



Sample Enterprise A

DATA AS OF 9/14/2007

Contact

Company

Sample Enterprise A
21 West 11th
Tulsa, OK 78701
EIN Number: 55-1617282

Contact

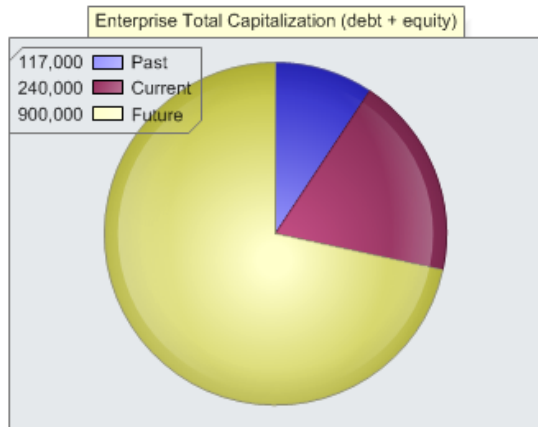
Sample Enterprise
918-555-8118
918-555-8989
sample@email.com

Summary

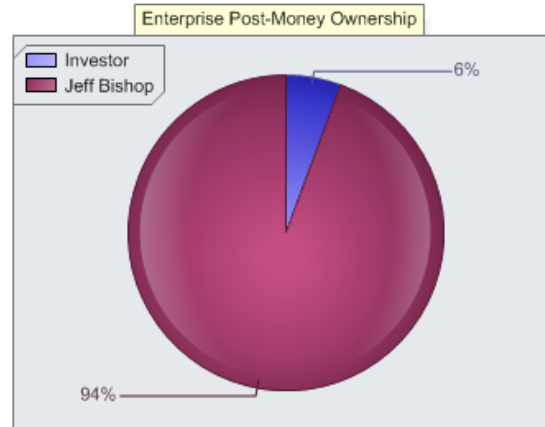
SUMMARY

Capital Offering: \$240,000
Offering Type: Equity

Sample Enterprise A is a customer-focused business-to-business ticketing solutions provider that facilitates the sale of tickets to live events through innovative hardware and software solutions that are designed to simplify box office operations and boost patron satisfaction. The company has leveraged the power of the Internet to create the industry's first fully-featured portable ticketing solution that enables ticket sales in real time anywhere there is access to a telephone line or Internet connection.



Future Capital - The enterprise's estimate of future capital needs post investment.



Post Money - Equity share of the enterprise after the dilution of this offering.

Enterprise

GENERAL SUMMARY

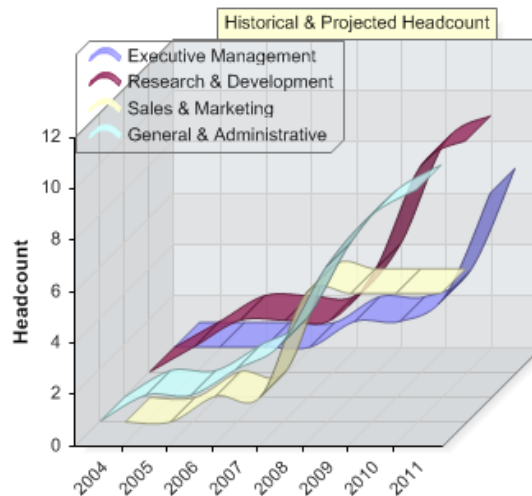
Peer Industry Sector

Location of Company Headquarters
Age of Enterprise (years)
Legal Structure
General Revenue Type
Number of Buyer Relationships
Number of Supplier Relationships
Number of Strategic Relationships

Sample Software Sector

Tulsa, Oklahoma
4
C-Corporation
Varying Contractual
2
2
21

Number of Board of Directors /Members	3
Number of Board of Advisors	3
Legal Encumbrances / Proceedings	Yes
Liens or Judgments	No
Historical Financial Records	Complete
Financial Projections	Complete
Market Assessment	Complete
Competitive Assessment	Complete
Business Plan	Complete



BUSINESS MODEL

Sample Enterprise A provides turnkey Box Office Solutions that help simplify ticketing operations for box office managers, expand ticket purchase options, and improve patron satisfaction. The business model converts what is typically a high-cost component of the ticketing business into a fixed, per-ticket cost that in most cases can be passed on to the patron in its entirety. Sample Enterprise A plans to capture the business of box offices that want to expand their offerings and capabilities but have bumped up against the constraints of their existing approach whether it's software only, Web only, or hard ticketing.

Product / Service

GENERAL SUMMARY

Product / Service	Industry Sector	Availability	General Description	Key Performance Attributes	Distribution Channel(s)	# Current Customers
Ticket Source 1.0	Internet Infrastructure Software	2005	The industry's first fully-featured portable ticketing solution that facilitates ticket sales in real time anywhere there is access to a telephone line.	Simplifies ticketing operations for box office managers. Expands ticket purchasing options. Improves patron satisfaction.	Direct Sales, Value Added Reseller	8
Ticket Source - Rodeo	Internet Infrastructure Software	2008	Ticket Source for Rodeo is variation of 1.0 that is customized for the rodeo market. It features enhancements and functions specifically for this niche market.	Simplifies ticketing operations for box office managers. Expands ticket purchasing options. Improves patron satisfaction.	Direct Sales, Value Added Reseller	0

TECHNICAL ATTRIBUTES

Q: Does your enterprise now depend on or take advantage of offshore software development and/or support resources, or do you anticipate using such offshore resources in the future?

The enterprise reports a certain dependence on or that it is taking advantage of offshore software development and/or support resources or that it anticipates using such offshore resources in the future. The enterprise offers the following comments relative to the use of offshore resources:

We maintain conceptual development in-house and only offshore a limited, non-proprietary portion of our total development scope.

Q: Protocols on which the Web service platform are increasingly based include XML and/or core web service standards. Does your enterprise now use or does it anticipate using emerging new protocols or advanced web service platform tools?

The enterprise uses or anticipates using emerging protocols or advanced tools for web services development and identifies the status of that usage in the following: *Being that our software solution is primarily web-based, we do utilize best-of-breed standards such as XML in development of our web-services.*

INTELLECTUAL PROPERTY

Status	U.S. Patents	International Patents	Trademarks	Copyrights
Pending	4	0	3	1
Granted	0	0	0	1

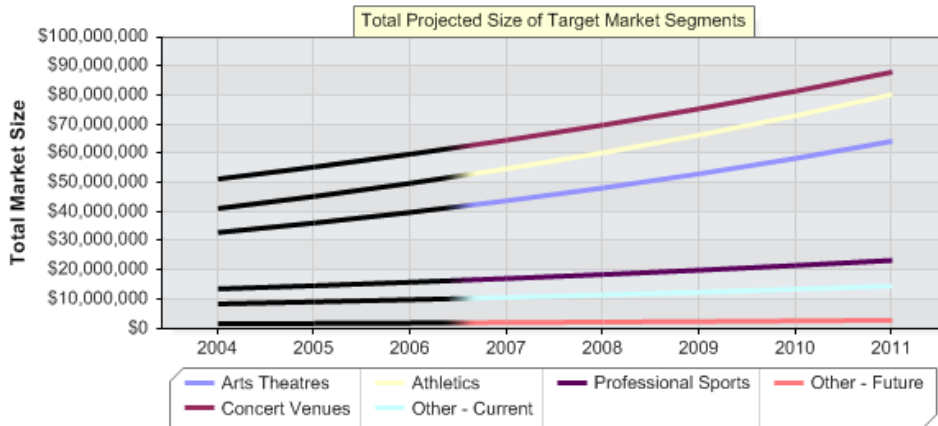
Patent	Product/Service Relation	Status	Remaining Life	Abstract Summary
System for Automated Ticket Sourcing through a Remote Server	Ticket Source 1.0, Ticket Source - Rodeo	Pending in U.S.	17	The invention comprises an apparatus and method for an automated ticketing tool that evaluates and optimizes ticketing procurement decisions. The system comprises a server system and a plurality of server systems. The server system presents ticket queries to an evaluator apparatus that processes based on at least one parameter, the number and location of available ticket seats.
System and Method for Distributed Computing of Remote Ticket Sourcing	Ticket Source 1.0, Ticket Source - Rodeo	Pending in U.S.	18	The invention provides an online ticketing system and method, which provides a user with remote decision support tools used for analysis and selection of specific ticketed seats. The system includes a web server providing online access to a user, an internal database which retrieves ticketing information from external databases, and an analytical tool that processes user data requests.

Protection of Future IP: Patents, Trademarks

Market(s)

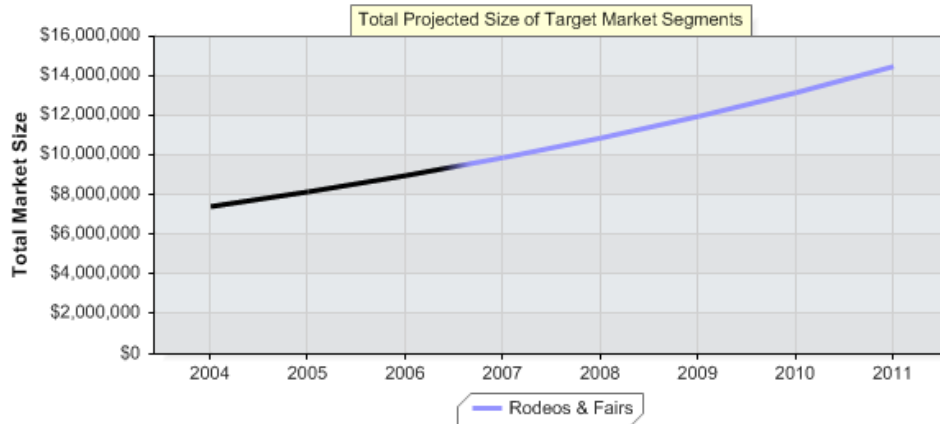
Ticket Source 1.0

Market	Year Of Introduction	General Market Description	Drivers for Adoption	Barriers to Adoption
Arts Theatres	2004	Medium-sized arts theatres that presents 30 or more shows per year with 800+ seat venues and ticket prices of \$20+	Cost savings and resulting customer ROI, Improved convenience, Improved operational control	Requires customer migration from incumbent product
Concert Venues	2004	Large venues with 2,000+ seats that typically attract big name acts that sell out	Cost savings and resulting customer ROI, Improved convenience, Improved operational control	Requires customer migration from differing product, Competitive pricing intensity
Athletics	2004	The largest market segment, consisting of high-school, college and amateur sports events	Cost savings and resulting customer ROI, Improved convenience	Requires customer migration from differing product, Competitive pricing intensity
Other - Current	2004	Large open-air attractions, private label opportunities, and multi-venue complexes	Solves an existing need or deficiency	Requires customer migration from incumbent product
Professional Sports	2008	Large sporting venues that command high-dollar ticket prices and often sell out	Cost savings and resulting customer ROI, Improved convenience	Requires customer migration from differing product, Competitive pricing intensity
Other - Future	2008	Large open-air attractions, private label opportunities, and multi-venue complexes	Solves an existing need or deficiency	Requires customer migration from incumbent product



Ticket Source - Rodeo

Market	Year Of Introduction	General Market Description	Drivers for Adoption	Barriers to Adoption
Rodeos & Fairs	2008	Likely the easiest market segment to tap. Includes small to medium sized venues for rodeos and fairs.	The need for a specialized, automated system of sourcing and delivering tickets to a fragmented market.	Requires customer migration from differing product



MARKET DEVELOPMENT STRATEGY

Penetration: Our strategy involves focusing on delivering customized box office solutions to meet the specialized needs of clients nationwide. We are true experts in the use of the Distributed Computing model to boost box office efficiency and patron satisfaction. Sample Enterprise A will focus on the second and third tier venue market in the U.S. and in a limited product segment; customized box office solutions. The target client is usually a box office manager and typically has very little time on their hands to consider ticketing system alternatives.

Marketing: Our marketing strategy is to educate potential clients about the time-saving features our system offers through a concentrated campaign of direct mail, followed by strategically placed telephone calls to demonstrate the product, follow up, and close the deal.

Competition

Ticket Source 1.0

Arts Theatres

Competitor	Name of Product/Service	Market Penetration Strategy
Ticketmaster	TM Online	Leverage existing market position and size for further penetration
Tickets.com	Tickets.com	Develop and introduce online ticketing solutions that capture ongoing user migration to web-based ticketing
Paciolan	Online Ticketing	Uncertain of competitor strategy

Competitor Strengths

Incumbent competitors have established relationships within market

Competitor Weaknesses

Intellectual property protection of evolving web-based systems

Concert Venues

Competitor	Name of Product/Service	Market Penetration Strategy
Ticketmaster	TM Online	Leverage existing market position and size for further penetration
Tickets.com	Tickets.com	Develop and introduce online ticketing solutions that capture ongoing user migration to web-based ticketing
Paciolan	Online Ticketing	Uncertain of competitor strategy

Competitor Strengths

Competitors have entrenched relationship with customers

Competitor Weaknesses

Competitors require lengthy, restrictive contracts w/ box-office

Athletics

Competitor	Name of Product/Service	Market Penetration Strategy
Ticketmaster	TM Online	Leverage existing market position and size for further penetration
Tickets.com	Tickets.com	Develop and introduce online ticketing solutions that capture ongoing user migration to web-based ticketing
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Competitor Strengths

Competitors are very aggressive and defensive of market share

Competitor Weaknesses

None

Other - Current

Competitor	Name of Product/Service	Market Penetration Strategy
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Competitor Strengths

Competitor Weaknesses

None

Ticket Source has a modular product that addresses the unique requirements of this market

Professional Sports

Competitor	Name of Product/Service	Market Penetration Strategy
Ticketmaster	TM Online	Leverage existing market position and size for further penetration
Paciolan	Online Ticketing	Uncertain of competitor strategy

Competitor Strengths

Competitors have entrenched relationship with customers and are willing to subsidize to maintain market share

Competitor Weaknesses

Competitors require lengthy, restrictive contracts w/ box-office and charge high convenience fees, Ticket Source has a more flexible system

Other - Future

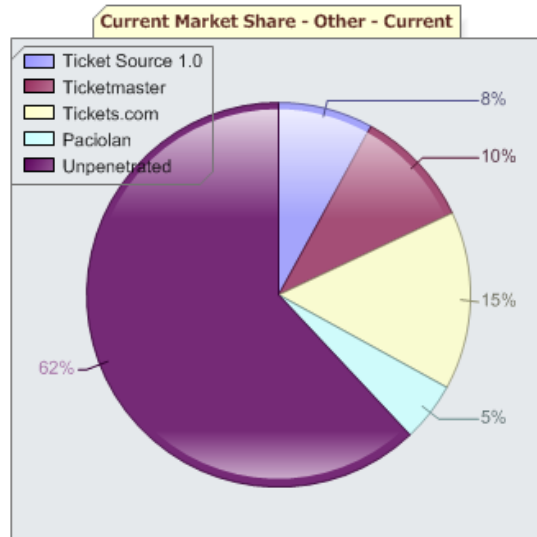
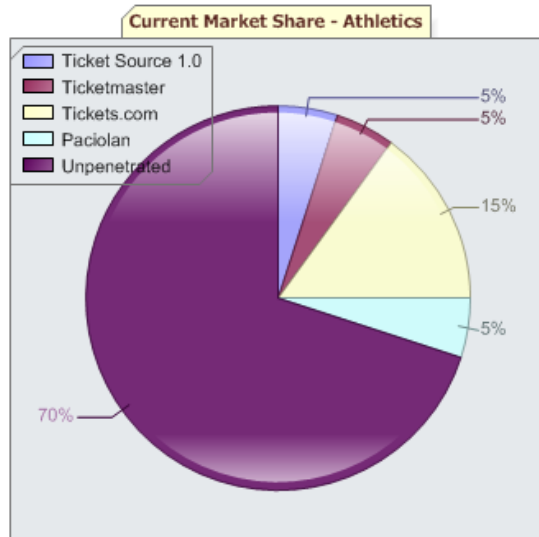
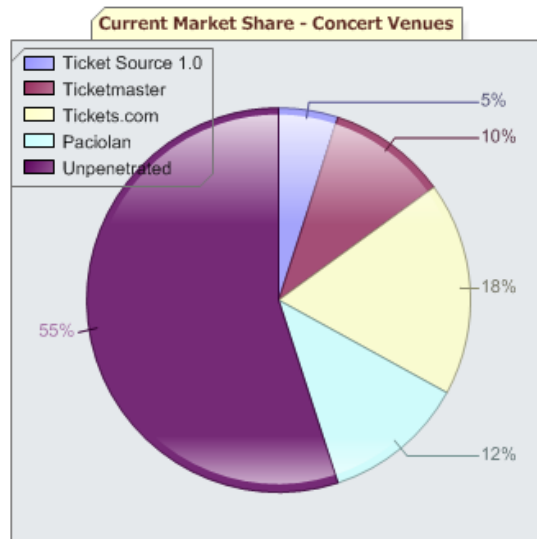
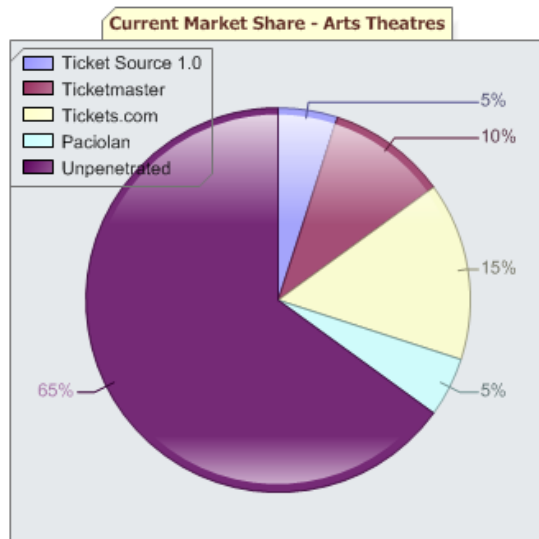
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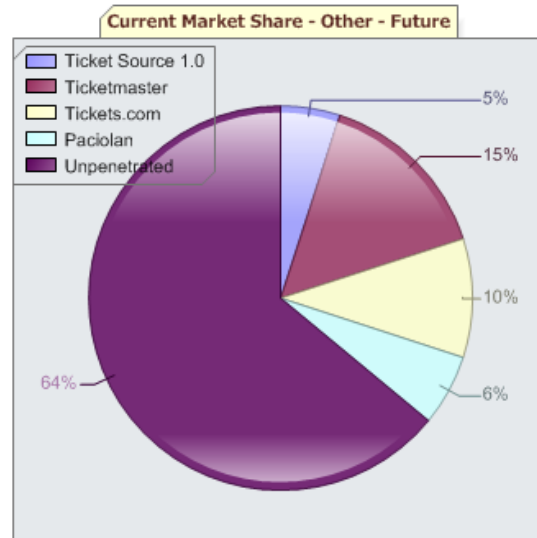
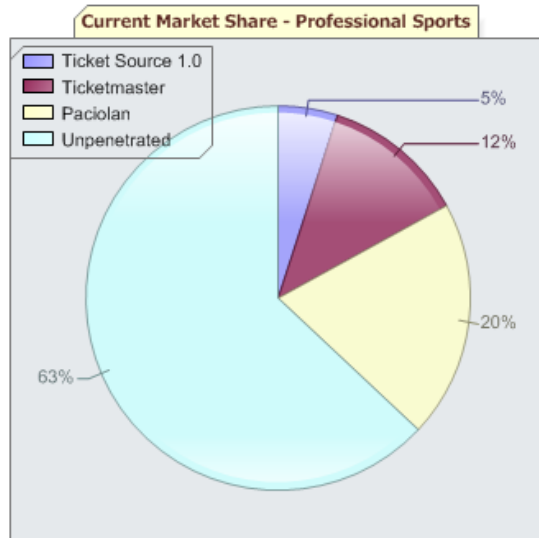
Competitor Strengths

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Competitor Weaknesses

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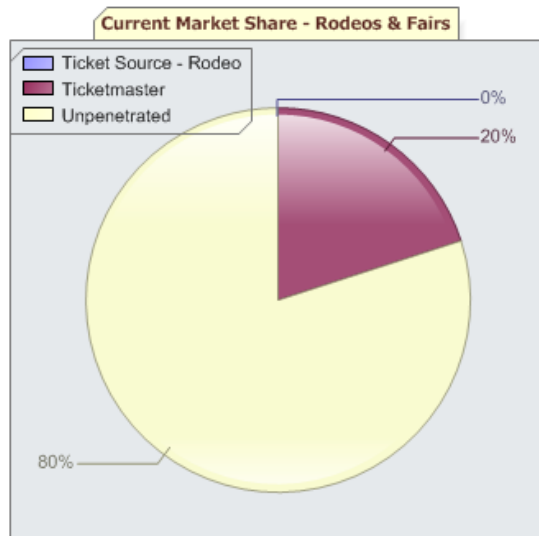


Unpenetrated - The portion of the total market revenue opportunity that is not penetrated (i.e., captured) by the enterprise or any other competitor.

Ticket Source - Rodeo

Rodeos & Fairs

Competitor	Name of Product/Service	Market Penetration Strategy
Ticketmaster	TM Online	Leverage existing market position and size for further penetration
Competitor Strengths	Competitor Weaknesses	
None	Ticket Source has a superior product, comprehensive service offering, and a more flexible system	

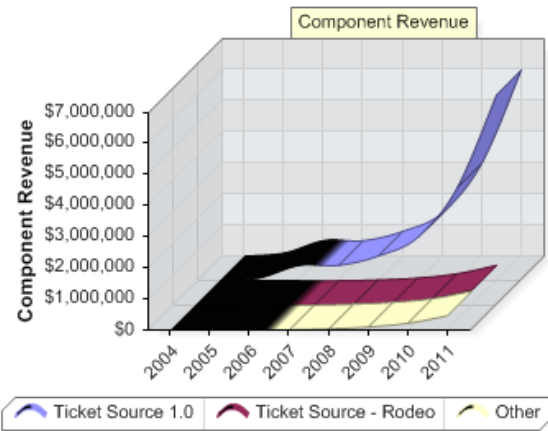
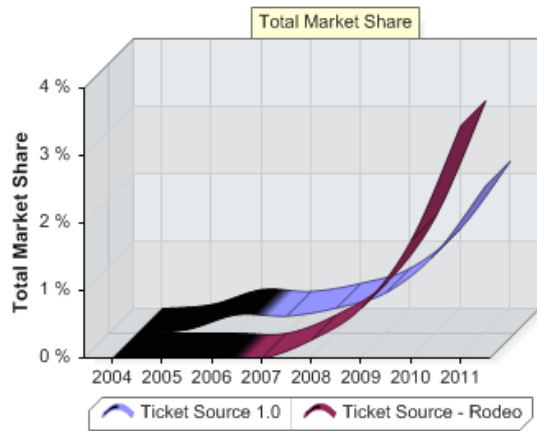


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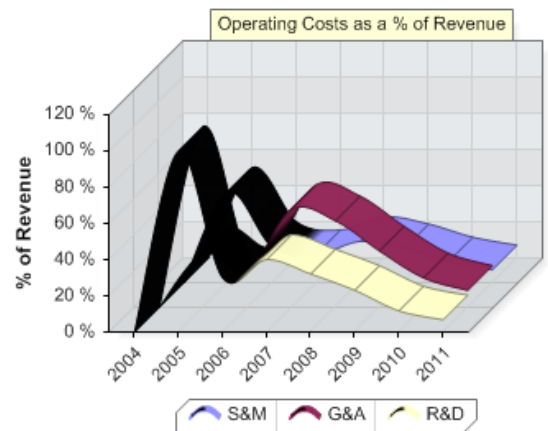
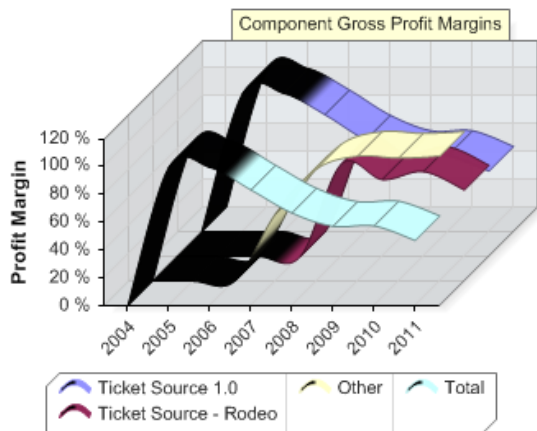
COMPETITIVE PROTECTION STRATEGY

Strategy: Sample Enterprise A will maintain its emerging, superior technology position by focusing on continuing IP protection. Our strategy for marketing, business development, and fulfillment will avoid the tendency to dilute a focused advantage by adopting a generalized approach, thereby distinguishing ourselves from the competition.

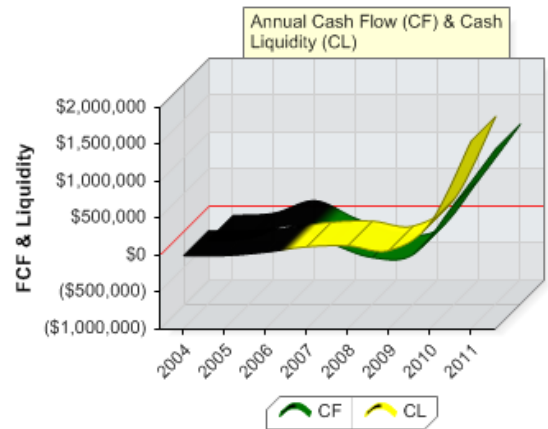
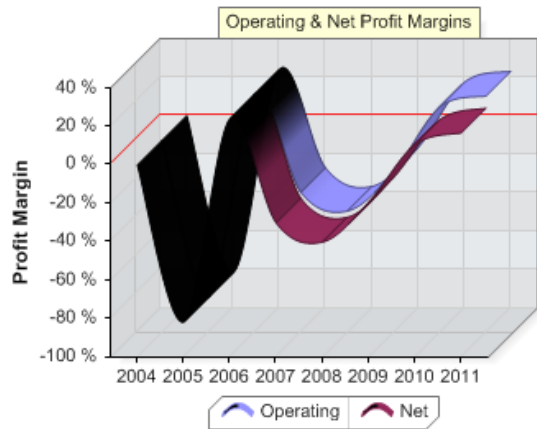
Financial



Black lines represent historical values provided by the enterprise. Blue or other colored lines represent values projected provided by the enterprise.



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EQUITY EXIT STRATEGIES / DEBT TYPE & DURATION

Ranking	Equity Exit Strategy / Debt Type Desired	Year	If Acquisition, Potential Acquiring Companies
Most Likely	IPO	2010	
Likely	Acquisition	2010	Ticketmaster, Tickets.com
Least Likely	Secondary Private Offering	2010	

Management

EXISTING MANAGEMENT

Ticket Source 1.0	\$0	\$5,000	\$12,500	\$15,625	\$17,778	\$20,588	\$27,273	\$33,333
Average Revenue per Customer:								
Ticket Source - Rodeo	\$0	\$0	\$0	\$0	\$15,000	\$18,000	\$19,167	\$20,000
Cost of Revenue:								
Ticket Source 1.0	\$0	\$0	\$0	\$77,125	\$269,696	\$628,488	\$1,346,072	\$3,371,240
Ticket Source - Rodeo	\$0	\$0	\$0	\$0	\$10,000	\$40,000	\$89,000	\$260,000
Other	\$0	\$0	\$0	\$6,524	\$8,500	\$10,200	\$25,000	\$45,000
Total	\$0	\$0	\$0	\$83,649	\$288,196	\$678,688	\$1,460,072	\$3,676,240
Gross Profit:								
Ticket Source 1.0	\$0	\$100,000	\$500,000	\$422,875	\$530,304	\$771,512	\$1,653,928	\$2,628,760
Ticket Source - Rodeo	\$0	\$0	\$0	\$0	\$20,000	\$50,000	\$141,000	\$240,000
Other	\$0	\$0	\$0	\$6,194	\$36,300	\$94,200	\$198,600	\$417,000
Total	\$0	\$100,000	\$500,000	\$429,069	\$586,604	\$915,712	\$1,993,528	\$3,285,760
Operating Expenses:								
S&M	\$12,000	\$50,000	\$100,000	\$80,000	\$200,000	\$300,000	\$400,000	\$500,000
G&A	\$25,000	\$30,000	\$100,000	\$277,356	\$418,927	\$497,662	\$565,205	\$659,493
R&D	\$87,500	\$100,000	\$150,000	\$205,400	\$281,000	\$368,000	\$407,000	\$477,000
Depreciation & Amortization	\$0	\$1,500	\$30,000	\$5,040	\$8,000	\$12,000	\$20,000	\$40,000
Total	\$124,500	\$181,500	\$380,000	\$567,796	\$907,927	\$1,177,662	\$1,392,205	\$1,676,493
Operating Income	(\$124,500)	(\$81,500)	\$120,000	(\$138,727)	(\$321,323)	(\$261,950)	\$601,323	\$1,609,267
Other Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Expense	\$0	\$0	\$0	\$15,690	\$28,696	\$45,202	\$48,702	\$48,702
Income Tax Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$181,894	\$394,118
Net Income	(\$124,500)	(\$81,500)	\$120,000	(\$154,417)	(\$350,019)	(\$307,152)	\$370,727	\$1,166,447
Cash Flows:								
Operating Cash Flow	(\$124,500)	(\$88,000)	\$110,000	(\$167,776)	(\$359,265)	(\$313,066)	\$370,435	\$1,111,519
Capital Expenditures	\$0	\$7,000	\$36,000	\$0	\$0	\$0	\$0	\$0
Free Cash Flow	(\$124,500)	(\$95,000)	\$74,000	(\$167,776)	(\$359,265)	(\$313,066)	\$370,435	\$1,111,519
Capitalization:								
Debt Principal Repayments	\$0	\$0	\$0	\$0	\$278,400	\$0	\$0	\$0
New Debt Borrowing	\$0	\$0	\$0	\$0	\$650,000	\$100,000	\$0	\$0
New Equity Issuance	\$0	\$0	\$0	\$240,000	\$0	\$150,000	\$0	\$0
Total Net Capitalization	\$0	\$0	\$0	\$240,000	\$371,600	\$250,000	\$0	\$0
Cash Liquidity Balance	\$0	\$0	\$47,000	\$119,224	\$131,559	\$68,493	\$438,928	\$1,550,447

INCOME & CASH FLOW (relative)

Fiscal Year	2004	2005	2006	2007	2008	2009	2010	2011
Market Share:								
Ticket Source 1.0	0.00 %	0.06 %	0.28 %	0.26 %	0.38 %	0.61 %	1.19 %	2.19 %
Ticket Source - Rodeo	0.00 %	0.00 %	0.00 %	0.00 %	0.28 %	0.75 %	1.75 %	3.45 %
Annual Growth Rate in Revenue:								
Ticket Source 1.0	0.0 %	0.0 %	400.0 %	0.0 %	60.0 %	75.0 %	114.3 %	100.0 %
Ticket Source - Rodeo	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	200.0 %	155.6 %	117.4 %
Other	0.0 %	0.0 %	0.0 %	0.0 %	252.3 %	133.0 %	114.2 %	106.6 %
Total	0.0 %	0.0 %	400.0 %	2.5 %	70.6 %	82.3 %	116.6 %	101.6 %
Gross Profit Margin:								
Ticket Source 1.0	0.0 %	100.0 %	100.0 %	84.6 %	66.3 %	55.1 %	55.1 %	43.8 %
Ticket Source - Rodeo	0.0 %	0.0 %	0.0 %	0.0 %	66.7 %	55.6 %	61.3 %	48.0 %
Other	0.0 %	0.0 %	0.0 %	48.7 %	81.0 %	90.2 %	88.8 %	90.3 %
Total	0.0 %	100.0 %	100.0 %	83.7 %	67.1 %	57.4 %	57.7 %	47.2 %
Operating Expenses as a % of Revenue:								
S&M	0.0 %	50.0 %	20.0 %	15.6 %	22.9 %	18.8 %	11.6 %	7.2 %

	G&A	0.0 %	30.0 %	20.0 %	54.1 %	47.9 %	31.2 %	16.4 %	9.5 %
	R&D	0.0 %	100.0 %	30.0 %	40.1 %	32.1 %	23.1 %	11.8 %	6.9 %
	Total Profit Margins:								
	Operating Profit Margin	0.0 %	-81.5 %	24.0 %	-27.1 %	-36.7 %	-16.4 %	17.4 %	23.1 %
	Net Profit Margin	0.0 %	-81.5 %	24.0 %	-30.1 %	-40.0 %	-19.3 %	10.7 %	16.8 %

BALANCE SHEET

Current Assets:	
Cash & Short-Term Investments	\$47,000
Accounts Receivable	\$7,000
Inventory	\$0
Other Current Assets	\$42,000
Total Current Assets	\$96,000
Long-Term Assets:	
Tangible Capital Assets	\$43,000
Accumulated Depreciation	\$23,000
Total Long-Term Assets	\$20,000
Total Assets	\$116,000
Current Liabilities:	
Accounts Payable	\$1,000
Short-Term Debt	\$124,000
Other Current Liabilities	\$0
Total Current Liabilities	\$125,000
Long-Term Liabilities	\$47,000
Total Liabilities	\$172,000
Equity & Capital:	
Paid-In Capital	\$70,000
Retained Earnings	(\$126,000)
Interest in Non-Consolidated Enterprise(s)	\$0
Total Equity & Capital (Net Worth)	(\$56,000)
Total Equity, Capital, & Liabilities	\$116,000