

The following summary is not intended to be, nor shall it be, construed as either a binding commitment or an attempt to define all terms and conditions of the transaction described herein. Rather, it is intended to set forth an outline of certain material terms and conditions for a proposed set of transactions. Any legal obligations between the parties shall arise only after definitive documents have been negotiated by the parties in form and content satisfactory to all parties, all necessary approvals to enter into such agreements have been obtained, and the parties have executed and delivered such definitive written agreements. Each prospective participant should complete its own due diligence and not rely on the following.

Municipal Network Exchange, Inc

- Prospectus: https://stealthexchange.io/munex/munex_prospectus.pdf
- Valuation Analysis: https://stealthexchange.io/munex/munex_valuation_analysis.pdf

INVESTMENT HIGHLIGHTS

- High Provider market demand
- Ultra Short-term (90 days or less) debt; can be rolled into a new obligation Is the only platform of its kind for federal debt
- Outsized projected annualized yield when compared to General Obligation Bond rates for the same obligor
- Quality of debt reflects the quality of the underlying government obligation
- 75% Advance Rate on Investment-grade loan collateral Pre-payment premiums and additional yield enhancement feature

INVESTMENT RATIONALE

- High yielding investment alternative for excess cash
- Short-term, self-liquidating collateral matches the shortest maturity
- Deep and easily accessible asset class
- Premium driver for a short-term fixed income portfolio
- The risk profile is a direct reflection of the receivables quality and consistent with the rating of Federal Obligation Bond.
- No credit exposure to receivables seller.

INTRODUCTION

Municipal Network Exchange ("MUNEX") is seeking qualified investors to participate in purchasing Government Debt Obligation "GDO" Contracted Service Providers. The MUNEX GDO program creates a marketplace where Providers can be matched with Purchasers and receive funds for performed contracted services debt in less than 24 hours.

MUNEX operates neither as a lender nor purchase but a facilitator and servicer. The platform allows for the identification, posting, review, sale, automation, and collection of contracts, documents, and signatures related to qualifying government debt. The platform provides access, security, and efficiency to a chronically underserved reimbursement process.

Every type of Health and Human Service GDO or Receivables constitutes a participation interest that is secured by a validated, approved-for-payment obligation of U.S. Government.

BACKGROUND

The recent and unprecedented shift in public policy regarding social programs in the United States has seen many providers and non-profits that deliver services on behalf of the government now experiencing long delays in receiving payment for preformed Services. Withdrawal of liquidity from securitization markets and significantly constrained credit availability for all but the largest corporate borrowers have created widespread pressures on working capital and other short-term funding needs. Vendors with significant exposure to governmental and substantial corporate obligors are facing extended payment terms and other financial pressures resulting from strained budgets and across-the-board cost-cutting. That shortage of capital is further exasperated by the aging of receivables due from even the largest obligors that generally make those receivables ineligible for conventional bank credit lines.

In response to this situation, MUNEX has established a scalable program to reintroduce sound and reliable funding that is not reliant on securitization models for the delivery of capital to businesses that provide critical services to government agencies. Government Debt Obligations "GDO"s introduces an opportunity for fixed income investors to access a wholly unique high-quality asset class that up until now has been unavailable to them.

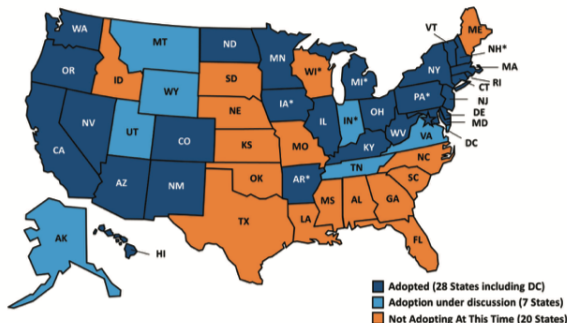
DESCRIPTION

The Government Debt Obligations GDO provides funding for granted and entitlement dollars. Each loan participation interest (a "Government Debt Obligations GDO") is governed by a master credit participation agreement and each Credit Participation Certificate represents a portion of a single primary loan that is directly secured by specific underlying accounts receivable payable by a single government Obligor as collateral.

The Government Debt Obligations GDO is processed only after MUNEX has approved the underlying invoice and confirmed its obligation, subject only to the passage of time for payment. Government Debt Obligations GDOs are funded at an advance rate of 75% of the face value of the underlying accounts receivables that serve as collateral. All scheduled funding and distributions are administered via major international banks acting as the Escrow Agent for the transaction.

The yield on a Government Debt Obligations is quoted as a flat rate attributable to each 10-day period of the instrument, commencing on the issuance date. Earnings are calculated at 1.33% of the invoice amount at a time of advance and an additional 0.33% every ten days thereafter until agency payment. Yield is distributed immediately upon agency payment.

Status of Medicaid Expansion Decisions, December 17, 2014



NOTES: "Under discussion" indicates executive activity supporting adoption of the Medicaid expansion. *AR, IA, MI, and PA have approved Section 1115 waivers; IN has a pending waiver to implement the expansion. The PA waiver is set to go into effect on January 1, 2015, but the newly-elected governor may opt for a state plan amendment. WI has submitted a waiver to continue its Medicaid expansion via premium assistance. WI covers adults up to 100% FPL in Medicaid, but did not adopt the ACA expansion.
 SOURCE: "Status of State Action on the Medicaid Expansion Decision," KFF State Health Facts, <http://hff.org/health-reform/state-indicator/state-action-around-expanding-medicare-under-the-affordable-care-act/>

Figure 3: Status of Medicaid Expansion Decisions, December 17, 2014



Management plans to initially target large states which represent those that have the highest number of providers with entitlement and grant funding. These states include: California, Connecticut, Florida, Georgia, Illinois, Indiana, Michigan, New York, Ohio, Pennsylvania, Texas and Washington, D.C. Secondary targets include Alabama, Colorado, Louisiana, Massachusetts, Mississippi, New Jersey, Tennessee and Virginia.

Growth and Strategy

MUNEX's primary objective is to become the leading online exchange for U.S. government providers and agencies. The company plans to identify New Government Candidates for Expansion. Due to its size, complexity, and bureaucracy, management believes that HHS represents the most viable candidate for the product launch. However, longer term, there are numerous government agencies that could be markets. Some of these include:

- U.S. Department of Veterans Affairs (\$164 billion 2015 budget)
- U.S. Department of Agriculture (\$146 billion 2015 budget)
- U.S. Department of Housing and Urban Development (\$60 billion 2015 budget)

Financial Summary Outlook

The following data tables summarize MUNEX's projected financial statements. The summary financial information that follows should be read in conjunction with the Financial Exhibits section of this Memorandum. The highly scalable business model yields extremely robust profitability due to its low overhead, strong demand and first-mover advantage.

	2018	2019	2020	2021	2022
Projected Sales	\$20,347	\$71,992	\$140,273	\$169,907	\$179,701
Projected EBITDA	\$16,929	\$66,533	\$134,645	\$165,803	\$175,588

PROJECTED SALES (\$'000)

PROJECTED EBITDA (\$'000)

Projected Income Statement					
(\$ in thousands)	2018	2019	2020	2021	2022
Sales	\$20,347	\$71,992	\$140,273	\$169,907	\$179,701
Operating expense	\$3,581	\$5,652	\$5,829	\$4,313	\$4,420
Operating income	\$16,767	\$66,339	\$134,444	\$165,595	\$175,372
Net income	\$16,767	\$66,339	\$134,444	\$165,595	\$175,372
EBITDA	\$16,929	\$66,533	\$134,645	\$165,803	\$175,588

Growth and Margins					
Sales Growth	NM	253.8%	94.8%	21.1%	5.8%
Operating Expense margin	17.6%	7.9%	4.2%	2.5%	2.5%
EBITDA margin	83.2%	92.4%	96.0%	97.6%	97.7%

INVESTMENT PROCESS

- **Total Market:** Our universe of available debt is 360+B annually Entitlement & Grant dollars.
- **Technology/Platform:** We have developed a revolutionary software which automates the entire lending life cycle from the on-boarding of agencies seeking to sell their obligations to purchase the debt, perfecting the security interest and settlement once repayment has occurred. It has taken us nearly 5 years to secure the relationships and approvals necessary to operate this business and we are currently the only firm with the ability to conduct these transactions.
- **Return:** We can consistently provide annual returns of 32-40% via the acquisition of federal obligations which have a comparable risk to the United States Government obligations.
- **Duration:** The average duration of our loans is 35 days, with a minimum of 5 days and a maximum of 120 days (Ultra Short Turnaround).
- **Portfolio Allocation:** Given the relatively small amount lent to each provider, our portfolio has considerable diversification with most loans representing less than 1% of the portfolio. Thus no one entity can materially affect performance.

CURRENT NEEDS:

- MUNEX requires approximately \$10M USD to launch its already developed software and platform and be operational and purchase obligations from agencies within 60 days.
- An additional 350MM is required to accommodate investments up to 3B+ AUM within 12 months (a 1% penetration)
- On behalf of the entire MUNEX team, I would like to thank you for your interest in our proprietary platform.

COMPANY PROFILE

Founded in 2008, Municipal Network Exchange ("MUNEX") is a privately held company headquartered in Alpharetta GA. MUNEX operates as a "Software as a Service" (SaaS) Company that uses its proprietary portal platform to source, validate and certify federally sponsored debt for review and sale through a web-based platform. With plans to operate from Alpharetta Georgia, the Company represents the first comprehensive debt exchange platform for "Service Providers" for the Department of Health and Human Services

With a 2018 budget of \$1.2 trillion, HHS is responsible for almost a quarter of all federal outlays and administers more grant dollars than all other federal agencies combined, MUNEX anticipates a 1-3% market penetration in the first year

MUNEX INFORMATION

CLIENT INFORMATION

CLIENT/ SIGNATORY NAME

: THOMAS O. BEGLEY

BUSINESS INFORMATION

BUSINESS NAME

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TELEPHONE -2

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TAX ID

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Corporate Entity Number (Nevada)

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PROFESSIONAL SERVICE PARTNERS

ACCOUNTING:

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LEGAL

: THOMPSON HINES

IT AND LOGISTICS

: LOGIWARE

: DOCUSIGN

: SAFENET

: VICTOIRE CAPITAL HOLDINGS