Acelero Learning Inc.

Last Revised: 01/05/05

Report Summary and Investment Recommendation

Company:	Acelero Learning Inc.
Location:	1185 Avenue of the Americas, 26th Floor New York, NY 10036
Contact Information:	Tel: 212-782-3355 Fax: 212-214-0411 Website: www.acelero.net
Management	Aaron Lieberman - CEO Scott Miller - CFO
Industry:	Management support provider to Head Start programs
Use of Funds:	New hires and general working capital
Social Return:	Enhancing delivery of early childhood education and welfare in low-income communities. Company currently has 4 employees and serves 1,200 low-income families and expects to have 36 employees and 16,500 low-income families served by the end of 2008.
Investment:	$250,000 in debt in the form of a 4-year note with 12% interest (7% to be payable and 5% to accrue annually) with balloon payment of outstanding interest and principal at end of 4th year. Detachable warrant to purchase up to 6.4% of the company.
Projected ROI:	Estimated at 29.0 % annually

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I. The Opportunity

Acelero Learning (the "Company") is a management support company operating in the Head Start (HS) market. It works with local community groups running Head Start centers with revenue between $1-5 million per year. Through proprietary content delivered via a web-based platform, Acelero provides a "turn-key" package to its customers offering best research-based curriculum, finance system, student information system, and compliance tools. It also provides the management training required to operate an effective and efficient Head Start program. In its two years of operation, Acelero has secured service contracts with 6 Head Start centers and is profitable. During this period, the Company focused on developing its program and software platform. The Company now is seeking its first outside capital to ramp up sales and marketing and achieve a more aggressive growth rate.

Founded in 1965, Head Start is a $7 billion federal program administered by the Department of Health and Human Services that addresses the needs of low-income children between the ages of 3 and 5, and their families. Head Start is more than a pre-school program for the children. It also provides integral social service components that work to improve a child's nutrition and home environment. To be eligible for Head Start, a family of four must have an income below $17,650. The program currently provides health, nutrition, parental education, and pre-literacy instruction to over 900,000 children and their families. This is 50% more students than the charter school market and also better funded on a per seat basis at $7,200 per Head Start participant versus $5,700 per charter school student.

Head Start is administered on a federal to local model, with funds disbursed by the federal agency directly to the more than 1,500 not-for-profits and municipalities that in turn operate one or more Head Start centers. There are approximately 7,000 HS centers organized in 11 regions across the country. The centers are reviewed every three years by the federal government for compliance with set operating standards. Approximately 17% of these centers struggle with meeting these standards and are found deficient in some way. Examples of deficiencies range from under enrollment of students and shortcomings in social service delivery to inadequate organizational oversight and not meeting reporting requirements. Approximately 1-2% of centers each year is found to fall so short of the standards or has not taken steps to remedy previously identified deficiencies, that the operators are replaced through an RFP process. Acelero's initial customer base (the "low-hanging fruit") are the existing operators of these troubled centers who need help in bringing operations into compliance or are the new applicants submitting applications to take over these troubled centers. Acelero's product and services however, are attractive to even the most effective Head Start program because they can reduce its operating costs, alleviate the compliance burden, and allow for better access to the latest curriculum improvements.

II. The Head Start Market

Head Start has enjoyed broad bipartisan support since its inception in 1965. In its almost 40 year history, the program has never received a budget cut. Even during the last round of budgeting process, where many social service programs faced cuts, HS received a $100 million increase in funding. However, just like the mainstream public education systems, there is increasing demand for accountability and use of performance metrics. The Head Start performance standards manual is 317 pages and each center essentially responds to these standards through its own homegrown management and compliance system. Little sharing currently takes place among the centers to foster dissemination of best practice. This approach has yielded mixed results with widely different effectiveness and efficiency among the Head Start centers. According to the most recent Head Start monitoring report released by the federal government in 2000, more than 16% of the centers monitored that year had at least one serious deficiency that can lead to its grant being revoked if not corrected within one year. This 16% segment is roughly equal to 500 HS programs representing over $1 billion of federal funding. Although only a portion of these 500 programs sees its grants revoked, there are clearly opportunities for a company like Acelero to come in and revamp the program. Furthermore, as performance metrics become increasingly important in the Head Start market, Acelero's emphasis on quantifying results will find ready audiences even in the best-run HS centers.

To address this market opportunity, Acelero has developed a proprietary on-line task manager and resource library termed the "Acelero Desktop" for use by its customers. The Desktop comes pre-loaded with key activities for the year that all HS centers must accomplish (*e.g.* compliance reporting, employee reviews, curriculum review). It also provides each user the ability to further customize the Desktop with his or her own specific tasks and activities. Included is a document library with research-based curriculum information as well as templates for various reporting requirements. The enterprise-wide nature of the Desktop allows for consistent performance across an organization and an easy way for the Head Start director to oversee and manage the various staff members and service providers. Acelero customers have found the Desktop to be a powerful management tool not only in its daily operations but also an immense resource for assembling required reports and planning programs. Because it is web-based, Acelero staff members can also remotely access this information to assist each customer in meeting its educational and operational objectives. Furthermore, Acelero can capture the performance information across all its customers and continually evolve its Desktop offerings. More information on the Acelero product can be found in *Exhibit A*.

Customers pay Acelero $85,000 per year (a contract is typically locked in for 2-5 years), for its core service which includes unlimited use of its Desktop. There are also one-time startup expenses (billed to the customer) such as software setup and curriculum costs. Services such as management training classes and RFP preparation are also options and charged separately. Acelero considers itself an operating partner of the Head Start program. Included in its price are start-up and on-going technical assistance as well as availability of a local Acelero staff member to ensure proper deployment of the program and to promote operational and educational excellence. Unlike other early childhood education companies (*e.g.* Bright Horizons, Kindercare) Acelero has no costs associated with facility ownership and maintenance. Capital needs are therefore low with personnel as the major expense. Looking just at the previously mentioned 500 HS programs identified as having seriously deficiencies and assuming each center to be a $100,000 per year sales opportunity ($85,000 annual contract plus additional project consulting services), Acelero's core market opportunity is $50 million.

Acelero's customers can justify these costs solely on the staff time they save through partnering with the Company. HS centers have four major management functions: overall direction (the Head Start director), education coordination, family services coordination, and finance coordination. If the four top functional managers shift their focus from executing their programs to extensive design work on the programs, lower level assistants are typically hired to supplement operations. This leads to greater overhead costs and not necessarily better program execution or design. With the Acelero "turn-key" program package, HS centers essentially have the flexibility to outsource a good portion of the time-consuming design work and are assured of a thoroughly researched and tested set of curriculum and best practices. The Desktop also eliminates the need for excessive manual administrative tasks, further reducing overhead costs. Acelero estimates that implementation of its program saves its customers anywhere from $80,000 to $140,000 per year on excess personnel and overhead costs. Perhaps even more important, Acelero's program is designed to ensure the operation of more effective Head Start programs to benefit the children and their families.

III. Acelero Business Model

Acelero is organized as a regional network. Each regional team consists of at least one Managing Director and an administrative assistant. Each Managing Director supports three HS centers within his or her own region and is responsible for overseeing the implementation and execution of the Acelero support programs. Each administrative assistant can support two Managing Directors within that region. By clustering the centers in regions, Acelero can realize economies of scale and share specialized resources across these sites. The Company enjoys gross margins of 40% at each site (fully loaded with allocated personnel cost for each site).

At the nucleus of the network is a small central office that plays the critical roles of coordination, product development, and sales and marketing.

Sales
The central office has primary responsibility for the sales process, including identification of local partners, RFP preparation, and contract negotiation.

Quality Assurance
The central office provides general oversight of the partner HS centers and regional employees, ensuring quality implementation of the Acelero approach. Activities include training and regular audits of the centers.

Financial Oversight
The central office is responsible for fiscal oversight and budgeting of the Acelero network. Regional employees will work with individual centers using tools developed at the central office.

Refinement of the Model and Sharing Best Practices
The central office is responsible for continuous improvements on the Acelero approach and the sharing of best practices across its network of HS centers. It will continue to make improvements and add to the Acelero Desktop suite of tools. Feedback from customers is collected through formal events such as the annual conference as well as through regional manager's weekly visits to his or her partner sites.

Acelero currently sells to two types of prospective customers: 1) An agency that has never run a HS center before but wants to pursue a contract that was recently revoked or relinquished in their community; and 2) A current HS grantee who oversees a troubled center. In situations where an existing HS contract is in jeopardy, the initial screening is as follows:

Revoked Contracts
By focusing on revoked contracts, Acelero encounters no political resistance and limits the complexity of the sale. Revoked contracts have a defined sales cycle of 120-180 days between the issuance of the RFP and the awarding of a contract. In addition, there are only 2-3 key decision makers involved in the award process.

Minimum Contract Size of $1 Million
Head Start is a well-funded program with an average center budget of $4 million. Acelero looks for center with a budget of at least $1 million in order to justify a consultative partnership.

Facilities Solutions in Place
Facilities are one of the major items in a HS budget. Some facilities spend in excess of 15% of their revenue on rent. However, it is also common for HS centers to receive free or substantially below-market facilities. Acelero works

with those centers with access to high quality but below-market price facilities in order to ensure adequate budget spending for program delivery.

Quality Local Partner
By carefully choosing and partnering only with organization with strong reputations (such as Easter Seals in Acelero's CT center), Acelero further limits political resistance, increase the likelihood of securing a below-market facility, and increases the likelihood of creating a high quality HS center.

In addition to Acelero's current core business of providing support for Head Start operators, there are a number of other possible business expansions. These include consulting services, training services, and expansion of software offering to the broader HS market. Already, the Company has a $50,000 per year consulting contract with National Easter Seals to develop standards for their early child care centers as well as another $50,000 per year contract with a charter school in Brooklyn to develop their 0-5 year-olds program. The Company also regularly conducts training sessions for the broader Head Start market in topics such as compliance reporting, fiscal management, and board governance. Finally, as mentioned before, the functionality of the Acelero Desktop makes it an attractive management tool even to the most effective HS centers.

IV. Social Return

A child entering first grade from a low-income family has, on average, been given 25 hours of one-on-on picture book reading. A child from a typical middle class family receives 1,000 to 1,700 hours. By age three, a child from a family on welfare typically has a cumulative vocabulary of 525 compared to 1,116 words for a child from a professional family. Head Start is designed to address these disparities and provide disadvantaged children with better access to a high quality pre-school experience, nutrition, healthcare, and family services. In short, HS is an investment to bring low-income children to the level of their middle-income peers. Not only does it prepare the children to succeed in school, it also addresses the needs of the entire family. Head Start helps those most in need. Te be eligible, a family of four must have an income below $17,650 a year, or $340 a week. In addition, 10% of children enrolled in HS must have disabilities, and in general foster children and children of single parents are given priority.

Unfortunately, the quality of Head Start centers varies greatly from operator to operator. Acelero provides a turnkey solution that installs best practice procedures into HS centers to enhance program delivery. Ultimately, the beneficiaries are the children, their families, and their communities. Acelero is currently serving 1,200 children and their families in the six partner HS centers in its network today. The Company expects this number to increase to approximately 16,500 over the next three years as it ramps up operations and expand its service network.

Job creation within Acelero is another social return. As the network expands, the Company expects to increase the number of employees from 4 to 36. However, BCVF sees the return not so much in the number of jobs but rather in the model of social entrepreneurship we can help to create. The hires will primarily be for people with business and/or education backgrounds. The current management team's profile (please refer to Section V) is a good indication of the type of highly educated and strongly motivated person Acelero is seeking to hire. Acelero embodies the double bottom line approach BCVF also strives to establish in that financial and social returns can not only co-exist but be mutually reinforcing. The Company may not necessarily be creating large numbers of entry-level jobs but it is helping to create a career path for those individuals who are interested in social entrepreneurship.

Acelero's strong double line business model, together with its mission of improving program effectiveness in the Head Start market, allow this investment to yield one of the strongest social return in our portfolio.

~~IV.~~V. Management Team and Board

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Acelero is composed of a talented and committed group of individuals with strong business and educational backgrounds.

Aaron Lieberman (CEO):
Co-founder and CEO, Aaron Lieberman became a Head Start teacher after graduating from Yale and then founded the not-for-profit Jumpstart (www.jstart.org). Jumpstart is a national network connecting college student with Head Start centers to serve as tutors. It has affiliates in 30 cities and works with more than 100 local HS centers to improve educational outcomes. Acelero's regional network approach is a direct off shoot of Aaron's experience in growing Jumpstart. The idea of applying a quantifiable set of metrics to measure student performance also originated at Jumpstart. Aaron also founded and served as chair of Schoolsuccess.net, a venture-backed for-profit spin-off from Jumpstart focused on curriculum development. Pearson Education later acquired this company.

Henry Wilde (Chief Management Officer)
Henry Wilde is the other co-founder of Acelero Learning. After graduation from Harvard with a bachelor's degree in African American studies, Henry served as the special assistant to Marian Wright Edelman at the Children's Defense Fund. While at the Children's Defense Fund, Henry worked directly with Mrs. Edelman on launching such projects as the Student Health Outreach Program (SHOUT) to help states enroll low-income children in children's health insurance programs. After the Children's Defense Fund, Henry worked as a management consultant at the Monitor Group where he worked with Fortune 500 companies. Together with Aaron, Henry developed the initial Acelero program model and has taken the lead in developing the community partnership relations and overseeing the regional network. Henry also holds an MBA from Harvard Business School.

Scott Miller (CFO)
After graduation from Stanford with an MBA and a ME.D from the School of Education, Scott worked as an Associate Partner at New Schools Venture Fund, a venture philanthropy fund founded by John Doerr and Brook Byers of Kleiner Perkins, Byers to improve K-12 education. At New Schools, Scott focused on funding and building systems of charter schools to serve low-income children as well as education technology. Immediately prior to joining Acelero, Scott served on New York City Schools Chancellor Joel Klein's transition team, focusing on technology issues.

Tara Purohit (Managing Director)
Acelero recently hired Tara Purohit to be the Managing Director for the Northeast region. Tara graduated this past June from Harvard Business School with a focus in social enterprises. Prior to HBS, Tara founded the New York office of Project Health in Harlem, and then served as Executive Director of the national office in Boston. While at HBS, she spent a summer helping Bridgespan Consulting launch a not-for-profit executive search business.

Acelero also has developed a world-class board of advisors who have experience in scaling double bottom line companies. The advisors include Allen Grossman, Professor at HBS, Kathy Costello, President of Pearson Early Learning, Jeff Bradach, founder of Bridgespan Group, and Gene Wade, CEO of Platform Learning.

VI. Risks
Acelero is in the expansion stage and we believe is past much of the risks associated with early stage companies. In fact, BCVF has been tracking Acelero's progress for over a year monitoring its platform development and market acceptance. The Company has completed its Desktop and has six paying customers in two regions. Nonetheless, we do recognize risks associated with an investment in the Company. These include:

1. *Head Start is subject to federal budget and regulatory processes*
   Although Head Start has never experienced a budget cut in its almost 40-year existence and there is no indication that one is in the immediate future, we are certainly aware that the past is never an infallible indication of the future. There are, however, several aspects to the Head Start program we see as continuing to attract strong bipartisan support for its ongoing operation.

   First, numerous studies have shown that access to quality pre-school education is a very important indication of a child's future success in school and subsequent placement in society. Head Start really is an investment in our society's future with many-fold long term payback. Second, HS is a direct grant from the federal level to the local communities. It is one of the largest programs through which members of the Congress can clearly demonstrate to their constituency federal dollars working on the local level. Third, with increasing emphasis on accountability in our educational system, policymakers realize that Head Start is a major component of making sure that all segments of the population can meet the educational standards set at all levels of government.

Rather than funding, the major policy issues facing Head Start today have revolved around performance metrics, more attention being paid to curriculum and service delivery, and more stringent oversight of grantees. This trend bode well for Acelero with its program built specifically around the promotion of more effective HS centers.

2. *Market Acceptance and Sales Cycle*
When Acelero first approached us more than a year ago, one of BCVF's major concerns was the Company's ability to sell into the educational market. Especially with a politicized and bureaucratic program like Head Start, we were concerned that sales cycle would be extremely long. In the past year however, the company has demonstrated its ability to manage the sales process effectively. Part of the reason is that non-performing centers now must remedy deficiency within one year or face a mandatory RFP for a new operator. Another reason is that Acelero does have a product at a reasonable price point that can address "areas of pain" for HS centers. In particular, Acelero helps centers manage compliance in an increasingly metrics driven market. Finally, the staff of Acelero has "street credibility" in the market with hands-on experience working as HS teachers or as other early education providers. Nevertheless, BCVF took a conservative position and assumes a slower sales ramp up in its revised projections.

~~4.~~3. *Lower Margins than Projected*
Another one of BCVF's concerns when we first looked at Acelero was its operating margin expectations. We saw the risk that Acelero staff members may spend more time than anticipated working to implement the program at the partner centers. However, after two years of operation, Acelero's margins assumptions for each site have been tested and have held up. Again, BCVF nevertheless has taken a conservative position and has assumed a lower gross margin in its projections.

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~~6.~~4. *Over-extension of Network Model*
A risk on which we do not yet have much data is how efficiently Acelero's model can be deployed. While the regional model has been tested in the Jumpstart setting by having been deployed throughout the country, Acelero currently is only in two regions. In particular, can each Managing Director indeed oversee three HS centers? Can the central office support the network

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with the relatively small core staff it anticipates? As before BCVF has incorporated this risk into the revised projections.

5. *Competition*
BCVF believes competition is one of the smaller risks associated with Acelero. The major competitors are the sole proprietor consultants, most of whom previously worked in Head Start programs, who work locally with individual centers. While many of these people are capable, they are usually limited to specific domain expertise and can offer only limited scope of engagement. None has the capability to leverage their practice nationally or provide program support with a tool like the Acelero Desktop. Especially with HS oversight increasingly driven by performance metrics, Acelero's quantification approach will become more and more crucial. Acelero's pricing is also competitive to traditional consultants, especially given the range of functionalities embedded within the Acelero program.

   Other companies that currently are not in the Head Start market but conceivably may enter at some point include charter school management and service companies and for-profit childcare and early education centers like Bright Horizons and Kindercare. We see Acelero as having a competitive advantage over these other companies because of its strong industry knowledge of the Head Start market. Bright Horizons and Kindercare work mostly with employers to set up in-house centers or in communities that supports private tuitions. The charter school managers usually offer services from K-12 only. Working through HS regulations, understanding the pre-school curriculum, and being able to address the particular social service needs of lower-income children, all require a specialized set of skills and experience. Acelero is the only company in the market now with the right background and the right products. With Acelero already making a name for itself in the market, we see increasing barrier to entry for the other companies. We believe as Acelero grows to scale, it should become an attractive acquisition candidate for these other companies should they decide to enter the Head Start market.

6. *Lack of exit beyond return of principal*
Although BCVF expects Acelero to be an attractive acquisition target once it grows to scale, the mergers and acquisition market is unpredictable. It is possible that our immediate return is limited to the interest collected. We feel though that with the strong social return, the relatively small amount of this investment, and the expected recurring revenue stream once a customer is signed, we may still enjoy an attractive upside return through eventual dividend distributions.

In summary, there are risks associated with this venture but they are less than most of our portfolio companies, thus making this a good portfolio diversification investment.

BCVF is mitigating these risks by revising company projections to more conservative levels. Furthermore, we are structuring the investment as a debt instrument paying some current interest with a defined repayment date. We also will receive warrants for shares in the company in order to participate in any further upside.

VII. Historical and Projected Performances

Acelero was founded in June 2002 with 2003 being its first year of operation. Prior to that, the co-founders Aaron Lieberman and Henry Wilde spent two years researching the market, collecting best practices, and assembling its core program offering. In its first year of operation, the Company signed two contracts and used that year to tweak its programs and better understand its operating cost structure. In 2004, the Company signed an additional four contracts. Acelero has been profitable since 2003 and tracking its margin projections during that time. Detailed historical income statements can be found in *Exhibit B*.

Going forward, the company will use proceeds from this investment to make additional hires in order to aggressively target other HS centers within the Northeast and achieve maximum operating efficiency within this region. Selectively, it will also begin rolling out its programs to other regions across the country. The Company expects 2005 and 2006 to operate at a loss as it invest in the ramp up process. The increase in expenses will mostly be in personnel with 2005 seeing a big bulking up of the central office administrative functions (*e.g.* full time manager to oversee regional network, sales VP, government relations manager). While there will be a lag time between making the hire and having the additional expense covered by revenue increase, the company also has some flexibility in timing its hires to minimize this lag time. Acelero is projecting to sign 5 new contracts in 2005, 8 in 2006, 15 in 2007, and 16 in 2008. Taking into account anticipated attritions, this translates to 42 full-year contract by the end of 2008 yielding revenue slightly over $6 million and EBITDA of $1.57 million. Out of this cash flow, the Company is expected to fund the payback of BCVF's investment. Details of management's projected income statements for 2004-2008 can be found in *Exhibit C*. The key income numbers can be found in the following table.

Acelero Management	*2004*	*2005*	*2006*	*2007*	*2008*
Number of New Full Year Contracts	2	5	8	15	16
Total Number of Full Year Contracts	4	9	16	29	42
Revenue	**$575,847**	**$1,203,552**	**$2,308,400**	**$4,193,779**	**$6,090,996**
Regional Site Level Expenses	270,774	593,268	1,159,070	1,964,962	2,780,768

Central Office Expenses	257,677	757,175	1,185,306	1,517,913	1,736,087
EBITDA	**47,396**	**(146,891)**	**(35,975)**	**710,904**	**1,574,141**

VIII. BCVF Revised Projections

As indicated in the risks section earlier, BCVF has revised management's projections to reflect our perceived risks. In particular, we analyzed alternative sales ramp up and hiring scenarios. This in turn affects measures such as number of employees required to support a particular region, central office overhead, and revenue per employee. In general, we believe Acelero's management has good flexibility in how it manages its expenses. Use of funds is for personnel hires, mostly a variable cost. Although some hires need to be immediate, notably in sales and administration, most of the other hires can be on an as-needed basis. Therefore, in a scenario where new contracts are signed more slowly than anticipated, we would expect a less severe loss than otherwise expected due to a more measured hiring pace. Of course, the drawback of a slower ramp up is a smaller company and lower terminal value at the end of our four year investment horizon. However, we have taken this into account in pricing our investment terms.

As is our usual practice, BCVF has assembled three scenarios that explore different ranges of possible company performance. The key income statement numbers for these three scenarios can be found below. More details can be found in *Exhibit D*.

BCVF Pessimistic	*2005*	*2006*	*2007*	*2008*
Number of New Full Year Contracts	3	5	8	12
Total Number of Full Year Contracts	7	11	17	26
Revenue	**$986,477**	**$1,526,710**	**$2,420,710**	**$3,620,148**
Regional Site Level Expenses	549,741	789,340	1,181,050	1,792,943
Central Office Expenses	594,027	864,421	1,248,625	1,497,332
EBITDA	**(157,291)**	**(127,051)**	**(8,965)**	**329,873**

BCVF Median	*2005*	*2006*	*2007*	*2008*
Number of New Full Year Contracts	4	6	10	14

Total Number of Full Year Contracts	8	13	21	32
Revenue	**$1,100,727**	**$1,779,196**	**$2,978,010**	**$4,513,147**
Regional Site Level Expenses	572,650	938,329	1,530,257	2,175,537
Central Office Expenses	620,252	982,277	1,355,465	1,586,087
EBITDA	**(92,175)**	**(141,410)**	**92,288**	**751,523**

BCVF Optimistic	*2005*	*2006*	*2007*	*2008*
Number of New Full Year Contracts	5	8	11	16
Total Number of Full Year Contracts	9	15	24	37
Revenue	**$1,214,977**	**$2,218,924**	**$3,473,311**	**$5,456,146**
Regional Site Level Expenses	705,559	1,160,636	1,761,585	2,558,131
Central Office Expenses	654,744	1,111,625	1,426,932	1,671,087
EBITDA	**(145,326)**	**(53,337)**	**284,794**	**1,226,928**

By assigning probabilities of occurrence to the three BCVF scenarios, we can derive a single set of consolidated figures. The summary of this consolidated scenario is below. Full pro forma financial statements can be found in *Exhibit E.*

Scenarios	*Probabilities of Occurrence*
BCVF Pessimistic	0.15
BCVF Median	0.60
BCVF Optimistic	0.25

BCVF Consolidated	*2005*	*2006*	*2007*	*2008*
Revenue	**$1,112,152**	**$1,851,255**	**$3,018,240**	**$4,614,947**
Regional Site Level Expenses	602,441	971,558	1,535,708	2,213,796

Central Office Expenses	624,941	996,935	1,357,306	1,594,024
EBITDA	**(115,230)**	**(117,238)**	**125,227**	**807,127**

IX. Financing, Valuation/Exit, and Expected Returns

Acelero is seeking $250,000 to fund the ramp up of its business. Specifically, it is seeking to increase staffing in order to support its sales and marketing effort. Pre and post-money balance sheets can be found in *Exhibit F*. The capitalization table can be found in *Exhibit G*. Proceeds will be applied towards hiring of personnel and funding operating losses during the ramp up process. Acelero's business has an attractive cash cycle in that its customers remit payment on a quarterly basis in advance. Furthermore, the money is wired directly from the federal Head Start agency so there is essentially no lag time between invoicing and receipt of money. Receivables are therefore quite low since the Company is able to turn it into cash quickly. There are also minimal capital equipment requirements and no inventory associated with the business. These are the major reasons the company has been able to make so much progress on very little start-up capital. The flip side of this situation though is that the Company has minimal assets upon which to base a standard working capital line. Between this fact and the Company's expectation to operate at a loss in order to more rapidly ramp up its business, this investment is not a bank deal.

BCVF is proposing an investment through a 4-year note with 12% interest. Seven percent of the interest, or $17,500, will be paid annually with the remaining amount accruing and compounding. Upon the note's due date, a balloon payment of the accrued interest and principal will be made. BCVF will also receive detachable warrants for 6.4% of the company (11,500 shares exercisable at $7.50 dollars/share). BCVF has decided to structure the deal as debt even though we recognize the investment is essentially equity in nature. There are three major reasons for this. First, a debt deal would be easier and less expensive to document than one involving a preferred equity structure. We should also note that interest payments are deductible pre-tax expenses for the company. Second, a debt structure will enforce on Acelero regular attention to its cash flow since it needs to service the debt annually. Third, holding our investment as debt with senior security position on all company assets does offer us some protection. While we may not be fully covered by assets, we should have partial coverage. BCVF's risk premium is further captured in the detachable warrants we will receive. With an exercise price of $7.50/share, BCVF locks in its buy-in price into the company at a valuation of approximately $1.07 million. We believe the Company will be worth significantly more in 4 years.

Acelero's track record over the last two years indicates market interest in its products and services as well as Company's ability to manage its contracts cost effectively. BCVF believes the Company will grow steadily over the next 4 years and will be able to support our modest debt service and debt repayment. The Company will also increase its value during that time. Acelero already has created a formidable barrier to entry through its expertise and growing track record in the HS market. We believe a liquidation event is likely through acquisition by a large national childcare company looking to expand into the Head Start market. There are precedents for early childcare companies growing through acquisitions and the Head Start market, serving more children than the top 40 private childcare providers combined, is clearly a major untapped market. In fact, Acelero has already had conversations with both Bright Horizons and Kindercare about working together on addressing the needs of lower income children. Quite conceivably, these partnerships can lead to an outright acquisition of the Company. Using a reasonable valuation metric taking the average of 1 times revenue and 9 times EBITDA, we obtain an exit enterprise value of just under $5.7 million. Our investment's IRR is estimated at 29.0%.

X. Recommendation

BCVF recommends an investment of $250,000 and an additional $250,000 to be reserved. We are proposing using a debt structure with detachable warrants to maximize our principal protection while retaining the opportunity for the upside. The respectable IRR estimate of 29.0%, coupled with the extremely strong social return inherent in this business, makes this a compelling investment for BCVF's portfolio.

Exhibit A

The Acelero Desktop

Acelero builds its Desktop from off-the-shelf components and focuses on the integration of these components and their effective implementation in the field. The result is a common platform across all partner Head Start sites that captures Acelero's proprietary process for training and implementation. Key functionalities of the Desktop include:

Research-based Curriculum
Acelero works with its partner Head Start operators to select one of the two most widely used curriculum approaches in HS (High/Scope or Creative Curriculum) and apply this focus in the design of every element of the education program. Beginning with pre-service teacher training, Acelero is available to provide ongoing coaching for each teacher throughout the year. Right from the start, Acelero puts into place a set of common vocabulary and metrics to track and manage performance at the student, staff, classroom, and center level. On top of the basic curriculum, Acelero also adds an explicit focus on early reading and writing skills. All partner HS centers implement the "Read with Me" dialogic reading program originally designed and evaluated by Assistant Education Secretary Dr. Grover Whitehurst.

Student Information System
Acelero also implements a student information system specifically designed for Head Start. In addition to tracking students, the application facilitates compliance with federal and state reporting, and tracks social services provide to Head Start families. With this tool, reports that some centers used to compile by hand in days can be completed instead in minutes and at higher levels of accuracy.

Finance
Head Start failures are often traced to ineffective financial and administrative management. Acelero has partnered with Williams, Young, LLC, an accounting firm with over 30 years experience in the HS market, to implement a customized version of financial software. This software allows each HS partner in the Acelero network to generate all the required HS financial reports and allows Acelero to ensure that effective financial management practices are in place consistently at all its sites and throughout the whole organization.

Information Technology
Given the typically low technology utilization at HS grantees, the introduction of even basic information technology has a multiplier effect on the productivity of the centers. As part of its engagement, Acelero will assist the partner in implementing a

basic IT plan that includes a computer with Internet access in every classroom and individual email and voice mail accounts for all staff. Teachers are able to use the web-based programs to track the progress of each child. On a center level, one can access statistics on child recruitment, enrollment, and attendance. These are all information that need to be reported and are much easier tracked on computer than on paper.

Training

Complementing the Desktop, the coherent curriculum, and back office systems, Acelero also works to build strong teams at every level. Trainings in facilitative leadership and process management occur throughout the year. Real-time monitoring of center performance through the Internet further assures each partner center is achieving high quality Head Start programs.

Acelero Learning Inc.

Last Revised: 01/05/05

Exhibit B

Historical Income Statements

Acelero Learning Income Statement	*2003*	*2004 (through Nov)*
Revenues		
INCOME	332,727.70	511,308.72
INTEREST INCOME	0.00	0.00
Total Revenues	332,727.70	511,308.72
Cost of Sales		
HEAD START PROGRAM COSTS	37,177.00	8,624.20
Total Cost of Sales	37,177.00	8,624.20
Gross Profit	295,550.70	502,684.52
Expenses		
CLIENT TRAINING	1,100.00	2,079.26
401K	0.00	<1,274.94>
OFFICER SALARY	105,000.00	78,043.50
OFFICE SALARY	56,443.61	92,678.32
PAYROLL TAXES	0.00	0.00
FICA EXPENSE	11,234.51	13,033.43
NET PAYROLL	0.00	92,403.41
FUI	368.00	213.30
SUI	2,156.72	892.16
DBL/WORKERS COMP	796.86	956.85
SUSPENSE	0.00	21,831.74
ADVERTISING	0.00	0.00
AUTO	3,808.19	8,446.63
BANK CHARGES	286.90	290.04
CONSULTANT-BETSY EVANS	5,821.59	0.00
CONSULTANT-EDITH BUHS	12,925.75	1,019.82
CONSULTANT - TARA PUROHIT	0.00	158.12
CONSULTANT - NELL BREYER	1,785.00	0.00
CONSULTANT - S. KELLE	300.00	0.00
CONSULTANT- R. BRAGIN	97.50	0.00
CONSULTANT - PATRICIA PERSELL	0.00	0.00
CONSULTANT	1,200.00	7,227.15
CONTRIBUTIONS	100.00	1,200.00
CONVENTIONS/CONFERENCES	260.00	2,670.00
COMMISSIONS	0.00	0.00

Acelero Learning Inc.

Last Revised: 01/05/05

COMPUTER	3,979.90	7,863.93
DEPRECIATION	2,425.00	0.00
DUES & SUBSCRIPTIONS	0.00	0.00
PETTY CASH	0.00	0.00
DELIVERY/POSTAGE	0.00	276.91
EQUIPMENT LEASING	0.00	0.00
ENTERTAINMENT	92.46	289.95
GIFTS/XMAS	0.00	300.00
INSURANCE	360.00	939.60
INSURANCE - MEDICAL	4,304.46	4,674.76
INTERNET HOST-NEWBURGH	3,201.30	1,979.55
LOCAL TRANSPORTATION	493.50	93.50
MARKETING	350.00	8,807.19
MISCELLANEOUS	0.00	5,013.79
OFFICE EXPENSE	7,217.25	4,937.46
PAYCHEX 401K ADMINSTRATION FEE	0.00	1,340.00
PAYROLL SERVICE	0.00	746.85
PROFESSIONAL	12,000.00	9,765.55
REIMBURSED EXPENSES	15,043.51	39,398.17
RENT	9,100.94	22,239.24
REPAIRS & MAINTENANCE	0.00	0.00
SECURITY	0.00	0.00
TELEPHONE	5,085.01	6,961.22
TRAVEL	2,231.72	11,509.36
UTILITIES	0.00	0.00
PENALTIES	0.00	95.00
TAXES	400.00	3,728.83
Total Expenses	269,969.68	452,839.44
Net Income	25,581.02	49,845.08

Acelero Learning Inc.
Last Revised: 01/05/05

Exhibit C

Management Provided Projections

Management's Projected Income Statement					
Revenues	*2004*	*2005*	*2006*	*2007*	*2008*
Site Level					
Management Contracts (Avg Rev $85K)	$383,500	$796,850	$1,446,471	$2,691,808	$4,010,730
Start Up Fees ($12K per New Contract)	25,200	58,800	96,000	180,000	192,000
Optional Products and Staffing	11,897	85,402	175,929	349,470	533,266
Travel ($2500/Contract)	10,250	22,500	40,000	72,500	105,000
Subtotal - Site Level Revenue	430,847	963,552	1,758,400	3,293,779	4,840,996
Central Office (Consulting, Training)	145,000	240,000	550,000	900,000	1,250,000
Total Revenues	575,847	1,203,552	2,308,400	4,193,779	6,090,996
Expenses	*2004*	*2005*	*2006*	*2007*	*2008*
Site Level					
Personnel Mgmt Contracts - Mang. Dir ($110K inc. Ben)	155,000	330,000	660,000	1,100,000	1,540,000
Personnel Management Contracts -Admin ($50K inc Ben)	50,000	100,000	200,000	300,000	450,000
Misc. Site Level Expenses (Annual Conf, HS Expert etc.)	27,675	60,750	108,000	195,750	283,500
Expenses Related to Start Up Fees	15,141	36,389	61,193	118,178	129,839
Expenses Related to Optional Products and Staffing	12,708	43,630	89,877	178,534	272,429
Travel	10,250	22,500	40,000	72,500	105,000
Subtotal - Site Level Expenses	270,774	593,268	1,159,070	1,964,962	2,780,768

Acelero Learning Inc.
Last Revised: 01/05/05

Site Level Gross Margin	37.2%	38.4%	34.1%	40.3%	42.6%
Central Office					
Salaries and Benefits	160,521	592,767	883,995	1,060,414	1,133,618
Overhead	59,656	93,408	141,311	167,498	202,469
R&D - Infrastructure Development	10,000	20,000	30,000	50,000	50,000
Consulting Expenses Not Covered by Salaries	5,000	15,000	30,000	40,000	50,000
Training Expenses Not Covered By Salaries	22,500	36,000	100,000	200,000	300,000
Subtotal - Central Office	257,677	757,175	1,185,306	1,517,913	1,736,087
Total Operating Expenses	528,451	1,350,443	2,344,376	3,482,875	4,516,855
EBITDA	47,396	(146,891)	(35,975)	710,904	1,574,141
EBITDA Margin	8.2%	-12.2%	-1.6%	17.0%	25.8%
Interest Expense	2,500	30,000	30,000	30,000	27,500
Pre-Tax Income	44,896	-176,891	-65,975	680,904	1,546,641
Income Taxes	15,265	0	0	164,197	525,858
NET INCOME	29,631	-176,891	-65,975	516,707	1,020,783

Acelero Learning Inc.

Last Revised: 01/05/05

Management's Projected Balance Sheet					
Assets	*2004*	*2005*	*2006*	*2007*	*2008*
Current Assets					
Cash	$325,348	$178,348	$119,695	$593,137	$1,309,216
Accounts Receivable	47,987	100,296	192,367	349,482	507,583
Inventories	-	-	-	-	-
Prepaid expenses and other	-	-	-	-	-
Subtotal - Current Assets	373,336	278,644	312,062	942,618	1,816,799
Long Term Assets					
Property, Plant, and Equipment	-	-	-	-	-
Goodwill and Intangible Assets	-	-	-	-	-
Accumulated Depreciation	-	-	-	-	-
Other Assets	-	-	-	-	-
Subtotal - Long Term Assets	-	-	-	-	-
Total Assets	373,336	278,644	312,062	942,618	1,816,799
Liabilities & Share Holder's Equity	*2004*	*2005*	*2006*	*2007*	*2008*
Current Liabilities					
Accounts Payable	52,845	135,044	234,438	348,287	451,686
Short Term Debt					
Other Current Liabilities					
Subtotal Current Liabilities	52,845	135,044	234,438	348,287	451,686
Long-Term Liabilities					
Long Term Debt	250,000	250,000	250,000	250,000	-
Other Liabilities	-	-	-	-	-
Subtotal Long-Term Liabilities	250,000	250,000	250,000	250,000	-
Total Liabilities	302,845	385,044	484,438	598,287	451,686
Shareholder's Equity					

Acelero Learning Inc.
Last Revised: 01/05/05

Paid in Capital	15,000	15,000	15,000	15,000	15,000
Retained Earnings	55,490	(121,401)	(187,376)	329,331	1,350,114
Subtotal Shareholder's Equity	70,490	(106,401)	(172,376)	344,331	1,365,114
Total Shareholder Equity & Liab	373,336	278,644	312,062	942,618	1,816,799
Management's Projected					
Cash Flow	*2004*	*2005*	*2006*	*2007*	*2008*
Starting Cash Position	$11,260	$325,348	$178,348	$119,695	$593,137
Cash Receipts					
Sales on Credit	567,458	1,151,244	2,216,329	4,036,664	5,932,895
Loan Proceeds	250,000	-	-	-	-
Equity Capital Proceeds	-	-	-	-	-
Total Cash Receipts	817,458	1,151,244	2,216,329	4,036,664	5,932,895
Cash Disbursements					
Inventory	-	-	-	-	-
Salaries and Benefits	372,010	1,045,046	1,789,890	2,551,581	3,262,730
Non payroll expenses	113,596	223,198	455,093	817,444	1,150,727
Non Depreciable Asset Purchases	-	-	-	-	-
Interest	2,500	30,000	30,000	30,000	27,500
Debt payments	-	-	-	-	250,000
Dividends					
Total Cash Disbursements	488,106	1,298,244	2,274,982	3,399,025	4,690,957
Income Taxes	15,265	-	-	164,197	525,858
Total Cash Disbursements After Taxes	503,370	1,298,244	2,274,982	3,563,222	5,216,815
Net Change in Cash	314,088	(147,001)	(58,653)	473,442	716,080
Ending Cash Position	325,348	178,348	119,695	593,137	1,309,216

Acelero Learning Inc.

Last Revised: 01/05/05

Exhibit D

BCVF Alternative Scenarios

BCVF Pessimistic	*2005*	*2006*	*2007*	*2008*
Number of New Contracts	3	5	8	12
Cumulative "Full Year" Contracts	7	11	17	26
Number of Site Employees	5	7	10	15
Number of Central Office Employees	5	8	11	13
Total Number of Employees	10	15	21	28
Site Revenue	$746,477	$1,206,710	$1,920,710	$3,020,148
Central Revenue	240,000	320,000	500,000	600,000
Total Revenue	986,477	1,526,710	2,420,710	3,620,148
Site Expense	549,741	789,340	1,181,050	1,792,943
Central Office Expense	594,027	864,421	1,248,625	1,497,332
Total Operating Expense	1,143,768	1,653,761	2,429,675	3,290,274
Gross Profit (Site Level)	196,736	417,370	739,660	1,227,205
	26%	35%	39%	41%
EBITDA	(157,291)	(127,051)	(8,965)	329,873
	-16%	-8%	0%	9%

Acelero Learning Inc.

Last Revised: 01/05/05

BCVF Median	*2005*	*2006*	*2007*	*2008*
Number of New Contracts	4	6	10	14
Cumulative "Full Year" Contracts	8	13	21	32
Number of Site Employees	5	8	13	18
Number of Central Office Employees	5	9	11	13
Total Number of Employees	10	17	24	31
Site Revenue	$860,727	$1,429,196	$2,378,010	$3,713,147
Central Revenue	240,000	350,000	600,000	800,000
Total Revenue	1,100,727	1,779,196	2,978,010	4,513,147
Site Expense	572,650	938,329	1,530,257	2,175,537
Central Office Expense	620,252	982,277	1,355,465	1,586,087
Total Operating Expense	1,192,902	1,920,606	2,885,722	3,761,624
Gross Profit (Site Level)	288,077	490,867	847,754	1,537,610
	33%	34%	36%	41%
EBITDA	(92,175)	(141,410)	92,288	751,523
	-8%	-8%	3%	17%

Acelero Learning Inc.

Last Revised: 01/05/05

BCVF Optimistic	*2005*	*2006*	*2007*	*2008*
Number of New Contracts	5	8	11	16
Cumulative "Full Year" Contracts	9	15	24	37
Number of Site Employees	6	10	15	21
Number of Central Office Employees	7	11	12	13
Total Number of Employees	13	21	27	34
Site Revenue	$974,977	$1,768,924	$2,823,311	$4,406,146
Central Revenue	240,000	450,000	650,000	1,050,000
Total Revenue	1,214,977	2,218,924	3,473,311	5,456,146
Site Expense	705,559	1,160,636	1,761,585	2,558,131
Central Office Expense	654,744	1,111,625	1,426,932	1,671,087
Total Operating Expense	1,360,304	2,272,262	3,188,517	4,229,218
Gross Profit (Site Level)	269,418	608,288	1,061,726	1,848,015
	28%	34%	38%	42%
EBITDA	(145,326)	(53,337)	284,794	1,226,928
	-12%	-2%	8%	22%

Acelero Learning Inc.
Last Revised: 01/05/05

BCVF Consolidated	*2005*	*2006*	*2007*	*2008*
Number of New Contracts	4	6	10	14
Cumulative "Full Year" Contracts	8	13	21	32
Number of Site Employees	5	8	13	18
Number of Central Office Employees	6	9	11	13
Total Number of Employees	11	18	24	31
Site Revenue	$872,152	$1,480,755	$2,420,740	$3,782,447
Central Revenue	240,000	370,500	597,500	832,500
Total Revenue	1,112,152	1,851,255	3,018,240	4,614,947
Site Expense	602,441	971,558	1,535,708	2,213,796
Central Office Expense	624,941	996,935	1,357,306	1,594,024
Total Operating Expense	1,227,383	1,968,493	2,893,014	3,807,820
Gross Profit (Site Level)	269,711	509,197	885,033	1,568,651
	31%	34%	37%	41%
EBITDA	(115,230)	(117,238)	125,227	807,127
	-10%	-7%	4%	17%

Acelero Learning Inc.

Last Revised: 01/05/05

Exhibit E

Detailed Pro Forma Statements for BCVF Consolidated

BCVF Consolidated				
Revenues	*2005*	*2006*	*2007*	*2008*
Site Level				
Management Contracts (Avg Rev $85K)	$726,810	$1,225,539	$1,995,195	$3,121,015
Start Up Fees ($12K per New Contract)	49,200	76,200	119,400	170,400
Optional Products and Staffing	75,642	145,141	252,395	409,282
Travel ($2500/Contract)	20,500	33,875	53,750	81,750
Subtotal - Site Level Revenue	872,152	1,480,755	2,420,740	3,782,447
Central Office (Consulting, Training)	240,000	370,500	597,500	832,500
Total Revenues	1,112,152	1,851,255	3,018,240	4,614,947
Expenses	*2005*	*2006*	*2007*	*2008*
Site Level				
Personnel Mgmt Contracts - Mang. Dir ($110K inc. Ben)	357,500	561,000	874,500	1,232,000
Personnel Management Contracts -Admin ($50K inc Ben)	100,000	162,500	255,000	355,000
Misc. Site Level Expenses (Annual Conf, HS Expert etc.)	55,350	91,463	145,125	220,725
Expenses Related to Start Up Fees	30,448	48,572	78,392	115,232
Expenses Related to Optional Products and Staffing	38,643	74,148	128,941	209,090
Travel	20,500	33,875	53,750	81,750
Subtotal - Site Level Expenses	602,441	971,558	1,535,708	2,213,796
Gross Margin (site level)	31%	34%	37%	41%

Acelero Learning Inc.

Last Revised: 01/05/05

Central Office				
Salaries and Benefits	469,508	752,279	992,715	1,128,404
Overhead	84,433	130,207	163,341	201,870
R&D - Infrastructure Development	20,000	30,000	50,000	50,000
Consulting Expenses Not Covered by Salaries	15,000	21,250	29,250	39,750
Training Expenses Not Covered By Salaries	36,000	63,200	122,000	174,000
Subtotal - Central Office	624,941	996,935	1,357,306	1,594,024
Total Operating Expenses	1,227,383	1,968,493	2,893,014	3,807,820
EBITDA	(115,230)	(117,238)	125,227	807,127
	-10%	-7%	4%	17%
Interest Expense	30,000	30,000	30,000	27,500
Pre-Tax Income	(145,230)	(147,238)	95,227	779,627
Income Taxes	-	-	-	213,276
NET INCOME	(145,230)	(147,238)	95,227	566,351

Acelero Learning Inc.

Last Revised: 01/05/05

BCVF Consolidated				
Assets	*2005*	*2006*	*2007*	*2008*
Current Assets				
Cash	$205,319	$70,600	$161,030	$435,803
Accounts Receivable	92,679	154,271	251,520	384,579
Inventories	-	-	-	-
Prepaid expenses and other	-	-	-	-
Subtotal - Current Assets	297,998	224,872	412,550	820,382
Long Term Assets				
Property, Plant, and Equipment	-	-	-	-
Goodwill and Intangible Assets	-	-	-	-
Accumulated Depreciation	-	-	-	-
Other Assets	-	-	-	-
Subtotal - Long Term Assets	-	-	-	-
Total Assets	297,998	224,872	412,550	820,382
Liabilities &				
Share Holder's Equity	*2005*	*2006*	*2007*	*2008*
Current Liabilities				
Accounts Payable	122,738	196,849	289,301	380,782
Short Term Debt				
Other Current Liabilities				
Subtotal Current Liabilities	122,738	196,849	289,301	380,782
Long-Term Liabilities				
Long Term Debt	250,000	250,000	250,000	-
Other Liabilities	-	-	-	-
Subtotal Long-Term Liabilities	250,000	250,000	250,000	-
Total Liabilities	372,738	446,849	539,301	380,782
Shareholder's Equity				
Paid in Capital	15,000	15,000	15,000	15,000
Retained Earnings	(89,740)	(236,978)	(141,751)	424,600

Acelero Learning Inc.

Last Revised: 01/05/05

Subtotal Shareholder's Equity	(74,740)	(221,978)	(126,751)	439,600
Total Shareholder Equity & Liab	297,998	224,872	412,550	820,382
BCVF Consolidated				
Cash Flow	*2005*	*2006*	*2007*	*2008*
Starting Cash Position	$325,348	$205,319	$70,600	$161,030
Cash Receipts				
Sales on Credit	1,067,460	1,789,663	2,920,992	4,481,888
Loan Proceeds	-	-	-	-
Equity Capital Proceeds	-	-	-	-
Total Cash Receipts	1,067,460	1,789,663	2,920,992	4,481,888
Cash Disbursements				
Inventory	-	-	-	-
Salaries and Benefits	946,741	1,513,642	2,188,058	2,822,173
Non payroll expenses	210,748	380,740	612,504	894,167
Non Depreciable Asset Purchases	-	-	-	-
Interest	30,000	30,000	30,000	27,500
Debt payments	-	-	-	250,000
Dividends				
Total Cash Disbursements	1,187,489	1,924,382	2,830,562	3,993,839
Income Taxes	-	-	-	213,276
Total Cash Disbursements After Taxes	1,187,489	1,924,382	2,830,562	4,207,115
Net Change in Cash	(120,029)	(134,719)	90,430	274,773
Ending Cash Position	205,319	70,600	161,030	435,803

*Note that the cash flow assumes full payment of 12% interest annually. IRR calculation assumes 7% with accrual and balloon payment at end of year 4.

Exhibit F

Pre- and Post- Investment Balance Sheets

ASSETS	Pre-Investment		Post-Investment	
Current Assets				
CASH - FLEET	51,754.46		301,754.46	
ACCOUNTS RECEIVABLE	39,950.27		39,950.27	
DUE TO/FROM OFFICER	<6,431.13>		<6,431.13>	
Total Current Assets		85,273.60		335,273.60
Property and Equipment				
FIXED ASSETS	10,825.00		10,825.00	
ACCUM DEP - FIXED ASSETS	<7,188.00>		<7,188.00>	
Total Property and Equipment		3,637.00		3,637.00
Other Assets				
Total Other Assets		0.00		0.00
Total Assets		88,910.60		338,910.60

LIABILITIES AND CAPITAL	Pre-Investment		Post-Investment	
Current Liabilities				
ACCOUNTS PAYABLE	10,603.42		10,603.42	
Total Current Liabilities		10,603.42		10,603.42
Long-Term Liabilities			250,000.00	
Total Long-Term Liabilities		0.00		250,000.00
Total Liabilities		10,603.42		260,603.42
Capital				
CAPITAL STOCK	1,000.00		1,000.00	
Retained Earnings	27,462.10		27,462.10	
Net Income	49,845.08		49,845.08	
Total Capital		78,307.18		78,307.18

Total Liabilities & Capital	88,910.60	338,910.60

Acelero Learning Inc.

Last Revised: 01/05/05

Exhibit G

Capitalization Summary

Acelero Capitalization Table				
Pre-money				
	Shares Held	Options	Total	%
Aaron Lieberman	92,000	-	92,000	64.7%
Henry Wilde	9,000	13,050	22,050	15.5%
Scott Miller	5,400	16,650	22,050	15.5%
Tara Purohit	2,000	4,000	6,000	4.2%
Total	108,400	33,700	142,100	100.0%

Acelero Capitalization Table					
Post-money					
	Shares Held	Options	Warrants	Total	%
Aaron Lieberman	92,000	-	-	92,000	50.9%
Henry Wilde	9,000	13,050	-	22,050	12.2%
Scott Miller	5,400	16,650	-	22,050	12.2%
Tara Purohit	2,000	4,000	-	6,000	3.3%
BCVF	-	-	11,500	11,500	6.4%
New Option Pool	-	27,000	-	27,000	15.0%
Total	108,400	60,700	11,500	180,600	100.0%