt	\$ 2,612	\$ 2,652	\$ 2,691	\$ 2,731	\$ 2,770	\$ 2,810	\$ 2,849	\$ 2,889	\$ 2,928	\$ 2,968	\$ 3,007	\$ 3,047	\$ 33,954
Total Allowances & Bad Debt	\$ 15,672	\$ 15,910	\$ 16,146	\$ 16,384	\$ 16,620	\$ 16,858	\$ 17,094	\$ 17,332	\$ 17,568	\$ 17,806	\$ 18,042	\$ 18,280	\$ 203,712
Gross Profit	\$ 218,609	\$ 210,605	\$ 213,627	\$ 216,648	\$ 219,671	\$ 222,692	\$ 225,714	\$ 228,735	\$ 231,758	\$ 234,779	\$ 237,801	\$ 240,822	\$ 2,701,461

Appendix 14.2 12-Month Staffing and Payroll Projections

Staffing and Payroll													
YEAR 1													
Position	MTH 1	MTH 2	MTH 3	MTH 4	MTH 5	MTH 6	MTH 7	MTH 8	MTH 9	MTH 10	MTH 11	MTH 12	TOTAL
CEO	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 96,000
CTO	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 96,000
VP-Business Development	\$ -	\$ -	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 50,000
Others	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Payroll	\$ 16,000	\$ 16,000	\$ 21,000	\$ 21,000	\$ 21,000	\$ 21,000	\$ 21,000	\$ 21,000	\$ 21,000	\$ 21,000	\$ 21,000	\$ 21,000	\$ 242,000
YEAR 2													
Position	MTH 1	MTH 2	MTH 3	MTH 4	MTH 5	MTH 6	MTH 7	MTH 8	MTH 9	MTH 10	MTH 11	MTH 12	TOTAL
CEO	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 120,000
CTO	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 120,000
VP-Business Development	\$ 5,250	\$ 5,250	\$ 5,250	\$ 5,250	\$ 5,250	\$ 5,250	\$ 5,250	\$ 5,250	\$ 5,250	\$ 5,250	\$ 5,250	\$ 5,250	\$ 63,000
Others	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 90,000
Total Payroll	\$ 32,750	\$ 32,750	\$ 32,750	\$ 32,750	\$ 32,750	\$ 32,750	\$ 32,750	\$ 32,750	\$ 32,750	\$ 32,750	\$ 32,750	\$ 32,750	\$ 393,000
YEAR 3													
Position	MTH 1	MTH 2	MTH 3	MTH 4	MTH 5	MTH 6	MTH 7	MTH 8	MTH 9	MTH 10	MTH 11	MTH 12	TOTAL
CEO	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 150,000
CTO	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 150,000
VP-Business Development	\$ 5,775	\$ 5,775	\$ 5,775	\$ 5,775	\$ 5,775	\$ 5,775	\$ 5,775	\$ 5,775	\$ 5,775	\$ 5,775	\$ 5,775	\$ 5,775	\$ 69,300
Others	\$ 15,375	\$ 15,375	\$ 15,375	\$ 15,375	\$ 15,375	\$ 15,375	\$ 19,125	\$ 19,125	\$ 19,125	\$ 19,125	\$ 19,125	\$ 19,125	\$ 207,000
Total Payroll	\$ 46,150	\$ 46,150	\$ 46,150	\$ 46,150	\$ 46,150	\$ 46,150	\$ 49,900	\$ 49,900	\$ 49,900	\$ 49,900	\$ 49,900	\$ 49,900	\$ 576,300

Appendix 14.3 12-Month Profit and Loss Projections

Profit and Loss Projections for Year 1													
	MTH 1	MTH 2	MTH 3	MTH 4	MTH 5	MTH 6	MTH 7	MTH 8	MTH 9	MTH 10	MTH 11	MTH 12	TOTAL
REVENUE	\$ -	\$ -	\$ -	\$ 20,625	\$ 41,250	\$ 61,875	\$ 82,500	\$ 123,750	\$ 165,000	\$ 173,250	\$ 173,250	\$ 173,250	\$ 1,014,750
DIRECT COST	\$ -	\$ -	\$ -	\$ 15,625	\$ 18,360	\$ 21,094	\$ 23,828	\$ 42,188	\$ 47,657	\$ 28,125	\$ 22,969	\$ 22,969	\$ 242,815
ALLOWANCES	\$ -	\$ -	\$ -	\$ 1,237	\$ 2,476	\$ 3,713	\$ 4,950	\$ 7,426	\$ 9,900	\$ 10,396	\$ 10,396	\$ 10,396	\$ 60,890
GROSS PROFIT	\$ -	\$ -	\$ -	\$ 3,763	\$ 20,414	\$ 37,068	\$ 53,722	\$ 74,136	\$ 107,443	\$ 134,729	\$ 139,885	\$ 139,885	\$ 711,045
EXPENSES													
Payroll	\$ 16,000	\$ 16,000	\$ 21,000	\$ 21,000	\$ 21,000	\$ 21,000	\$ 21,000	\$ 21,000	\$ 21,000	\$ 21,000	\$ 21,000	\$ 21,000	\$ 242,000
Payroll Burden (18%)	\$ 2,880	\$ 2,880	\$ 3,780	\$ 3,780	\$ 3,780	\$ 3,780	\$ 3,780	\$ 3,780	\$ 3,780	\$ 3,780	\$ 3,780	\$ 3,780	\$ 43,560
Advertising/Marketing	\$ -	\$ -	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 500,000
Bank/Credit Card Fees	\$ -	\$ -	\$ -	\$ 206	\$ 413	\$ 619	\$ 825	\$ 1,238	\$ 1,650	\$ 1,733	\$ 1,733	\$ 1,733	\$ 10,150
Depreciation	\$ -	\$ -	\$ 3,083	\$ 3,083	\$ 3,083	\$ 3,083	\$ 3,083	\$ 3,083	\$ 3,083	\$ 3,083	\$ 3,083	\$ 3,083	\$ 30,830
Equipment Rental-Office	\$ -	\$ -	\$ -	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 9,000
Insurance-General	\$ -	\$ -	\$ -	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 9,000
Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Outside Services-Consultants	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 60,000
Outside Services-Graphic Artist	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Outside Service-Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Postage & Supplies	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 500	\$ 500	\$ 500	\$ 3,300
Professional Fees-Acct.-CFO	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 24,000
Professional Fees-Atty.	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 6,000
Public Relations	\$ -	\$ -	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 50,000
Rent	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 12,000
Telephone	\$ 250	\$ 250	\$ 250	\$ 250	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 5,000
Travel & Entertainment	\$ -	\$ -	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 20,000
Utilities	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 1,800
URL(Server Host/Management)	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 36,000
Vehicle Expense	\$ 500	\$ 500	\$ 500	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 10,500
Miscellaneous	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 12,000
TOTAL EXPENSES	\$ 32,480	\$ 32,480	\$ 98,463	\$ 101,169	\$ 101,626	\$ 101,832	\$ 102,038	\$ 102,451	\$ 102,863	\$ 103,246	\$ 103,246	\$ 103,246	\$ 1,085,140
													\$ -
NET PROFIT	\$ (32,480)	\$ (32,480)	\$ (98,463)	\$ (97,406)	\$ (81,212)	\$ (64,764)	\$ (48,316)	\$ (28,315)	\$ 4,580	\$ 31,483	\$ 36,639	\$ 36,639	\$ (374,095)
TAX BURDEN	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PROFIT AFTER TAXES	\$ (32,480)	\$ (32,480)	\$ (98,463)	\$ (97,406)	\$ (81,212)	\$ (64,764)	\$ (48,316)	\$ (28,315)	\$ 4,580	\$ 31,483	\$ 36,639	\$ 36,639	\$ (374,095)

Profit and Loss Projections for Year 2

	MTH 1	MTH 2	MTH 3	MTH 4	MTH 5	MTH 6	MTH 7	MTH 8	MTH 9	MTH 10	MTH 11	MTH 12	TOTAL
REVENUE	\$ 178,500	\$ 183,750	\$ 189,000	\$ 194,250	\$ 199,500	\$ 204,750	\$ 210,000	\$ 215,250	\$ 220,500	\$ 225,750	\$ 231,000	\$ 236,250	\$ 2,488,500
DIRECT COST	\$ 28,219	\$ 29,138	\$ 30,057	\$ 30,975	\$ 31,894	\$ 32,813	\$ 33,732	\$ 34,650	\$ 35,569	\$ 36,488	\$ 37,407	\$ 38,325	\$ 399,267
ALLOWANCES	\$ 10,710	\$ 11,026	\$ 11,340	\$ 11,656	\$ 11,970	\$ 12,286	\$ 12,600	\$ 12,916	\$ 13,230	\$ 13,546	\$ 13,860	\$ 14,176	\$ 149,316
GROSS PROFIT	\$ 139,571	\$ 143,586	\$ 147,603	\$ 151,619	\$ 155,636	\$ 159,651	\$ 163,668	\$ 167,684	\$ 171,701	\$ 175,716	\$ 179,733	\$ 183,749	\$ 1,939,917
EXPENSES													
Payroll	\$ 32,750	\$ 32,750	\$ 32,750	\$ 32,750	\$ 32,750	\$ 32,750	\$ 32,750	\$ 32,750	\$ 32,750	\$ 32,750	\$ 32,750	\$ 32,750	\$ 393,000
Payroll Burden (29%)	\$ 9,498	\$ 9,498	\$ 9,498	\$ 9,498	\$ 9,498	\$ 9,498	\$ 9,498	\$ 9,498	\$ 9,498	\$ 9,498	\$ 9,498	\$ 9,498	\$ 113,976
Advertising/Marketing	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 600,000
Bank/Credit Card Fees	\$ 1,785	\$ 1,838	\$ 1,890	\$ 1,943	\$ 1,995	\$ 2,048	\$ 2,100	\$ 2,153	\$ 2,205	\$ 2,258	\$ 2,310	\$ 2,363	\$ 24,888
Depreciation	\$ 3,083	\$ 3,083	\$ 3,083	\$ 3,083	\$ 3,083	\$ 3,083	\$ 3,083	\$ 3,083	\$ 3,083	\$ 3,083	\$ 3,083	\$ 3,083	\$ 36,996
Equipment Rental-Office	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 12,000
Insurance-General	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 12,000
Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Outside Services-Consultants	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 60,000
Outside Services-Graphic Artist	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Outside Service-Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Postage & Supplies	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 6,000
Professional Fees-Acct.-CFO	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 24,000
Professional Fees-Atty.	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 6,000
Public Relations	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 60,000
Rent	\$ 1,100	\$ 1,100	\$ 1,100	\$ 1,100	\$ 1,100	\$ 1,100	\$ 1,100	\$ 1,100	\$ 1,100	\$ 1,100	\$ 1,100	\$ 1,100	\$ 13,200
Telephone	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 9,000
Travel & Entertainment	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 24,000
Utilities	\$ 110	\$ 110	\$ 110	\$ 110	\$ 110	\$ 110	\$ 110	\$ 110	\$ 110	\$ 110	\$ 110	\$ 110	\$ 1,320
URL(Server Host/Management)	\$ 4,500	\$ 4,500	\$ 4,500	\$ 4,500	\$ 4,500	\$ 4,500	\$ 4,500	\$ 4,500	\$ 4,500	\$ 4,500	\$ 4,500	\$ 4,500	\$ 54,000
Vehicle Expense	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 12,000
Miscellaneous	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 12,000
TOTAL EXPENSES	\$ 122,576	\$ 122,629	\$ 122,681	\$ 122,734	\$ 122,786	\$ 122,839	\$ 122,891	\$ 122,944	\$ 122,996	\$ 123,049	\$ 123,101	\$ 123,154	\$ 1,474,380
													\$ -
NET PROFIT	\$ 16,995	\$ 20,957	\$ 24,922	\$ 28,885	\$ 32,850	\$ 36,812	\$ 40,777	\$ 44,740	\$ 48,705	\$ 52,667	\$ 56,632	\$ 60,595	\$ 465,537
TAX BURDEN	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,179
PROFIT AFTER TAXES	\$ 16,995	\$ 20,957	\$ 24,922	\$ 28,885	\$ 32,850	\$ 36,812	\$ 40,777	\$ 44,740	\$ 48,705	\$ 52,667	\$ 56,632	\$ 42,416	\$ 447,358

Profit and Loss Projections for Year 3

	MTH 1	MTH 2	MTH 3	MTH 4	MTH 5	MTH 6	MTH 7	MTH 8	MTH 9	MTH 10	MTH 11	MTH 12	TOTAL
REVENUE	\$ 261,200	\$ 265,150	\$ 269,100	\$ 273,050	\$ 277,000	\$ 280,950	\$ 284,900	\$ 288,850	\$ 292,800	\$ 296,750	\$ 300,700	\$ 304,650	\$ 3,395,100
DIRECT COST	\$ 26,919	\$ 38,635	\$ 39,327	\$ 40,018	\$ 40,709	\$ 41,400	\$ 42,092	\$ 42,783	\$ 43,474	\$ 44,165	\$ 44,857	\$ 45,548	\$ 489,927
ALLOWANCES	\$ 15,672	\$ 15,910	\$ 16,146	\$ 16,384	\$ 16,620	\$ 16,858	\$ 17,094	\$ 17,332	\$ 17,568	\$ 17,806	\$ 18,042	\$ 18,280	\$ 203,712
GROSS PROFIT	\$ 218,609	\$ 210,605	\$ 213,627	\$ 216,648	\$ 219,671	\$ 222,692	\$ 225,714	\$ 228,735	\$ 231,758	\$ 234,779	\$ 237,801	\$ 240,822	\$ 2,701,461
EXPENSES													
Payroll	\$ 46,150	\$ 46,150	\$ 46,150	\$ 46,150	\$ 46,150	\$ 46,150	\$ 49,900	\$ 49,900	\$ 49,900	\$ 49,900	\$ 49,900	\$ 49,900	\$ 576,300
Payroll Burden (29%)	\$ 13,384	\$ 13,384	\$ 13,384	\$ 13,384	\$ 13,384	\$ 13,384	\$ 14,471	\$ 14,471	\$ 14,471	\$ 14,471	\$ 14,471	\$ 14,471	\$ 167,130
Advertising/Marketing	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 600,000
Bank/Credit Card Fees	\$ 2,612	\$ 2,652	\$ 2,691	\$ 2,731	\$ 2,770	\$ 2,810	\$ 2,849	\$ 2,889	\$ 2,928	\$ 2,968	\$ 3,007	\$ 3,047	\$ 33,954
Depreciation	\$ 3,083	\$ 3,083	\$ 3,083	\$ 3,083	\$ 3,083	\$ 3,083	\$ 3,083	\$ 3,083	\$ 3,083	\$ 3,083	\$ 3,083	\$ 3,083	\$ 36,996
Equipment Rental-Office	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 12,000
Insurance-General	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 15,000
Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Outside Services-Consultants	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 60,000
Outside Services-Graphic Artist	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Outside Service-Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Postage & Supplies	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 9,000
Professional Fees-Acct.-CFO	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 30,000
Professional Fees-Atty.	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 9,000
Public Relations	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 60,000
Rent	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 15,000
Telephone	\$ 800	\$ 800	\$ 800	\$ 800	\$ 800	\$ 800	\$ 800	\$ 800	\$ 800	\$ 800	\$ 800	\$ 800	\$ 9,600
Travel & Entertainment	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 36,000
Utilities	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 1,500
URL(Server Host/Management)	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 60,000
Vehicle Expense	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,000	\$ 1,000	\$ 1,000	\$ 16,500
Miscellaneous	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 12,000
TOTAL EXPENSES	\$ 144,154	\$ 144,194	\$ 144,233	\$ 144,273	\$ 144,312	\$ 144,352	\$ 149,228	\$ 149,268	\$ 149,307	\$ 148,847	\$ 148,886	\$ 148,926	\$ 1,759,980
													\$ -
NET PROFIT	\$ 74,455	\$ 66,411	\$ 69,394	\$ 72,375	\$ 75,359	\$ 78,340	\$ 76,486	\$ 79,467	\$ 82,451	\$ 85,932	\$ 88,915	\$ 91,896	\$ 941,481
TAX BURDEN	\$ 9,137	\$ 19,923	\$ 20,818	\$ 21,713	\$ 22,608	\$ 23,502	\$ 22,946	\$ 23,840	\$ 24,735	\$ 25,780	\$ 26,675	\$ 27,569	\$ 269,246
PROFIT AFTER TAXES	\$ 65,318	\$ 46,488	\$ 48,576	\$ 50,662	\$ 52,751	\$ 54,838	\$ 53,540	\$ 55,627	\$ 57,716	\$ 60,152	\$ 62,240	\$ 64,327	\$ 672,235

Appendix 14.4 12-Month Cash Flow Statements

Cash Flow Projections for Year One													
	MTH 1	MTH 2	MTH 3	MTH 4	MTH 5	MTH 6	MTH 7	MTH 8	MTH 9	MTH 10	MTH 11	MTH 12	TOTAL
Operating Activities													
Net Income (after taxes)^	\$ (32,480)	\$ (32,480)	\$ (98,463)	\$ (97,406)	\$ (81,212)	\$ (64,764)	\$ (48,316)	\$ (28,315)	\$ 4,580	\$ 31,483	\$ 36,639	\$ 36,639	\$ (374,095)
Adjustments to Reconcile													
Depreciation & Amortization	\$ -	\$ -	\$ 3,083	\$ 3,083	\$ 3,083	\$ 3,083	\$ 3,083	\$ 3,083	\$ 3,083	\$ 3,083	\$ 3,083	\$ 3,083	\$ 30,830
Change In:													
Accounts Receivable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Inventories	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash From Operating Activities	\$ (32,480)	\$ (32,480)	\$ (95,380)	\$ (94,323)	\$ (78,129)	\$ (61,681)	\$ (45,233)	\$ (25,232)	\$ 7,663	\$ 34,566	\$ 39,722	\$ 39,722	\$ (343,265)
Investing Activities													
Capital Expenditures*	\$ (185,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (185,000)
Other Non-Expensed Expenditures**	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash Used in Investing	\$ (185,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (185,000)
Financing Activities													
Equity Infusion	\$ 2,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,000,000
Inc./(Dec.) in Long term Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Inc./(Dec.) in Short Term Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(Dividends/Preferred Obligations Paid)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (200,000)	\$ (200,000)
(Cost of Capital)	\$ (200,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (200,000)
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash (Used In)From Financing	\$ 1,800,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (200,000)	\$ 1,600,000
Increase (Decrease) in Cash	\$ 1,582,520	\$ (32,480)	\$ (95,380)	\$ (94,323)	\$ (78,129)	\$ (61,681)	\$ (45,233)	\$ (25,232)	\$ 7,663	\$ 34,566	\$ 39,722	\$ (160,278)	\$ 1,071,735
Cash, Beginning of Month	\$ 1,000	\$ 1,583,520	\$ 1,551,040	\$ 1,455,660	\$ 1,361,337	\$ 1,283,208	\$ 1,221,527	\$ 1,176,294	\$ 1,151,062	\$ 1,158,725	\$ 1,193,291	\$ 1,233,013	\$ 1,000
Cash, End of Month	\$ 1,583,520	\$ 1,551,040	\$ 1,455,660	\$ 1,361,337	\$ 1,283,208	\$ 1,221,527	\$ 1,176,294	\$ 1,151,062	\$ 1,158,725	\$ 1,193,291	\$ 1,233,013	\$ 1,072,735	\$ 1,072,735

*From Source and Use of Funds

Cash Flow Projections for Year Two													
	MTH 1	MTH 2	MTH 3	MTH 4	MTH 5	MTH 6	MTH 7	MTH 8	MTH 9	MTH 10	MTH 11	MTH 12	TOTAL
Operating Activities													
Net Income (after taxes)	\$ 16,995	\$ 20,957	\$ 24,922	\$ 28,885	\$ 32,850	\$ 36,812	\$ 40,777	\$ 44,740	\$ 48,705	\$ 52,667	\$ 56,632	\$ 42,416	\$ 447,358
Adjustments to Reconcile													
Depreciation & Amortization	\$ 3,083	\$ 3,083	\$ 3,083	\$ 3,083	\$ 3,083	\$ 3,083	\$ 3,083	\$ 3,083	\$ 3,083	\$ 3,083	\$ 3,083	\$ 3,083	\$ 36,996
Change In:													
Accounts Receivable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Inventories	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash From Operating Activities	\$ 20,078	\$ 24,040	\$ 28,005	\$ 31,968	\$ 35,933	\$ 39,895	\$ 43,860	\$ 47,823	\$ 51,788	\$ 55,750	\$ 59,715	\$ 45,499	\$ 484,354
Investing Activities													
Capital Expenditures*	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Non-Expensed Expenditures**	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash Used in Investing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Financing Activities													
Equity Infusion	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Inc./(Dec.) in Long term Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Inc./(Dec.) in Short Term Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(Dividends/Preferred Obligations Paid)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (200,000)	\$ (200,000)
(Cost of Capital)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash (Used In)From Financing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (200,000)	\$ (200,000)
Increase (Decrease) in Cash	\$ 20,078	\$ 24,040	\$ 28,005	\$ 31,968	\$ 35,933	\$ 39,895	\$ 43,860	\$ 47,823	\$ 51,788	\$ 55,750	\$ 59,715	\$ (154,501)	\$ 284,354
Cash, Beginning of Month	\$ 1,072,735	\$ 1,092,813	\$ 1,116,853	\$ 1,144,858	\$ 1,176,826	\$ 1,212,759	\$ 1,252,654	\$ 1,296,514	\$ 1,344,337	\$ 1,396,125	\$ 1,451,875	\$ 1,511,590	\$ 1,072,735
Cash, End of Month	\$ 1,092,813	\$ 1,116,853	\$ 1,144,858	\$ 1,176,826	\$ 1,212,759	\$ 1,252,654	\$ 1,296,514	\$ 1,344,337	\$ 1,396,125	\$ 1,451,875	\$ 1,511,590	\$ 1,357,089	\$ 1,357,089

Cash Flow Projections for Year Three

	MTH 1	MTH 2	MTH 3	MTH 4	MTH 5	MTH 6	MTH 7	MTH 8	MTH 9	MTH 10	MTH 11	MTH 12	TOTAL
Operating Activities													
Net Income (after taxes)	\$ 65,318	\$ 46,488	\$ 48,576	\$ 50,662	\$ 52,751	\$ 54,838	\$ 53,540	\$ 55,627	\$ 57,716	\$ 60,152	\$ 62,240	\$ 64,327	\$ 672,235
Adjustments to Reconcile													
Depreciation & Amortization	\$ 3,083	\$ 3,083	\$ 3,083	\$ 3,083	\$ 3,083	\$ 3,083	\$ 3,083	\$ 3,083	\$ 3,083	\$ 3,083	\$ 3,083	\$ 3,083	\$ 36,996
Change In:													
Accounts Receivable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Inventories	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash From Operating Activities	\$ 68,401	\$ 49,571	\$ 51,659	\$ 53,745	\$ 55,834	\$ 57,921	\$ 56,623	\$ 58,710	\$ 60,799	\$ 63,235	\$ 65,323	\$ 67,410	\$ 709,231
Investing Activities													
Capital Expenditures*	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Non-Expensed Expenditures**	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash Used in Investing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Financing Activities													
Equity Infusion	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Inc./(Dec.) in Long term Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Inc./(Dec.) in Short Term Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(Dividends/Preferred Obligations Paid)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (200,000)	\$ (200,000)
(Cost of Capital)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash (Used In)From Financing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (200,000)	\$ (200,000)
Increase (Decrease) in Cash	\$ 68,401	\$ 49,571	\$ 51,659	\$ 53,745	\$ 55,834	\$ 57,921	\$ 56,623	\$ 58,710	\$ 60,799	\$ 63,235	\$ 65,323	\$ (132,590)	\$ 509,231
Cash, Beginning of Month	\$ 1,357,089	\$ 1,425,490	\$ 1,475,061	\$ 1,526,720	\$ 1,580,465	\$ 1,636,299	\$ 1,694,220	\$ 1,750,843	\$ 1,809,553	\$ 1,870,352	\$ 1,933,587	\$ 1,998,910	\$ 1,357,089
Cash, End of Month	\$ 1,425,490	\$ 1,475,061	\$ 1,526,720	\$ 1,580,465	\$ 1,636,299	\$ 1,694,220	\$ 1,750,843	\$ 1,809,553	\$ 1,870,352	\$ 1,933,587	\$ 1,998,910	\$ 1,866,320	\$ 1,866,320

15.0 REFERENCES

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