

Investor Opportunity

Americans All is a nonprofit community outreach program that specifically benefits schools and small businesses. We are launching our 33-year-old rebranded program in the DC/MD/No.VA area by creating pilots with the support of **partners** who appreciate—and want to recognize—the important role diversity plays in our nation's growth.

For the pilots, we seek an interest-bearing \$75,000 loan that will include 3,000 prepaid membership coupons. We will use these funds to implement and video the pilots; create the architecture for our resource and marketing databases; and accelerate marketing through social media channels and a grassroots public relations campaign. Our total marketing budget for the pilots is \$250,000, of which the \$75,000 loan is a part.

Once the pilots are completed, we will use the data to create the first of multiple Marketing Zones across the nation, beginning with the DC/MD/No.VA area. Each Zone will be handled individually because the types of schools (public, private, religious, military, etc.), as well as the types of small businesses, may not be the same.

The start-up loan will be repaid from net membership fees, not profits earned, and we will escrow 4 percent from each fee for that purpose. Once the loan is repaid, investors will receive a noninterest-bearing balloon payment matching their investment, using the same repayment formula. After the balloon payment is made, investors need to choose between two options: receive two additional noninterest-bearing balloon payments or convert the value of their loans into equity in the Zone. If loans are from aggregated from different investors, the equity for each investor will be a percentage of the 10 percent. The pilot Zone investor will have the right of first refusal to provide the balance of the start-up marketing loans for each new Zone and, importantly, the right of first refusal to acquire the Americans All program once the development group reaches specific financial benchmarks.

Marketing Strategy. The United States has more than 3,100 counties, 16,000 townships and 13,000 independent school districts. We consider each of these jurisdictions to be a potential geographic market area (Zone), especially if they have a large city within their jurisdiction. There are approximately 84,500 public and 34,500 private schools in the US, and there are more than 30 million small businesses in the nation. The total revenue a school receives depends on the number of businesses that are enrolled in the program and the number of Americans All members who subscribe to the Social Legacy Network for only \$4 per month after a free, 3-month trial. A Marketing Zone, which will incorporate multiple geographic areas, requires 100,000 Business Legacy Partners. For budget purposes, we are using geographic areas that have 50 schools, each of which is projected to enroll 40 businesses, for a total of 2,000 businesses. This number of businesses can be achieved by having more schools in the geographic market area enrolling 40 businesses or by having fewer schools, each enrolling more businesses. [Data from the pilot will help refine this ratio and determine the most effective way to implement the program.] Americans All memberships are free, so each school should generate at least 300 memberships from its students and its students' families and alumni. Moreover, we anticipate 25 percent of Americans All members, or 75 members, will subscribe to our Social Legacy Network. Therefore, each geographic market area should produce 2,000 Business Legacy Partners and 3,750 Social Legacy Network members. An increase in the number of Social Legacy Network members can mean the Zone could have fewer Business Legacy Partners.

There are more than 750 regular schools in the Maryland Counties of: Montgomery, Prince George's, Howard and Baltimore City and the District of Columbia.

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Net Revenue Projections from One Geographic Market Area

2,000 Business Legacy Partners x \$80 per year (Net of school revenue and credit card fees)	\$160,000	
3,750 Social Legacy Network Members x \$22 per year (Net of Foundation, school revenue and credit card fees)	<u>\$ 82,500</u>	
Total Revenue from One Geographic Market Area		<u>\$242,500</u>

Net Revenue Projections from 50 Geographic Market Areas ("Zone")

100,000 Business Legacy Partners		\$ 8,000,000
87,000 Social Legacy Network members		<u>\$ 4,114,500</u>
Total Revenue from 50 Geographic Market Areas (Zones)		\$12,114,500

Estimated Operating and Marketing Costs

Initial start-up marketing budget	\$ 250,000	
Initial balloon Payment	\$ 250,000	
Regional and national marketing fees (30 partner shares @ 1 percent each)	\$3,634,380	
Investor return (10 percent)	\$1,211,450	
Transfer to the foundation (25 percent)	\$3,028,625	
Year 1 operating expenses, (after start-up)	\$ 505,000	
Year 2 operating expenses	<u>\$ 425,000</u>	
Total estimated expenses and distributions		<u>\$9,304,047</u>
Revenue available for distribution and new zone development		\$2,810,075

