

Penny Tracker

Your Money—Managing Itself



Penny Tracker

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I. Executive Summary

Business Purpose

PennyTracker is an intelligent money management service that offers features not found in any other software package. Among other things, PennyTracker:

- Consolidates all of your bank accounts, credit cards, loans and other financial information into a secure online control panel;
- Reduces the time spent managing your money to approximately fifteen minutes a month;
- Automatically recognizes your transactions and places them in a budget category according to your preferences;
- Notifies you by email or by phone when you are approaching a limit in your budget.

With this revolutionary product and effective marketing strategies, PennyTracker will acquire 500,000 users within the first two years of operations, through paid subscriptions and partnerships. This user base will provide distribution channels for cross-selling other financial services, including mortgages, online stock trading, investment advice, market reports, life insurance, car insurance, homeowners' insurance, online bill payment, bi-weekly mortgage payment systems, retirement planning, and banking services.

PennyTracker will gain a solid reputation for being the most user-friendly and powerful money management solution on the market.

Market Opportunity

There are primarily two sources of competition for PennyTracker:

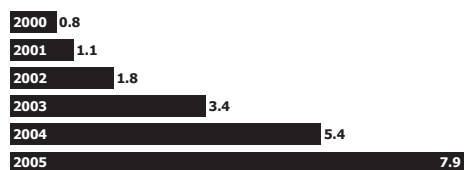
- **Installed money management software:** These so-called "guilt-based" software packages, such as Intuit Quicken™ and Microsoft Money™, only allow you to analyze your spending after the fact.
- **Account aggregation services:** Companies in the aggregation arena have not focused on what customers want most: aggregation of financial data. Current competitors, most notably Yodlee, only offer a basic view of users' account balances and transactions with no money management features.

By next year, one in four US Households will be banking online, and 5.4 million US consumers will be using aggregation services. PennyTracker stands poised to capitalize on this growing market by offering a product that is head and shoulders above the competition.

"Today's aggregation products ... are heavy on quantity and low on quality."

— Mark Bruno, Financial Analyst, Thomson Financial Inc.

US Consumers Using Account Aggregation Services, 2000-2005 (in millions)



Source: eMarketer, September 2002

Overall Strategy and Objectives

PennyTracker's growth plan is based on the following strategic objectives:

- **Offer a superior product:** No other product is as powerful or as user-friendly.
- **Appeal to Quicken and Money users:** 16 million US consumers renew their Quicken license every year. They will be willing to pay for a superior product.
- **Appeal to online banking customers:** These users are already familiar with the technology that makes PennyTracker possible, and are already using the Internet to help them manage their money.
- **Market co-branded versions of PennyTracker to financial institutions:** Banks will be highly motivated to increase customer retention and satisfaction by offering a best-of-breed product like PennyTracker.
- **Create distribution channels:** PennyTracker users will receive special offers on other financial services from the PennyTracker website.

Exit Strategy

PennyTracker will be sold within the first five years of operations. Several companies represent market segments that would benefit immensely from PennyTracker's superior technology and potential distribution channels:

- **Intuit:** The largest vendor of personal and business money management software.
- **Microsoft:** PennyTracker is an ideal fit with Microsoft's vision of being a leading innovator in the Internet era.
- **Yodlee:** The largest player in the account aggregation arena.
- **Banks:** PennyTracker is a boon for customer retention, and it projects a leading-edge image that banks are trying to achieve.
- More potential acquirers are listed on page 29.

Needed Resources and Projected Growth

PennyTracker requires sufficient capital to cover total expenses for the first two years of operations, along with initial startup costs, as follows:

Startup costs	\$64,600
Year 1 total expenses	\$2,330,333
Year 2 total expenses	\$3,495,500
Total Initial Investment	\$5,890,433

Total yearly revenue projections for the first 5 years are as follows:

Year 1	Year 2	Year 3	Year 4	Year 5
\$170,415	\$5,209,209	\$41,920,127	\$125,839,734	\$228,560,354

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US Households Banking Online, 2001-2006 (as a % of total US households)

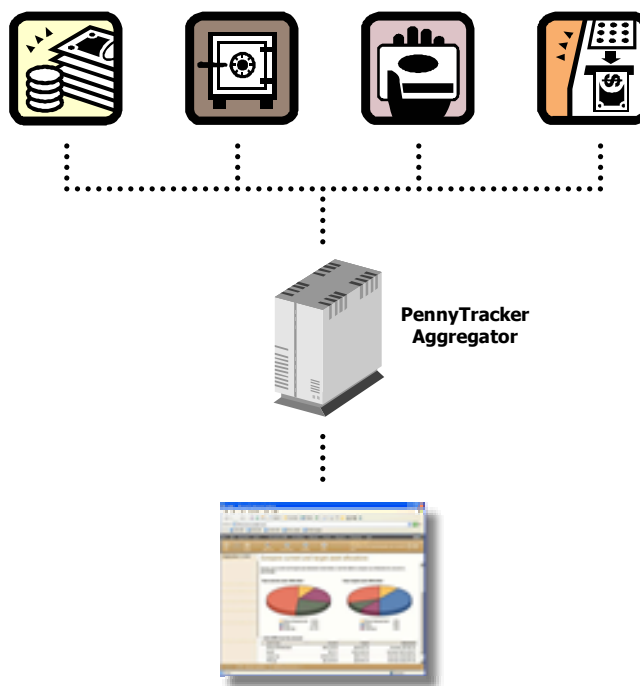
2001	16.1%
2002	19.7%
2003	23.1%
2004	26.1%
2005	30.4%
2006	33.4%

Note: Total US households based on US Census Bureau's 2000 figure of 105,480,101, with growth rates from US Census Bureau's 1996 projections

Source: Forrester Research, May 2002; various, as noted

II. Product Description

PennyTracker is a dramatic step forward in money management. By leveraging the power of account aggregation technology, PennyTracker reduces long and tedious budgeting sessions down to a few minutes per month. Not only does PennyTracker free you from manually typing in your transactions—it alerts you ahead of time to potential shortfalls in your finances and helps you keep within your personal budget limits. This unique strategy is called *Preventive Money Management*. No longer must you wait until the end of the month to “assess the damage” done to your budget and try to recoup. PennyTracker becomes an active partner in helping you achieve your financial goals.



PennyTracker retrieves your income, expenditures and balances from your online accounts and synthesizes them in a secure web-based control panel. Graphs and charts give you a bird's-eye view of your financial status, with up-to-the-minute information and tips to help you make decisions. All of the tools you need to effectively manage your finances are just a mouse-click away.

PennyTracker reduces long and tedious budgeting sessions down to a few minutes per month.

Upon activating your PennyTracker account, you will be guided through the process of setting up a personal budget. A standard set of income and expense categories is already provided for you, and custom categories can be added and removed at will. You can set monthly spending caps, as well as make room for periodic expenditures, as you see fit. You can also base your budget on specific long-term goals, such as saving for a down payment on a house.

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Intelligent Transaction Categorization

As PennyTracker downloads your transactions from your online accounts, it intelligently chooses which budget categories to put them in, based on recognized patterns and your prior choices. As you categorize transactions that PennyTracker doesn't recognize, it learns from you, so that the next time a transaction is downloaded it can be categorized automatically. For optimal results, it is best to use a debit or credit card when making purchases, because it provides more information about the merchant where the purchase was made.

No longer must you wait until the end of the month to “assess the damage” done to your budget and try to recoup. PennyTracker becomes an active partner in helping you achieve your financial goals.

Budget Alerts

PennyTracker has a powerful and customizable system of alerts that help you to stay within your budget. For example, you can have PennyTracker send you an email if you are within 20% of your gas budget for the month. Or you could have PennyTracker send an alert to your cell phone to warn you that you overspent on groceries. It can even call you on the phone and leave a verbal reminder or warning.

Robust Reporting Capabilities

PennyTracker boasts a plethora of meaningful reports, charts and graphs that can help you make sense of your finances. These can be viewed online and periodically sent to your email inbox. Your PennyTracker data can also be downloaded into Microsoft Excel™, Microsoft Money™ or Intuit Quicken™ for further analysis.

PennyTracker's budget reporting capabilities outclass the competition. Other utilities don't keep track of prior months' performance when giving recommendations for the current month, but PennyTracker makes sure that if you overspend during a given month, you have less to spend in the future.

As PennyTracker adjusts to your spending habits, tracking your finances becomes amazingly simple. What was once a major headache is reduced to a few easy minutes per month, and you are now more in control of your finances than ever before.

Competing Technologies

Due to PennyTracker's unique approach to money management, there are no current competitors with a comparable offering. However, there are a number of legacy products with wide user bases that would be potential PennyTracker adopters. What follows is an analysis of these competing technologies and a comparison of their features with PennyTracker's.

Installed Money Management Software

These so-called "guilt-based" software packages, such as Intuit Quicken and Microsoft Money, only allow you to analyze your spending after the fact. Upon discovering, at the end of the month, that you've overspent your income, all you can do is feel guilty about it.

The fundamental flaw in the traditional approach of installed money management software is that it cannot tell users any information about their finances while they are not using their computer. Because the software is not running behind the scenes to keep users apprised of changes in their finances as they occur, its efforts will always be, as the saying goes, "a day late and a dollar short."

It is true that these products have begun to make limited use of the Internet to allow users to download information from their financial institutions, but this feature is only available for a relatively small selection of larger banks, and is often prone to errors, due to banks' negligence and lack of adherence to protocol. PennyTracker is not susceptible to these problems, because its aggregation technology utilizes a flexible system that can be adapted to retrieve information from any bank's website. It does not depend on a financial institution's compliance with standards; it simply imitates a conventional web browser to retrieve customer data, "scraping" the appropriate information from the screens that it downloads.

Intuit Quicken™ and Microsoft Money™ are both beginning to venture into online money management with such services as Quicken.com™ and MSN MoneyCentral™, relying on Yodlee as a third-party provider of the backend aggregation technology required for these services. But their feature set is extremely limited. Customers are offered a basic view of

The fundamental flaw in the traditional approach of installed money management software is that it cannot tell users any information about their finances while they are not using their computer.

account balances and a list of transactions, without any money management features.

The positive and negative aspects of installed money management software can be summarized as follows:

Pro:

- **Greater sense of security:** Customer data is stored on the user's personal computer, lessening worries that it might be stolen or misused.
- **Faster response time:** There is no delay due to downloading information from the Internet.

Con:

- **Guilt-based budget management:** You can only see how you're doing on your budget after the money has already been spent.
- **Limited access:** Customers can only manage their finances from a single computer.
- **Less data integrity:** Customer data is stored on a single personal computer as opposed to a replicated online database. Data that is lost or becomes corrupted is difficult to recover.
- **Poor integration with online banking:** Only larger banks offer an automatic data feed, and the process depends on a bank's compliance with data transfer protocols.
- **Poor budgeting features:** Customers are not well-informed about potential budget shortfalls. If you overspend one month, the next month's budget limits are not adjusted accordingly.
- **Greater time commitment:** Since most customers' bank accounts cannot be synchronized with online data sources, customers must type their data in manually, which can be a lengthy and tedious process.
- **Limited automation:** Because transactions are not being constantly downloaded and placed into budget categories automatically, more user interaction is required.

The vast majority of personal money management is done using installed software. According to a market penetration study conducted by NPD Intellect, Quicken had 71.4% of retail unit sales and 74.7% of retail dollar sales of personal finance software fiscal year-to-date through June 15, 2002. Most of the remaining sales of personal finance software went to Microsoft Money. Many of these customers are looking for a more practical solution to money management that gives them better control over their finances. PennyTracker is the answer to their frustration.

Account Aggregation Services

Account aggregation technologies seek to more fully utilize the connectivity of the net to bring users closer to their data. Essentially, aggregation makes it possible to give customers information about all of

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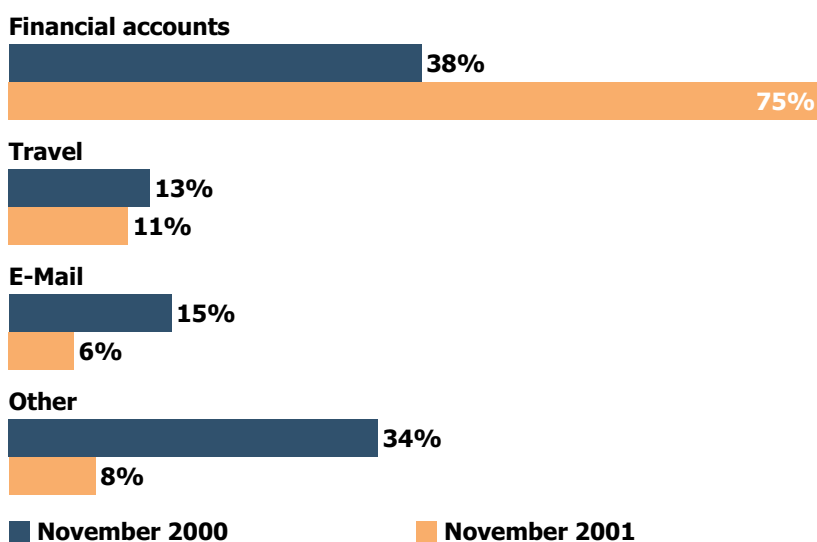
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their accounts in one place online. At a customer's request, an aggregation service connects to various websites using that customer's passwords and makes the account information available at a single website operated by the aggregator.

Current offerings in account aggregation have sought to unite a wide variety of different data sources, such as stock quotes, frequent-flyer miles, weather, rebate notifications and others. But so far the industry has glossed over the feature that users want most: aggregation of their financial accounts. Yodlee, the largest provider of aggregation services in the industry, and the source that most banks and other institutions rely on for their aggregation products, currently only offers a basic view of customers' account balances and a list of transactions without any money management features.

Types of Applications US Aggregation Users Most Want to Have, November 2000 & November 2001 (as a % of respondents)



Source: Celent Communications, 2002; American Banker, May 2002

"Yodlee is definitely the monster in the industry right now, but it doesn't take much to do what they do," says Shaw Lively, an analyst at the Needham, MA-based IDC consulting and research firm. "In a year or two there will be other products available, and it won't necessarily be Yodlee or screen scraping. The data will have to be more relevant."

Account aggregation is clearly the wave of the future, but current offerings have not met consumers' demands. PennyTracker's advanced money management features place it light years ahead of the competition and ensure its success as the next-generation money management solution.

“Yodlee is definitely the monster in the industry right now, but it doesn’t take much to do what they do.”

— Shaw Lively, Market Analyst, International Data Corporation (IDC)

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Proprietary Position

Youngblood Consulting Services, LLC has already developed a PennyTracker prototype with a functional aggregation engine and intelligent categorization capabilities. It now seeks the funding necessary to develop this prototype into a full-featured and attractive money management product with support for a wide range of financial institutions.

PennyTracker’s aggregation engine and website rely on proven and widely-available open-source technologies that are known for their robustness, security and reliability, such as Apache web server and MySQL database. Apache has been the most popular web server on the Internet since April of 1996, according to Netcraft Ltd., an Internet data mining and security services company. MySQL recently tied with Oracle database in a benchmark test for speed, robustness and scalability conducted by PC Labs. This is remarkable in light of the fact that MySQL, under the GPL open-source license, requires no licensing fees, while a typical enterprise configuration of Oracle can cost millions of dollars. In addition to the cost savings of open-source technologies, there are added benefits for data security and reliability. Widespread adoption by a technically competent user base ensures that bugs and security vulnerabilities are quickly remedied.

Pricing and Margins

PennyTracker will be offered to the public for an \$11.95 monthly subscription fee, with a 17% discount (\$9.95 per month) for a year paid in advance. A family-oriented version of the product offering multiple accounts for different family members will also be offered for a \$19.95 monthly fee.

Co-branded versions of PennyTracker will be offered to financial institutions for \$1.50 per month for each active user, with potential volume discounts. The co-branded offering will be hosted on PennyTracker’s own servers to ensure an ideal end-user experience. In-house non-branded versions of PennyTracker can also be offered to financial institutions on a contractual basis.

PennyTracker’s reliance on open-source technologies ensures low operating costs, and consequently a high return on investment. Estimated yearly hardware maintenance and hosting fees will be approximately \$10,000 per

100,000 customers. Most-likely-scenario estimates based on a combined user base of 500,000 customers predict second-year net profits at over \$1.7 million. (See page 25 for more details.)

Building Customer Confidence

One of the reasons customers hesitate to adopt account aggregation services is fear of possible security risks due to disclosure of sensitive information, including account passwords. PennyTracker has adopted multiple levels of security to secure customers' data against theft or fraud, and will adopt an active and friendly information campaign to reassure customers that their data is safe.

US Consumer Attitude toward Account Aggregation, 2001 (as a % of respondents)

Advantages

Visit one site only	71%
Up-to-date information	60%
No data input required	38%
Data from multiple providers	38%
Track rewards and rebates	33%

Disadvantages

Password/account disclosure	77%
Exposure to cross-selling	65%
Concentration of personal data	64%
Account set up difficulties	41%
Not all providers participate	19%
Already have via other software	10%

Note: Multiple responses allowed

Source: Synergistics Research Corp., 2001; BAI Banking Strategies, March/April 2002

These security measures include:

- **Firewalls:** All access to the application network must pass through these firewalls, including access from the PennyTracker company intranet. Additional firewalls are used to secure access to the PennyTracker database from the application servers.
- **Intrusion Detection:** PennyTracker's entire production network is monitored and policed for intrusion attempts, 24 x 7.
- **Password Protection:** Users' master PennyTracker password and

individual account passwords are stored and transmitted in encrypted format at all times across multiple, distributed database systems, all securely housed in the PennyTracker Vault. No one has access to an individual's passwords.

- **SSL:** All information is entered through Secure Socket Layer (SSL), which creates an encrypted connection between a user's browser and the PennyTracker web servers. PennyTracker will employ Verisign certificates for this service, and will be recognized as a Verisign Secure Site.
- **Third Party Audits and Inspections:** The PennyTracker security infrastructure will be regularly audited and inspected by firms that specialize in security processes and technologies, including quarterly audits of network and security policies and procedures by industry-recognized IT security auditors.
- **Data:** At the data security level, the PennyTracker application engine encrypts all user authentication data, which will be stored in distributed databases housed in Rackspace Managed Servers' vault and then transmitted securely within the network.
- **Data Integrity:** PennyTracker's technology uniquely "understands" web content and knows what information to look for and display for accounts. If for any reason PennyTracker cannot access or update a customer's account information, it will revert back to the last successful update to ensure no inaccurate information is presented.
- **Physical:** PennyTracker will be hosted in the most secure environment available at a third-party site, where security personnel monitor the system 24 hours a day. Access to servers requires multiple levels of authentication, including biometrics (hand print scan) procedures.

In addition to these security measures, PennyTracker will be fully insured against loss or theft of customer data.

Besides security concerns, many customers cite exposure to cross-selling as a disadvantage of account aggregation services. This negative perception is usually due to irritating internet banner advertisements and pop-ups that interfere with customers' navigation of a web site. Cross-selling other financial services can be a very lucrative proposition, but only if presented to consumers in an attractive and unobtrusive way. Advertising on the PennyTracker website will bring added-value to consumers without interfering with their work.

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Percent of US Companies with Widely Deployed E-Commerce Applications, 2001

Banking	100%
Distribution	100%
Chemical	94%
Hospitality and travel	94%
Retail: General merchandising	94%
Logistics and transportation	93%
Electronics	92%
Manufacturing	91%
Retail: Specialty merchandising	87%
Information technology	85%
Consulting and business services	84%
Insurance	84%
Financial services	83%
Telecommunications	83%
Automotive	82%
Energy	82%
Food and beverage processing	82%
Health care and medical	79%
Metals and natural resources	79%
Biotechnology and pharmaceuticals	75%
Consumer goods	75%
Media and entertainment	75%
Construction and engineering	73%
Utilities	72%

Source: InformationWeek, September 2001

III. Market Opportunity

Internet Banking

Since the commercialization of the Internet in 1995, online account management has become a standard service that American consumers have come to expect from their banks, credit unions and credit card companies. Financial institutions have increasingly leveraged this channel to improve customer satisfaction and retention while cutting costs. In fact, the banking industry stands out among others as being highly committed to the deployment of e-commerce applications to its customers, with a full 100% of US banks offering online services of some kind, according to *InformationWeek* magazine.

"I think consumers now expect ... an internet channel. That's almost become the norm now, so if you're not offering it, you're really at a disadvantage. By the end of last year [2001], it was more of a surprise if you didn't have it as an option than if you did."

— Raj Dhinsa, financial services analyst, *Jupiter Media Matrix*

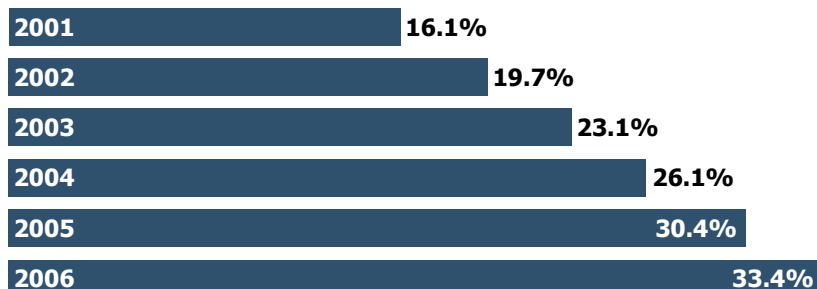
This aggressive marketing of internet banking channels has already shown results. Today, an estimated one in five US households banks online, and this figure is expected to grow to over 30% by the year 2005. Banks see this growth as an opportunity to improve margins by reducing the costs of serving their customers while adding perceived value. Customers have flocked to online banking for the convenience of being able to check balances, pay bills and transfer funds from home.

US Online Banking Households, 2000-2005 (in millions)

2000	12.5
2001	17.2
2002	21.2
2003	25.2
2004	28.7
2005	31.5

Source: eMarketer, September 2002

US Households Banking Online, 2001-2006 (as a % of total US households)



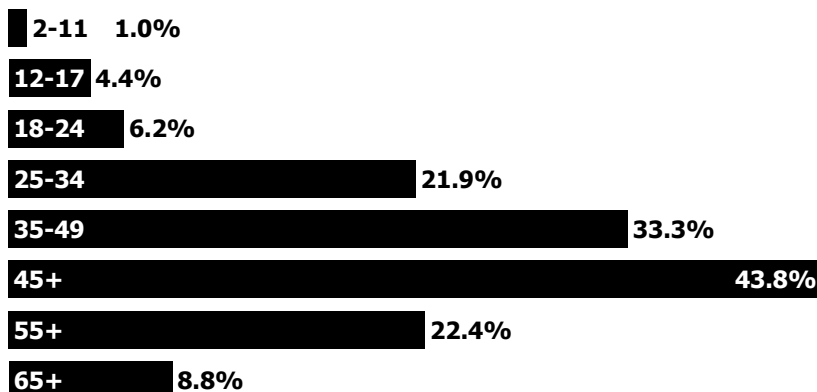
Note: total US households based on US Census Bureau's 2000 figure of 105,480,101, with growth rates from US Census Bureau's 1996 projections
Source: Forrester Research, May 2002; various, as noted

"The continued growth of online banking is a trend most banks favor, expecting that internet customers will be cheaper to service than those who visit the branch."

— David Hallerman, senior analyst, eMarketer

Financial institutions and other financial services providers are closely monitoring the growth of online banking, not only for its convenience and cost savings, but because its adopters are the top spenders in their households. Market studies reveal opportunities for improved customer retention, cross-selling and added-value in customer relations, especially among the portion of the population that will hold most of the wealth in America over the next several years.

US At-Home Users of Top 10 Financial Services Sites, by Age, June 2002



Source: Nielsen/NetRatings, July 2002; Center for Media Research, July 2002

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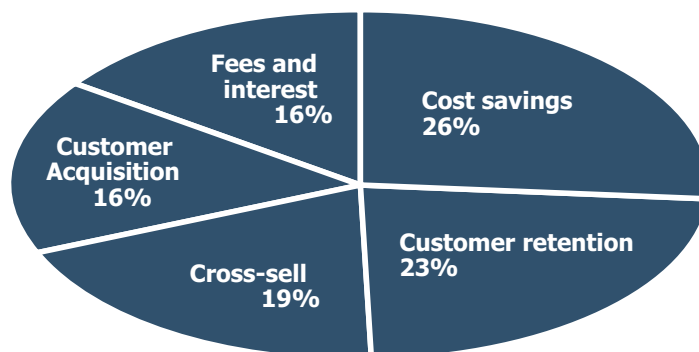
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These priorities are reflected in a study conducted in October 2001 by Celent Communications, in which US bank executives were surveyed regarding the benefits they expected to receive from Online Banking channels. Clearly, internet banking presents a variety of opportunities for both financial institutions and consumers.

US Banks' Allocation of Benefits from Online Banking, 2001



Source: Celent Communications, October 2001

Account Aggregation Services

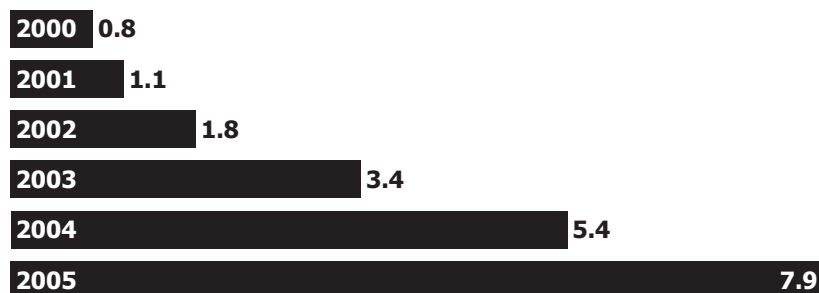
Despite its impressive growth, internet banking is still in its initial stages. While providing added value to the consumer, online account management services have failed to take full advantage of the unique features that the Internet has to offer. Account aggregation technologies seek to more fully utilize the connectivity of the net to bring users closer to their data. Essentially, aggregation makes it possible to give customers information about all of their finances in one place online. At a customer's request, an aggregation service connects to various websites using that customer's passwords and makes the account information available at a single website operated by the aggregator.

Next to online bill payment, aggregation is being touted as a panacea for customer retention and satisfaction. Financial institutions also hope to use it to segment out customer data belonging to other institutions and use that data for targeted marketing projects, cross-selling and up-selling products that they determine to be of special interest to customers based on their account profile.

"Aggregation ... enables a whole slew of products that create value, like cross-sell and up-sell...."

— Anil Arora, president and CEO, Yodlee

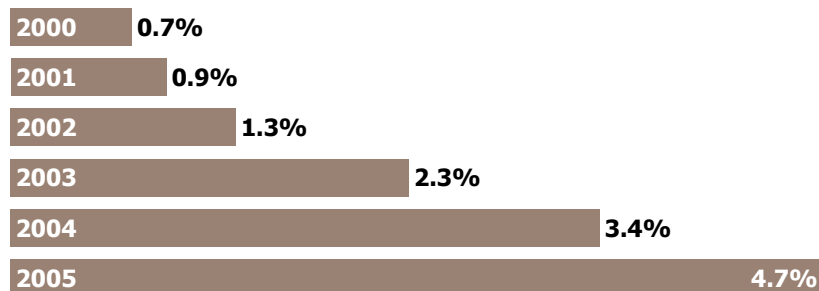
US Consumers Using Account Aggregation Services, 2000-2005 (in millions)



Source: eMarketer, September 2002

Market analysts predict aggressive growth in the number of US consumers using aggregation services over the next few years. Over two million people are using aggregation services today, and this number is expected to rise to eight million in 2005, nearly 5% of all internet users. These figures represent active users, not including individuals who sign up for the service and then discontinue use.

US Consumers Using Account Aggregation Services, 2000-2005 (as a % of US internet users ages 14+)



Note: Internet users ages 14+ represent roughly 90.75% of all US users according to the August 2002 US Department of Commerce survey

Source: eMarketer, September 2002

Current aggregation services have attempted to unify a veritable menagerie of disparate data sources, offering everything from stock quotes to a report of the user's frequent-flyer miles, and all things in between. While the industry has demonstrated an initial breadth of services, it has lacked depth. Aggregation companies have only given superficial notice to the application that is in greatest demand: consolidation of financial accounts.

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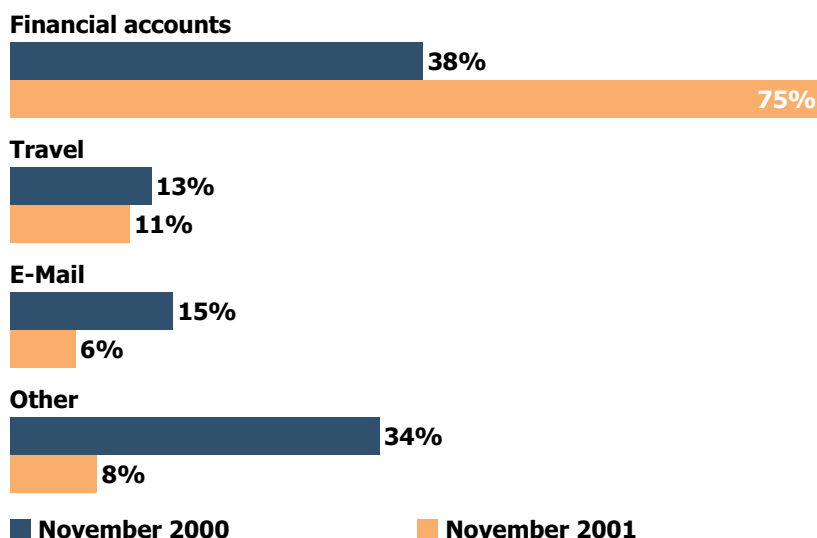
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Types of Applications US Aggregation Users Most Want to Have, November 2000 & November 2001 (as a % of respondents)



Source: Celent Communications, 2002; American Banker, May 2002

Of all the possible applications of aggregation, there is obvious untapped potential in the area of online money management. PennyTracker will capitalize on this nascent market by offering a revolutionary product that outclasses the competition and surpasses customer expectations.

Competitive Analysis

Due to PennyTracker's unique approach to money management, there are no current competitors with a comparable offering. However, there are a number of legacy products with wide user bases that would be potential PennyTracker adopters:

- **Installed money management software:** These so-called "guilt-based" software packages, such as Intuit Quicken and Microsoft Money, only allow you to analyze your spending after the fact. At the end of the month, after finding out that you've overspent your income, all you can do is feel guilty about it.
- **Account aggregation services:** As the numbers indicate, companies in the aggregation arena have not focused on what customers want most: aggregation of financial data. Current competitors, most notably Yodlee, only offer a basic view of users' account balances and transactions with no money management features.

According to an article in the October 2002 edition of *PC World* Magazine, Intuit has 16 million users that upgrade their version of Quicken religiously every year. Microsoft Money is the second most popular money

“Quicken has sacrificed its straightforward interface, apparently in hopes of making users aggressive consumers of online financial services (which has long been a Money objective). Both new programs are heavily laden with ads, alerts, and advice links....”

— M. Hogan, Editor, PC World

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management package, with nearly 30% of the market share. Users of Quicken and Money will be attracted to PennyTracker for its added features and convenience.

The following is a short summary of the disadvantages of these installed software packages:

- **Guilt-based budget management:** You can only see how you're doing on your budget after the money has already been spent.
- **Limited access:** Customers can only manage their finances from a single computer.
- **Less data integrity:** Customer data is stored on a single personal computer as opposed to a replicated online database. Data that is lost or becomes corrupted is difficult to recover.
- **Poor integration with online banking:** Only larger banks offer an automatic data feed, and the process depends on a bank's compliance with data transfer protocols.
- **Poor budgeting features:** Customers are not well-informed about potential budget shortfalls. If you overspend one month, the next month's budget limits are not adjusted accordingly.
- **Greater time commitment:** Since most customers' bank accounts cannot be synchronized with online data sources, customers must type their data in manually, which can be a lengthy and tedious process.
- **Limited automation:** Because transactions are not being constantly downloaded and placed into budget categories automatically, more user interaction is required.

PennyTracker uses web aggregation and intelligent categorization algorithms to overcome these shortcomings. Users no longer need to be in front of their computer to know how their finances are doing.

PennyTracker will send a text message to a cell phone or even leave a voice message advising a user of potential budget problems. Alerts are fully customizable and can be used for a variety of purposes. Little or no typing is required when using PennyTracker, since it retrieves users' transactions automatically from their bank account.

In the aggregation arena, Yodlee currently has the lion's share of the market, and is the source that most banks and other institutions rely on for their aggregation solutions. Notwithstanding its ubiquity, its software is

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“In a year or two there will be other products available, and it won't necessarily be Yodlee or screen scraping. The data will have to be more relevant.”

— Shaw Lively, Analyst, IDC Consulting

remarkably limited. Using Yodlee's account aggregation services, customers can see a basic view of their account balances and a list of transactions without any money management features.

Though aggregation is currently a hot feature on banks' to-do list, industry experts agree that products must be more useful if they are to succeed. “The data itself needs to be integrated with other bank products and services,” says John Philpott, Director of Corporate Strategy at SI Corp. “The technology needs to be more than just scraping and providing data....”

PennyTracker will offer its superior aggregation-based product to both individual consumers and to financial institutions as a co-branded one-stop solution for all their customers' money management and aggregation needs. PennyTracker's rich feature-set will set industry standards for ease-of-use and efficiency.

Market Penetration

PennyTracker's target consumers are users of installed money management software, users of aggregation services and online banking users.

PennyTracker will appeal to these consumers through:

- Internet advertising on financial portals;
- Direct mail targeted specifically to Quicken and Money users;
- Targeted magazine ads;
- New product reviews and editorials submitted to special-interest magazines;
- Co-brand partnerships with other financial institutions;
- Guest appearances on TV and radio programs dealing with money management and household budgeting.

As PennyTracker's reputation spreads, word-of-mouth will help accelerate its market penetration. PennyTracker will also be marketed as a possible companion application to Quicken and Money, since it allows users to import their data into these programs.

IV. Operations

Human Resources

The first six months of operations will be dedicated to transforming the PennyTracker prototype into a full-featured web application. This process will include the creation of a visually-appealing web-based user interface and extending the aggregation engine for full-scale use.

While development is proceeding on PennyTracker, engineering resources will also be allocated to programming the already-functional PennyTracker aggregation engine to download account information from as many financial institutions as possible. By carrying on both of these projects simultaneously, the company will be prepared to launch the PennyTracker product to the public within six months from its inception.

Staff requirements for the initial six-month development phase and the following year of growth are as follows:

Position	Responsibilities
President & CTO	Preside; Manage software development
CFO	Financials
Controller	HR, Operations & General management
Marketing Director	Advertising & Public Relations
IS Manager	Manage networks and security
Senior Software Engineer 1	Engineering
Senior Software Engineer 2	Engineering
Senior Software Engineer 3	Engineering
Senior Software Engineer 4	Engineering
Senior Software Engineer 5	Engineering
Senior Software Engineer 6	Engineering
Senior Software Engineer 7	Engineering
Senior Software Engineer 8	Engineering
Graphic Designer	Creative Development (Website & Marketing)
Executive Assistant	Clerical work
Customer Support Rep 1	Customer Service
Customer Support Rep 2	Customer Service

Estimated increases in PennyTracker's user base will require an annual increase in staff costs of approximately 20%. Allocation of new resources will be necessary primarily in customer service and marketing.

Physical and Technical Resources

The initial network configuration of co-located servers at Rackspace Managed Servers will accommodate 100,000 customers. PennyTracker's highly-scalable database design will allow the system to support an unlimited number of users by simply adding hardware. Employing a combination of software and hardware load-balancing, the PennyTracker application engine can automatically reallocate data from busy servers to

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hot spares, accommodating a burgeoning user base with ease.

PennyTracker's office lease and utilities allocations are expected to remain constant for the first three years of operations.

Product Road Map

By hiring experienced software engineers, the software development cycle will be greatly accelerated and the application will adhere to higher standards of extensibility and security. The engineering team will have two primary focuses: The web-based user interface and the backend aggregation engine. It is expected that engineering resources will be divided fairly evenly along these lines, with greater emphasis on the web interface and customer support systems as the aggregation engine matures.

During the first six months, emphasis will be given on programming the PennyTracker aggregator to interface with as many financial institutions as possible. Preference will be given to larger institutions, but every effort will be made to provide as wide a selection as possible at product launch time. Undoubtedly there will be some financial institutions that will not be supported at launch time. The PennyTracker aggregation engine can be extended to support new institutions with little effort. As customers sign up for the PennyTracker service, they will be prompted to submit information about their financial institution if it is not listed among the supported institutions. New institutions will be added as soon as possible according to customer demand, and customers will be notified of the addition. The aggregation engine will also need to be reprogrammed occasionally if an institution changes its web site. The PennyTracker aggregation engine is programmed to notify a network administrator or engineer as soon as it encounters unexpected information in a given site so that it can be reprogrammed.

Before product launch, Marketing will form partnerships with third-party financial service providers whose services will be cross-sold on the PennyTracker web site. During the first few months after launch, Marketing will strive to increase brand awareness by conducting an intense advertising campaign. Before the first year of operations has ended, it will be marketing's goal to sign at least one contract with a co-branding partner.

As the company matures, constant emphasis will be made on maintaining product superiority by regularly adding enhancements and customer-requested features.

Employing a combination of software and hardware load-balancing, the PennyTracker application engine can automatically reallocate data from busy servers to hot spares, accommodating a burgeoning user base with ease.

As the company matures, constant emphasis will be made on maintaining product superiority by regularly adding enhancements and customer-requested features.

Growth Strategy

Company growth will result from two sources: paying subscribers and co-branding customers. The base of paying subscribers will grow primarily from increased brand awareness fostered by marketing efforts. Because target customers in this category are composed primarily of Quicken and Money users, rapid growth is expected due to PennyTracker's superiority over these products.

Growth in co-branding customers will occur as a result of financial institutions' eagerness to secure a competitive advantage in the marketplace and increase customer loyalty. PennyTracker's visibility in this arena will also depend on brand awareness. PennyTracker will greatly improve banks' website "stickiness" as users spend more time online managing their finances, which in turn will provide opportunities for cross-selling. The Family-oriented version of PennyTracker will create brand loyalty for financial institutions as young customers become familiar with these products and services from an early age.

PennyTracker brand awareness will be promoted using the following advertising methods:

- Internet advertising on financial portals;
- Direct mail;
- Targeted magazine ads;
- New product reviews and editorials submitted to special-interest magazines;
- Co-branding partnerships with other financial institutions;
- Guest appearances on TV and radio programs dealing with money management and household budgeting.

As PennyTracker's reputation spreads, word-of-mouth will help accelerate its market penetration.

Critical Milestones

Major milestones to PennyTracker's successful establishment in the marketplace are:

- Product launch (6 months after company founding)
- Promotion of brand awareness (emphasized during 6-12 month phase)
- Cross-selling of third-party financial services on PennyTracker website (beginning 6 months after founding)
- First co-branding partnership (achieved during first year)
- Brand ubiquity (achieved during first two years)
- 500,000 active customers (achieved during first two years)

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V. Management

Carl Youngblood, President and CTO

Carl Youngblood is the President and owner of Youngblood Consulting Services, LLC, a consulting firm providing software development expertise to a variety of clients. Carl has acquired a broad range of technical skills throughout his last six years of employment as a professional software engineer. During his tenure at MyComputer.com (now Omniture), a web analytics company, Carl served as Manager of Strategic Projects under the CTO and helped to develop a highly-scalable ad-serving engine that registered millions of hits per day.

Carl is a competent linguist and is an accredited member of the American Translators Association. He received a bachelors degree in Portuguese with a minor in Music from Brigham Young University, and is currently pursuing a masters degree in Computer Science.

Gunther Fischli, Director

Gunther Fischli is co-founder and owner of Sunpeak Financial, a financial services company that assists clients with a wide range of products, including investments, insurance, and financing. Having started as a provider of services at the retail level, Sunpeak has grown to become a key player in Utah's construction financing industry, providing wholesale products to other brokers.

Gunther received a bachelors degree in finance and a masters degree in Business Administration, both from the University of Utah. His business experience includes financial consulting for real estate transactions and agricultural imports and exports.

(Additional managers and board members are still to be determined.)

VI. Financial Summary

Funds Required

PennyTracker requires sufficient capital to cover total expenses for the first two years of operations, along with initial startup costs, as follows:

Startup costs	\$64,600
Year 1 total expenses	\$2,330,333
Year 2 total expenses	\$3,495,500
Total Initial Investment	\$5,890,433

Milestones to Added Value

Major milestones that, when achieved, will add to company value and improve return on investment are:

- Development of a marketable product. (6 months after company founding)
- Nationwide advertising: magazines, direct mail, internet ads, and guest appearances on TV and radio programs. (Beginning 6 months after company founding)
- First co-branding partnership (achieved during first year)
- 500,000 active customers (achieved during first two years)
- Revenues from cross-selling third-party financial services (Beginning 6 months after company founding)

Financial Projections

Pro Forma Income Statement - Most Likely Scenario

	Year 1	Year 2	Year 3	Year 4	Year 5
Revenues					
Paying subscribers	\$15,243	\$424,745	\$6,619,359	\$43,762,241	\$108,642,324
Co-Branding	\$148,266	\$4,636,661	\$33,384,265	\$74,030,812	\$111,865,640
Life Insurance	\$1,337	\$28,607	\$370,936	\$1,557,422	\$1,558,527
Mortgages	\$5,569	\$119,196	\$1,545,567	\$6,489,259	\$6,493,863
Total Revenues	\$170,415	\$5,209,209	\$41,920,127	\$125,839,734	\$228,560,354
Expenses					
Labor Expenses	\$1,191,200	\$1,786,800	\$3,573,600	\$7,147,200	\$14,294,400
Operation Expenses	\$139,133	\$208,700	\$417,399	\$834,798	\$1,669,596
Marketing Expenses	\$1,000,000	\$1,500,000	\$3,000,000	\$6,000,000	\$12,000,000
Total Expenses	\$2,330,333	\$3,495,500	\$6,990,999	\$13,981,998	\$27,963,996
Net Income	(\$2,159,918)	\$1,713,710	\$34,929,128	\$111,857,736	\$200,596,358

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Pro Forma Income Statement - Worst-Case Scenario

	Year 1	Year 2	Year 3	Year 4	Year 5
Revenues					
Paying subscribers	\$13,454	\$247,109	\$3,503,240	\$15,849,854	\$29,193,048
Co-Branding	\$93,528	\$1,201,796	\$4,899,893	\$9,024,867	\$12,867,302
Life Insurance	\$1,099	\$14,889	\$188,740	\$396,907	\$256,152
Mortgages	\$4,578	\$62,036	\$786,417	\$1,653,778	\$1,067,301
Total Revenues	\$112,659	\$1,525,830	\$9,378,290	\$26,925,406	\$43,383,803
Expenses					
Labor Expenses	\$1,191,200	\$1,786,800	\$3,573,600	\$7,147,200	\$14,294,400
Operation Expenses	\$139,133	\$208,700	\$417,399	\$834,798	\$1,669,596
Marketing Expenses	\$1,000,000	\$1,500,000	\$3,000,000	\$6,000,000	\$12,000,000
Total Expenses	\$2,330,333	\$3,495,500	\$6,990,999	\$13,981,998	\$27,963,996
Net Income	(\$2,217,674)	(\$1,969,670)	\$2,387,291	\$12,943,408	\$15,419,807

Pro Forma Income Statement - Best-Case Scenario

	Year 1	Year 2	Year 3	Year 4	Year 5
Revenues					
Paying subscribers	\$15,423	\$428,721	\$15,566,940	\$117,621,942	\$173,939,862
Co-Branding	\$148,266	\$4,680,891	\$49,235,470	\$138,409,132	\$248,562,916
Life Insurance	\$1,337	\$29,805	\$610,680	\$2,493,483	\$2,495,252
Mortgages	\$5,569	\$124,187	\$2,544,500	\$10,389,514	\$10,396,884
Total Revenues	\$170,595	\$5,263,604	\$67,957,590	\$268,914,071	\$435,394,914
Expenses					
Labor Expenses	\$1,191,200	\$1,786,800	\$3,573,600	\$7,147,200	\$14,294,400
Operation Expenses	\$139,133	\$208,700	\$417,399	\$834,798	\$1,669,596
Marketing Expenses	\$1,000,000	\$1,500,000	\$3,000,000	\$6,000,000	\$12,000,000
Total Expenses	\$2,330,333	\$3,495,500	\$6,990,999	\$13,981,998	\$27,963,996
Net Income	(\$2,159,738)	\$1,768,105	\$60,966,591	\$254,932,073	\$407,430,918

Allocation of Funding

PennyTracker requires sufficient capital to cover total expenses for the first two years of operations, along with initial startup costs, as follows:

Equipment	Price
Network switch	\$100
Notebook computers	\$8,000
Office furniture	\$21,500
Printers	\$1,000
Servers	\$3,000
Software licenses	\$5,000
Workstations	\$26,000
Total	\$64,600

A detailed listing of expenses for the first year of operations can be found on the following page.

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Expenses for First Year of Operations**Labor Expenses****Payroll**

President & CTO	\$100,000
CFO	\$100,000
Controller	\$60,000
Marketing Director	\$75,000
IS Manager	\$75,000
Senior Software Engineer 1	\$75,000
Senior Software Engineer 2	\$75,000
Senior Software Engineer 3	\$75,000
Senior Software Engineer 4	\$75,000
Senior Software Engineer 5	\$75,000
Senior Software Engineer 6	\$75,000
Senior Software Engineer 7	\$75,000
Senior Software Engineer 8	\$75,000
Graphic Designer	\$50,000
Executive Assistant	\$30,000
Customer Support Rep 1	\$35,000
Customer Support Rep 2	\$35,000
Total Payroll	<u>\$1,160,000</u>

Employee benefits

Health Insurance	\$31,200
Total Employee benefits	<u>\$31,200</u>

Total Labor Expenses**\$1,191,200****Operation Expenses****Outsourced services**

Rackspace managed servers	\$76,500
Total Outsourced services	<u>\$76,500</u>

Lease and Utilities

2000 sq. ft. office lease	\$33,600
Utilities (DSL, Phone etc.)	\$7,200
Total Lease and Utilities	<u>\$40,800</u>

Office

Office supplies	\$3,200
Software licenses	\$2,300
Workstation upgrades	\$4,333
Total Office	<u>\$9,833</u>

Travel

Travel	\$12,000
Total Travel	<u>\$12,000</u>

Total Operation Expenses**\$139,133****Marketing Expenses****Advertising**

Magazine advertising	\$600,000
Internet advertising	\$200,000
Direct mail advertising	\$200,000
Total Advertising	<u>\$1,000,000</u>

Total Marketing Expenses**\$1,000,000****Total Expenses****\$2,330,333**

Exit Strategy: Return on Investment

PennyTracker's market superiority will make it an ideal candidate for acquisition by a larger company in the financial services sector. Several companies represent market segments that would benefit immensely from PennyTracker's superior technology and potential distribution channels:

- **Intuit:** The largest vendor of personal and business money management software, Intuit has recently been attempting to push its flagship product, Quicken, further into the online banking arena. PennyTracker's full utilization of the advantages of the Internet could help Intuit maintain its market share and continue its tradition of having the most popular money management product on the market.
- **Microsoft:** Microsoft has led the way in attempting to provide online features for its PC-based Money software. PennyTracker would catapult it fully into the internet era and would be an ideal fit, considering Microsoft's innovative mentality.
- **Yodlee:** The largest player in the account aggregation arena, Yodlee already controls many distribution channels, and could use PennyTracker to assure its continued dominance in the aggregation industry.
- **Banks:** PennyTracker is a boon for customer retention, and it projects a leading-edge image that banks are trying to achieve. It also provides banks with a powerful cross-selling tool. Banks tend to outsource their specialized needs more than companies in any other industry, and they consider aggregation services to be a necessity. PennyTracker provides a one-stop solution for a large bank looking for a competitive edge in the marketplace.
- **Yahoo! Finance:** Though still a heavyweight among financial portals, Yahoo! has struggled of late because it offers many different services without excelling at any. PennyTracker would promote the increased customer loyalty that Yahoo! needs.

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US IT Outsourcing Spending, by Industry, 2001 & 2005 (in billions)

	2001	2005
Banking	\$5.70	\$8.83
Federal Government	\$2.80	\$4.77
Other financial services	\$2.36	\$3.47
Communications	\$2.04	\$3.02
Insurance	\$1.93	\$2.68
Utilities	\$1.90	\$2.75
Retail	\$1.87	\$2.60
Healthcare	\$1.76	\$2.81
State and local government	\$1.75	\$2.98
Discrete manufacturing	\$1.70	\$2.68
Process manufacturing	\$1.66	\$2.70
Other	\$3.58	\$5.05
Total	\$29.04	\$44.34

Source: International Data Corporation (IDC), 2001

Why US Financial-Service Firms Offer Account Aggregation Services, 2001 (as a % of respondents)

Customer retention	51%
Fee potential	22%
Cross-selling potential	20%
Competitive necessity	20%

Note: Based on a survey of 45 financial-service firms; asked of the 36% of those firms who already offer account aggregation services; multiple responses accepted

Source: Forrester Research, July 2001

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Projected Growth in Paying Subscribers - Most Likely Scenario

Month	# of Customers	Income	Total Yearly Income
1	0	\$0	
2	0	\$0	
3	0	\$0	
4	0	\$0	
5	0	\$0	
6	0	\$0	
7	100	\$1,195	
8	130	\$1,554	
9	169	\$2,020	
10	220	\$2,625	
11	286	\$3,413	
12	371	\$4,437	\$15,243
13	483	\$5,768	
14	627	\$7,498	
15	816	\$9,748	
16	1,060	\$12,672	
17	1,379	\$16,474	
18	1,792	\$21,416	
19	2,330	\$27,841	
20	3,029	\$36,194	
21	3,937	\$47,052	
22	5,119	\$61,167	
23	6,654	\$79,517	
24	8,318	\$99,397	\$424,745
25	10,397	\$124,246	
26	12,996	\$155,307	
27	16,246	\$194,134	
28	20,307	\$242,667	
29	25,384	\$303,334	
30	31,730	\$379,168	
31	39,662	\$473,960	
32	49,577	\$592,450	
33	61,972	\$740,562	
34	77,465	\$925,703	
35	96,831	\$1,157,129	
36	111,355	\$1,330,698	\$6,619,359
37	128,059	\$1,530,303	
38	147,268	\$1,759,848	
39	169,358	\$2,023,825	
40	194,761	\$2,327,399	
41	223,976	\$2,676,509	
42	257,572	\$3,077,986	
43	296,208	\$3,539,683	
44	340,639	\$4,070,636	
45	391,735	\$4,681,231	
46	450,495	\$5,383,416	
47	518,069	\$6,190,928	
48	543,973	\$6,500,475	\$43,762,241
49	571,171	\$6,825,499	
50	599,730	\$7,166,774	
51	629,717	\$7,525,112	
52	661,202	\$7,901,368	
53	694,262	\$8,296,436	
54	728,976	\$8,711,258	
55	765,424	\$9,146,821	
56	803,696	\$9,604,162	
57	843,880	\$10,084,370	
58	886,074	\$10,588,589	
59	930,378	\$11,118,018	
60	976,897	\$11,673,919	\$108,642,324

Projected Growth in Co-Branding Customers - Most Likely Scenario

Month	# of Customers	Income	Total Yearly Income
1	0	\$0	
2	0	\$0	
3	0	\$0	
4	0	\$0	
5	0	\$0	
6	0	\$0	
7	5,000	\$7,500	
8	7,500	\$11,250	
9	11,250	\$16,875	
10	16,875	\$25,313	
11	25,313	\$37,969	
12	32,906	\$49,359	\$148,266
13	42,778	\$64,167	
14	55,612	\$83,417	
15	72,295	\$108,443	
16	93,984	\$140,975	
17	122,179	\$183,268	
18	158,832	\$238,248	
19	206,482	\$309,723	
20	268,426	\$402,640	
21	348,954	\$523,431	
22	453,641	\$680,461	
23	589,733	\$884,599	
24	678,193	\$1,017,289	\$4,636,661
25	779,922	\$1,169,882	
26	896,910	\$1,345,365	
27	1,031,446	\$1,547,169	
28	1,186,163	\$1,779,245	
29	1,364,088	\$2,046,132	
30	1,568,701	\$2,353,051	
31	1,804,006	\$2,706,009	
32	2,074,607	\$3,111,910	
33	2,385,798	\$3,578,697	
34	2,743,668	\$4,115,502	
35	3,155,218	\$4,732,827	
36	3,265,650	\$4,898,476	\$33,384,265
37	3,379,948	\$5,069,922	
38	3,498,246	\$5,247,370	
39	3,620,685	\$5,431,028	
40	3,747,409	\$5,621,114	
41	3,878,568	\$5,817,853	
42	4,014,318	\$6,021,477	
43	4,154,819	\$6,232,229	
44	4,300,238	\$6,450,357	
45	4,450,746	\$6,676,120	
46	4,606,523	\$6,909,784	
47	4,767,751	\$7,151,626	
48	4,934,622	\$7,401,933	\$74,030,812
49	5,107,334	\$7,661,001	
50	5,286,091	\$7,929,136	
51	5,471,104	\$8,206,656	
52	5,662,592	\$8,493,889	
53	5,860,783	\$8,791,175	
54	6,065,911	\$9,098,866	
55	6,278,217	\$9,417,326	
56	6,497,955	\$9,746,932	
57	6,725,383	\$10,088,075	
58	6,960,772	\$10,441,158	
59	7,204,399	\$10,806,598	
60	7,456,553	\$11,184,829	\$111,865,640

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**Projected Growth in Life Insurance Cross-sales - Most Likely Scenario
(based on growth in # of customers)**

Month	# of Sales	Commissions	Total Yearly Income
1	0	\$0	
2	0	\$0	
3	0	\$0	
4	0	\$0	
5	0	\$0	
6	0	\$0	
7	1	\$360	
8	0	\$108	
9	0	\$140	
10	1	\$183	
11	1	\$237	
12	1	\$308	\$1,337
13	1	\$401	
14	1	\$521	
15	2	\$678	
16	2	\$881	
17	3	\$1,145	
18	4	\$1,489	
19	5	\$1,936	
20	7	\$2,516	
21	9	\$3,271	
22	12	\$4,252	
23	15	\$5,528	
24	17	\$5,989	\$28,607
25	21	\$7,486	
26	26	\$9,357	
27	32	\$11,697	
28	41	\$14,621	
29	51	\$18,276	
30	63	\$22,845	
31	79	\$28,557	
32	99	\$35,696	
33	124	\$44,620	
34	155	\$55,775	
35	194	\$69,718	
36	145	\$52,289	\$370,936
37	167	\$60,132	
38	192	\$69,152	
39	221	\$79,525	
40	254	\$91,453	
41	292	\$105,171	
42	336	\$120,947	
43	386	\$139,089	
44	444	\$159,952	
45	511	\$183,945	
46	588	\$211,537	
47	676	\$243,267	
48	259	\$93,252	\$1,557,422
49	272	\$97,915	
50	286	\$102,811	
51	300	\$107,951	
52	315	\$113,349	
53	331	\$119,016	
54	347	\$124,967	
55	364	\$131,216	
56	383	\$137,776	
57	402	\$144,665	
58	422	\$151,898	
59	443	\$159,493	
60	465	\$167,468	\$1,558,527

Projected Growth in Home Mortgage Cross-sales - Most Likely Scenario (based on growth in # of customers)

Month	Lending Volume	Income	Total Yearly Income
1	\$0	\$0	
2	\$0	\$0	
3	\$0	\$0	
4	\$0	\$0	
5	\$0	\$0	
6	\$0	\$0	
7	\$200,000	\$1,500	
8	\$60,000	\$450	
9	\$78,000	\$585	
10	\$101,400	\$761	
11	\$131,820	\$989	
12	\$171,366	\$1,285	\$5,569
13	\$222,776	\$1,671	
14	\$289,609	\$2,172	
15	\$376,491	\$2,824	
16	\$489,438	\$3,671	
17	\$636,270	\$4,772	
18	\$827,151	\$6,204	
19	\$1,075,296	\$8,065	
20	\$1,397,885	\$10,484	
21	\$1,817,251	\$13,629	
22	\$2,362,426	\$17,718	
23	\$3,071,154	\$23,034	
24	\$3,327,083	\$24,953	\$119,196
25	\$4,158,854	\$31,191	
26	\$5,198,567	\$38,989	
27	\$6,498,209	\$48,737	
28	\$8,122,761	\$60,921	
29	\$10,153,452	\$76,151	
30	\$12,691,815	\$95,189	
31	\$15,864,768	\$118,986	
32	\$19,830,960	\$148,732	
33	\$24,788,700	\$185,915	
34	\$30,985,875	\$232,394	
35	\$38,732,344	\$290,493	
36	\$29,049,258	\$217,869	\$1,545,567
37	\$33,406,647	\$250,550	
38	\$38,417,644	\$288,132	
39	\$44,180,291	\$331,352	
40	\$50,807,334	\$381,055	
41	\$58,428,434	\$438,213	
42	\$67,192,700	\$503,945	
43	\$77,271,604	\$579,537	
44	\$88,862,345	\$666,468	
45	\$102,191,697	\$766,438	
46	\$117,520,451	\$881,403	
47	\$135,148,519	\$1,013,614	
48	\$51,806,932	\$388,552	\$6,489,259
49	\$54,397,279	\$407,980	
50	\$57,117,143	\$428,379	
51	\$59,973,000	\$449,798	
52	\$62,971,650	\$472,287	
53	\$66,120,233	\$495,902	
54	\$69,426,244	\$520,697	
55	\$72,897,556	\$546,732	
56	\$76,542,434	\$574,068	
57	\$80,369,556	\$602,772	
58	\$84,388,034	\$632,910	
59	\$88,607,435	\$664,556	
60	\$93,037,807	\$697,784	\$6,493,863

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Projected Growth in Paying Subscribers - Worst-Case Scenario

Month	# of Customers	Income	Total Yearly Income
1	0	\$0	
2	0	\$0	
3	0	\$0	
4	0	\$0	
5	0	\$0	
6	0	\$0	
7	100	\$1,195	
8	125	\$1,494	
9	156	\$1,867	
10	195	\$2,334	
11	244	\$2,917	
12	305	\$3,647	\$13,454
13	381	\$4,559	
14	477	\$5,698	
15	596	\$7,123	
16	745	\$8,903	
17	931	\$11,129	
18	1,164	\$13,912	
19	1,455	\$17,390	
20	1,819	\$21,737	
21	2,274	\$27,171	
22	2,842	\$33,964	
23	3,553	\$42,455	
24	4,441	\$53,069	\$247,109
25	5,551	\$66,336	
26	6,939	\$82,920	
27	8,674	\$103,650	
28	10,842	\$129,562	
29	13,553	\$161,953	
30	16,941	\$202,441	
31	21,176	\$253,051	
32	26,470	\$316,314	
33	33,087	\$395,392	
34	41,359	\$494,240	
35	51,699	\$617,801	
36	56,869	\$679,581	\$3,503,240
37	62,556	\$747,539	
38	68,811	\$822,292	
39	75,692	\$904,522	
40	83,261	\$994,974	
41	91,588	\$1,094,471	
42	100,746	\$1,203,918	
43	110,821	\$1,324,310	
44	121,903	\$1,456,741	
45	134,093	\$1,602,415	
46	147,503	\$1,762,657	
47	162,253	\$1,938,923	
48	167,121	\$1,997,090	\$15,849,854
49	172,134	\$2,057,003	
50	177,298	\$2,118,713	
51	182,617	\$2,182,275	
52	188,096	\$2,247,743	
53	193,739	\$2,315,175	
54	199,551	\$2,384,630	
55	205,537	\$2,456,169	
56	211,703	\$2,529,854	
57	218,054	\$2,605,750	
58	224,596	\$2,683,922	
59	231,334	\$2,764,440	
60	238,274	\$2,847,373	\$29,193,048

Projected Growth in Co-Branding Customers - Worst-Case Scenario

Month	# of Customers	Income	Total Yearly Income
1	0	\$0	
2	0	\$0	
3	0	\$0	
4	0	\$0	
5	0	\$0	
6	0	\$0	
7	5,000	\$7,500	
8	6,500	\$9,750	
9	8,450	\$12,675	
10	10,985	\$16,478	
11	14,281	\$21,421	
12	17,137	\$25,705	\$93,528
13	20,564	\$30,846	
14	24,677	\$37,015	
15	29,612	\$44,418	
16	35,534	\$53,302	
17	42,641	\$63,962	
18	51,170	\$76,754	
19	61,404	\$92,105	
20	73,684	\$110,526	
21	88,421	\$132,632	
22	106,105	\$159,158	
23	127,326	\$190,990	
24	140,059	\$210,089	\$1,201,796
25	154,065	\$231,097	
26	169,471	\$254,207	
27	186,419	\$279,628	
28	205,060	\$307,591	
29	225,566	\$338,350	
30	248,123	\$372,185	
31	272,935	\$409,403	
32	300,229	\$450,343	
33	330,252	\$495,378	
34	363,277	\$544,916	
35	399,605	\$599,407	
36	411,593	\$617,389	\$4,899,893
37	423,941	\$635,911	
38	436,659	\$654,988	
39	449,759	\$674,638	
40	463,251	\$694,877	
41	477,149	\$715,723	
42	491,463	\$737,195	
43	506,207	\$759,311	
44	521,393	\$782,090	
45	537,035	\$805,553	
46	553,146	\$829,720	
47	569,741	\$854,611	
48	586,833	\$880,249	\$9,024,867
49	604,438	\$906,657	
50	622,571	\$933,857	
51	641,248	\$961,872	
52	660,486	\$990,729	
53	680,300	\$1,020,450	
54	700,709	\$1,051,064	
55	721,731	\$1,082,596	
56	743,382	\$1,115,074	
57	765,684	\$1,148,526	
58	788,654	\$1,182,982	
59	812,314	\$1,218,471	
60	836,684	\$1,255,025	\$12,867,302

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**Projected Growth in Life Insurance Cross-sales - Worst-Case Scenario
(based on growth in # of customers)**

Month	# of Sales	Commissions	Total Yearly Income
1	0	\$0	
2	0	\$0	
3	0	\$0	
4	0	\$0	
5	0	\$0	
6	0	\$0	
7	1	\$360	
8	0	\$90	
9	0	\$113	
10	0	\$141	
11	0	\$176	
12	1	\$220	\$1,099
13	1	\$275	
14	1	\$343	
15	1	\$429	
16	1	\$536	
17	2	\$671	
18	2	\$838	
19	3	\$1,048	
20	4	\$1,310	
21	5	\$1,637	
22	6	\$2,046	
23	7	\$2,558	
24	9	\$3,197	\$14,889
25	11	\$3,997	
26	14	\$4,996	
27	17	\$6,245	
28	22	\$7,806	
29	27	\$9,758	
30	34	\$12,197	
31	42	\$15,247	
32	53	\$19,058	
33	66	\$23,823	
34	83	\$29,779	
35	103	\$37,223	
36	52	\$18,612	\$188,740
37	57	\$20,473	
38	63	\$22,520	
39	69	\$24,772	
40	76	\$27,249	
41	83	\$29,974	
42	92	\$32,972	
43	101	\$36,269	
44	111	\$39,896	
45	122	\$43,885	
46	134	\$48,274	
47	148	\$53,101	
48	49	\$17,523	\$396,907
49	50	\$18,049	
50	52	\$18,590	
51	53	\$19,148	
52	55	\$19,723	
53	56	\$20,314	
54	58	\$20,924	
55	60	\$21,551	
56	62	\$22,198	
57	64	\$22,864	
58	65	\$23,550	
59	67	\$24,256	
60	69	\$24,984	\$256,152

Projected Growth in Home Mortgage Cross-sales - Worst-Case Scenario (based on growth in # of customers)

Month	Lending Volume	Income	Total Yearly Income
1	\$0	\$0	
2	\$0	\$0	
3	\$0	\$0	
4	\$0	\$0	
5	\$0	\$0	
6	\$0	\$0	
7	\$200,000	\$1,500	
8	\$50,000	\$375	
9	\$62,500	\$469	
10	\$78,125	\$586	
11	\$97,656	\$732	
12	\$122,070	\$916	\$4,578
13	\$152,588	\$1,144	
14	\$190,735	\$1,431	
15	\$238,419	\$1,788	
16	\$298,023	\$2,235	
17	\$372,529	\$2,794	
18	\$465,661	\$3,492	
19	\$582,077	\$4,366	
20	\$727,596	\$5,457	
21	\$909,495	\$6,821	
22	\$1,136,868	\$8,527	
23	\$1,421,085	\$10,658	
24	\$1,776,357	\$13,323	\$62,036
25	\$2,220,446	\$16,653	
26	\$2,775,558	\$20,817	
27	\$3,469,447	\$26,021	
28	\$4,336,809	\$32,526	
29	\$5,421,011	\$40,658	
30	\$6,776,264	\$50,822	
31	\$8,470,329	\$63,527	
32	\$10,587,912	\$79,409	
33	\$13,234,890	\$99,262	
34	\$16,543,612	\$124,077	
35	\$20,679,515	\$155,096	
36	\$10,339,758	\$77,548	\$786,417
37	\$11,373,733	\$85,303	
38	\$12,511,107	\$93,833	
39	\$13,762,217	\$103,217	
40	\$15,138,439	\$113,538	
41	\$16,652,283	\$124,892	
42	\$18,317,511	\$137,381	
43	\$20,149,263	\$151,119	
44	\$22,164,189	\$166,231	
45	\$24,380,608	\$182,855	
46	\$26,818,668	\$201,140	
47	\$29,500,535	\$221,254	
48	\$9,735,177	\$73,014	\$1,653,778
49	\$10,027,232	\$75,204	
50	\$10,328,049	\$77,460	
51	\$10,637,890	\$79,784	
52	\$10,957,027	\$82,178	
53	\$11,285,738	\$84,643	
54	\$11,624,310	\$87,182	
55	\$11,973,039	\$89,798	
56	\$12,332,231	\$92,492	
57	\$12,702,197	\$95,266	
58	\$13,083,263	\$98,124	
59	\$13,475,761	\$101,068	
60	\$13,880,034	\$104,100	\$1,067,301

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Projected Growth in Paying Subscribers - Best-Case Scenario

Month	# of Customers	Income	Total Yearly Income
1	0	\$0	
2	0	\$0	
3	0	\$0	
4	0	\$0	
5	0	\$0	
6	0	\$0	
7	100	\$1,195	
8	130	\$1,554	
9	169	\$2,020	
10	220	\$2,625	
11	286	\$3,413	
12	371	\$4,437	\$15,243
13	483	\$5,768	
14	627	\$7,498	
15	816	\$9,748	
16	1,060	\$12,672	
17	1,379	\$16,474	
18	1,792	\$21,416	
19	2,330	\$27,841	
20	3,029	\$36,194	
21	3,937	\$47,052	
22	5,119	\$61,167	
23	6,654	\$79,517	
24	8,650	\$103,372	\$428,721
25	11,246	\$134,384	
26	14,619	\$174,699	
27	19,005	\$227,109	
28	24,706	\$295,242	
29	32,118	\$383,815	
30	41,754	\$498,959	
31	54,280	\$648,647	
32	70,564	\$843,241	
33	91,733	\$1,096,213	
34	119,253	\$1,425,077	
35	155,029	\$1,852,600	
36	178,284	\$2,130,491	\$9,710,479
37	205,026	\$2,450,064	
38	235,780	\$2,817,574	
39	271,147	\$3,240,210	
40	311,819	\$3,726,241	
41	358,592	\$4,285,177	
42	412,381	\$4,927,954	
43	474,238	\$5,667,147	
44	545,374	\$6,517,219	
45	627,180	\$7,494,802	
46	721,257	\$8,619,022	
47	829,446	\$9,911,876	
48	870,918	\$10,407,470	\$70,064,757
49	914,464	\$10,927,843	
50	960,187	\$11,474,235	
51	1,008,196	\$12,047,947	
52	1,058,606	\$12,650,344	
53	1,111,537	\$13,282,862	
54	1,167,113	\$13,947,005	
55	1,225,469	\$14,644,355	
56	1,286,742	\$15,376,573	
57	1,351,080	\$16,145,401	
58	1,418,634	\$16,952,671	
59	1,489,565	\$17,800,305	
60	1,564,044	\$18,690,320	\$173,939,862

Projected Growth in Co-Branding Customers - Best-Case Scenario

Month	# of Customers	Income	Total Yearly Income
1	0	\$0	
2	0	\$0	
3	0	\$0	
4	0	\$0	
5	0	\$0	
6	0	\$0	
7	5,000	\$7,500	
8	7,500	\$11,250	
9	11,250	\$16,875	
10	16,875	\$25,313	
11	25,313	\$37,969	
12	32,906	\$49,359	\$148,266
13	42,778	\$64,167	
14	55,612	\$83,417	
15	72,295	\$108,443	
16	93,984	\$140,975	
17	122,179	\$183,268	
18	158,832	\$238,248	
19	206,482	\$309,723	
20	268,426	\$402,640	
21	348,954	\$523,431	
22	453,641	\$680,461	
23	589,733	\$884,599	
24	707,679	\$1,061,519	\$4,680,891
25	849,215	\$1,273,823	
26	1,019,058	\$1,528,587	
27	1,222,870	\$1,834,305	
28	1,467,444	\$2,201,166	
29	1,760,933	\$2,641,399	
30	2,113,119	\$3,169,679	
31	2,535,743	\$3,803,615	
32	3,042,892	\$4,564,337	
33	3,651,470	\$5,477,205	
34	4,381,764	\$6,572,646	
35	5,258,117	\$7,887,175	
36	5,521,023	\$8,281,534	\$49,235,470
37	5,797,074	\$8,695,610	
38	6,086,927	\$9,130,391	
39	6,391,274	\$9,586,911	
40	6,710,837	\$10,066,256	
41	7,046,379	\$10,569,569	
42	7,398,698	\$11,098,047	
43	7,768,633	\$11,652,950	
44	8,157,065	\$12,235,597	
45	8,564,918	\$12,847,377	
46	8,993,164	\$13,489,746	
47	9,442,822	\$14,164,233	
48	9,914,963	\$14,872,445	\$138,409,132
49	10,410,711	\$15,616,067	
50	10,931,247	\$16,396,870	
51	11,477,809	\$17,216,714	
52	12,051,700	\$18,077,550	
53	12,654,285	\$18,981,427	
54	13,286,999	\$19,930,499	
55	13,951,349	\$20,927,023	
56	14,648,916	\$21,973,375	
57	15,381,362	\$23,072,043	
58	16,150,430	\$24,225,646	
59	16,957,952	\$25,436,928	
60	17,805,849	\$26,708,774	\$248,562,916

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**Projected Growth in Life Insurance Cross-sales - Best-Case Scenario
(based on growth in # of customers)**

Month	# of Sales	Commissions	Total Yearly Income
1	0	\$0	
2	0	\$0	
3	0	\$0	
4	0	\$0	
5	0	\$0	
6	0	\$0	
7	1	\$360	
8	0	\$108	
9	0	\$140	
10	1	\$183	
11	1	\$237	
12	1	\$308	\$1,337
13	1	\$401	
14	1	\$521	
15	2	\$678	
16	2	\$881	
17	3	\$1,145	
18	4	\$1,489	
19	5	\$1,936	
20	7	\$2,516	
21	9	\$3,271	
22	12	\$4,252	
23	15	\$5,528	
24	20	\$7,186	\$29,805
25	26	\$9,342	
26	34	\$12,145	
27	44	\$15,789	
28	57	\$20,525	
29	74	\$26,683	
30	96	\$34,688	
31	125	\$45,094	
32	163	\$58,622	
33	212	\$76,209	
34	275	\$99,072	
35	358	\$128,794	
36	233	\$83,716	\$610,680
37	267	\$96,273	
38	308	\$110,714	
39	354	\$127,321	
40	407	\$146,420	
41	468	\$168,382	
42	538	\$193,640	
43	619	\$222,686	
44	711	\$256,089	
45	818	\$294,502	
46	941	\$338,677	
47	1082	\$389,479	
48	415	\$149,300	\$2,493,483
49	435	\$156,765	
50	457	\$164,603	
51	480	\$172,834	
52	504	\$181,475	
53	529	\$190,549	
54	556	\$200,077	
55	584	\$210,080	
56	613	\$220,584	
57	643	\$231,614	
58	676	\$243,194	
59	709	\$255,354	
60	745	\$268,122	\$2,495,252

Projected Growth in Home Mortgage Cross-sales - Best-Case Scenario (based on growth in # of customers)

Month	Lending Volume	Income	Total Yearly Income
1	\$0	\$0	
2	\$0	\$0	
3	\$0	\$0	
4	\$0	\$0	
5	\$0	\$0	
6	\$0	\$0	
7	\$200,000	\$1,500	
8	\$60,000	\$450	
9	\$78,000	\$585	
10	\$101,400	\$761	
11	\$131,820	\$989	
12	\$171,366	\$1,285	\$5,569
13	\$222,776	\$1,671	
14	\$289,609	\$2,172	
15	\$376,491	\$2,824	
16	\$489,438	\$3,671	
17	\$636,270	\$4,772	
18	\$827,151	\$6,204	
19	\$1,075,296	\$8,065	
20	\$1,397,885	\$10,484	
21	\$1,817,251	\$13,629	
22	\$2,362,426	\$17,718	
23	\$3,071,154	\$23,034	
24	\$3,992,500	\$29,944	\$124,187
25	\$5,190,250	\$38,927	
26	\$6,747,324	\$50,605	
27	\$8,771,522	\$65,786	
28	\$11,402,978	\$85,522	
29	\$14,823,872	\$111,179	
30	\$19,271,033	\$144,533	
31	\$25,052,343	\$187,893	
32	\$32,568,046	\$244,260	
33	\$42,338,460	\$317,538	
34	\$55,039,998	\$412,800	
35	\$71,551,998	\$536,640	
36	\$46,508,798	\$348,816	\$2,544,500
37	\$53,485,118	\$401,138	
38	\$61,507,886	\$461,309	
39	\$70,734,069	\$530,506	
40	\$81,344,179	\$610,081	
41	\$93,545,806	\$701,594	
42	\$107,577,677	\$806,833	
43	\$123,714,328	\$927,857	
44	\$142,271,478	\$1,067,036	
45	\$163,612,199	\$1,227,091	
46	\$188,154,029	\$1,411,155	
47	\$216,377,134	\$1,622,829	
48	\$82,944,568	\$622,084	\$10,389,514
49	\$87,091,796	\$653,188	
50	\$91,446,386	\$685,848	
51	\$96,018,705	\$720,140	
52	\$100,819,641	\$756,147	
53	\$105,860,623	\$793,955	
54	\$111,153,654	\$833,652	
55	\$116,711,336	\$875,335	
56	\$122,546,903	\$919,102	
57	\$128,674,248	\$965,057	
58	\$135,107,961	\$1,013,310	
59	\$141,863,359	\$1,063,975	
60	\$148,956,527	\$1,117,174	\$10,396,884

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