



1.0 Executive Summary

Textfyre, Inc. was formed as a subchapter S corporation in 2007 by founder David Cornelson. The business is located in Geneva, IL and produces interactive fiction software for the middle-school and youth market. Interactive fiction combines learning with fun for children, while simultaneously developing reading and cognitive thinking skills.

Interactive fiction has been around since the late 1970s, but lost ground to video games in the mid to late 1980s. Despite the lack of commercial success in recent years, interactive fiction has been sustained by enthusiasts who create and freely distribute their products. With the rise of the educational toy market and the strong youth demographic, Mr. Cornelson saw an opportunity to bring interactive fiction to the market.

Currently, only one competitor commercially sells interactive fiction, Malinche Entertainment. This company has five titles available and targets the adult market with genres including murder mystery, action adventure, and horror. Indirect competitors include video games, books, and other learning software. Textfyre intends to differentiate itself by targeting children between the ages of ten and fourteen, co-packaging their products with complementary products (chapter books, comic books, game cards, etc), with activity books and lesson plans, while distributing their products through licensing agreements to school systems as well as selling directly to the public via online sales and brick and mortar sales via Barnes & Noble, Borders, and Wal-Mart.

Textfyre has chosen two primary targets to market its products – parents and children 10-14 years old and public and educational institutions. Parents will appreciate the educational aspect as well as its non-violent content. Children ages eight to fourteen are in a developmental stage where reading and computers are appealing and necessary for school. Textfyre believes that its entertaining, non-traditional format will be welcomed by both parents and children alike. As a result of this appeal, the nearly 120,000 public and school libraries will be interested in carrying Textfyre's products. Casual gamers and interactive fiction hobbyists nostalgic for Infocom will be secondary targets.

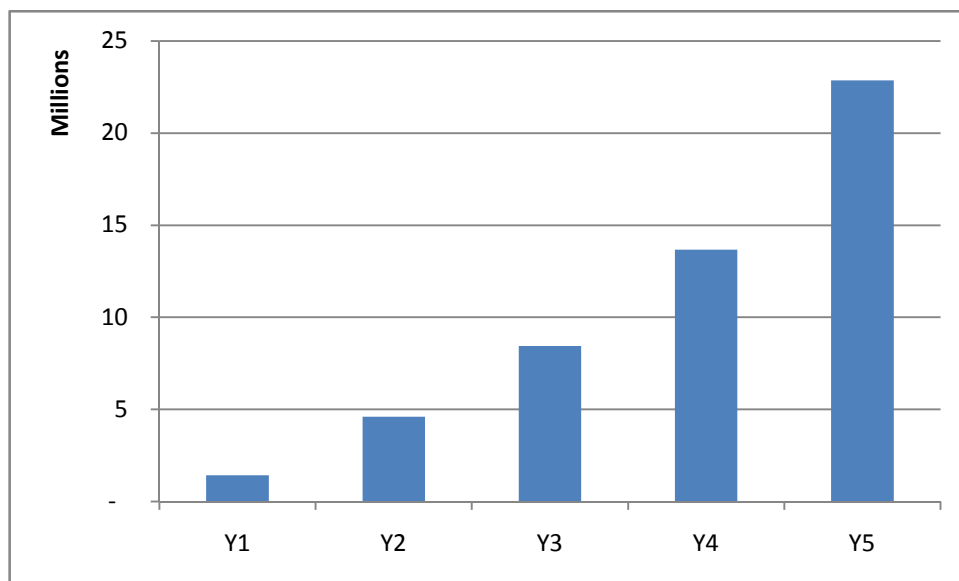
To reach these markets, Textfyre has developed a roll-out strategy for measured growth. It will first focus on online distribution from its own website before moving to other online retailers as

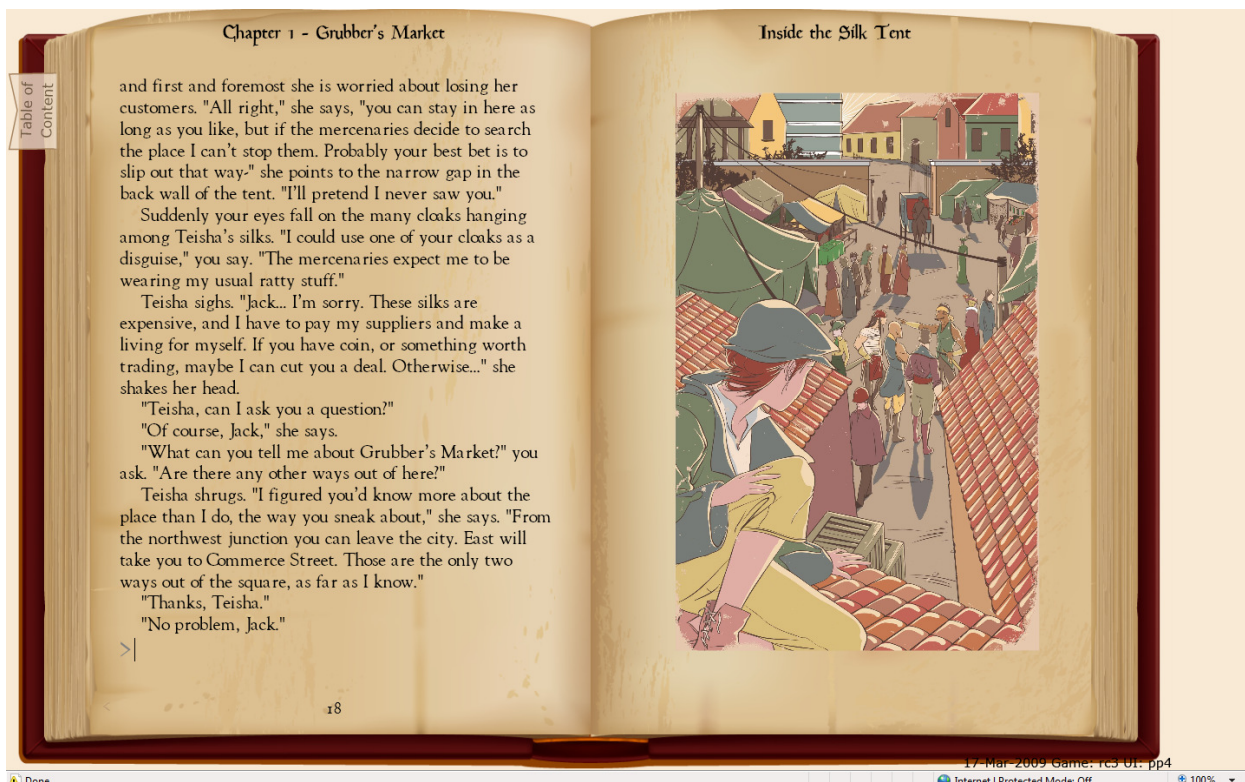
the games gain traction. The company will also seek out retailers, like Wal-Mart, Barnes & Noble and Borders, to sell its software games in their “young reader” sections. Textfyre will aggressively market and redevelop its content for institutional sales by partnering with companies like Pearson, Scholastic, and Follett. Building awareness will be employed through a mix of online advertising and tradeshow attendance.

Textfyre is managed by its founder, David Cornelson. Mr. Cornelson oversees all aspects of the company, especially its game development contractors. Upon launch, Textfyre will be working with advisors to locate a full-time CEO to manage the business. Textfyre has assembled a team of writers, designers, and programmers to assist in game development. These team members are currently contractors, but integral roles will be hired as full-time employees starting in Q2 2009. Financial and sales/marketing professionals will also be sought to round out the management team. The company also has a well-rounded advisory board to assist Mr. Cornelson in strategy development and execution.

To date, Textfyre is near completion of its first and second interactive fiction products. Both products are in the testing phase and planning to be launched in mid 2009. The company plans an aggressive product launch schedule with additional titles published every month. Textfyre is also in negotiations with other prominent fantasy writers for new, branded games that complement their current and future offerings.

This launch strategy promises to be fruitful for the company, with revenues growing from \$1.4 million in 2009 to \$23 million in 2013 based on meeting institutional licensing targets. Profit margins remain strong due to the number of titles available and operational efficiencies.





Except of "Jack Toresal and The Secret Letter"