

TREASURY GUARANTEED INVESTMENT (TGI)

Or

TREASURY GUARANTEED PRIVATE INVESTMENT (TGPI)

The TGI and TGPI offer investors an opportunity to invest into companies while guaranteeing the Net Asset Value of the investment, through the maturity of five year treasuries, while receiving a coupon, paid by the recipient during the five year period.

The cost of capital to the Company should be significantly less (50% in this five year example) than typical alternative investment (And is proportional on any valuation method). The Investor has a secure, Liquid instrument of the Bond Maturity, with an annual coupon for 1% of the overall NAP (Net Asset Principal = Asset less Commission) of the instrument paid quarterly... while equity dilution offers the investor overall 34.1% (F31 on spreadsheet) average annualized return (guaranteed* based on the dilution formula in year Five).

Compared to typical equity investment where the risk is 100% of equity invested. The TGI and TGPI provide 100% of the Net Asset Principal returned to the investor in year five... further the investor then receives equity in the entity equal to an average expected 34.1% annual return.

MECHANICS:

A Broker Sells \$470 instrument for every \$100 a company needs: .

- \$470 - Transaction value (C13 on Spreadsheet)
- \$ 35 - 8% commission goes to the selling broker (C14 on Spreadsheet)
- \$435 - 100% of the Net Asset Principal value ((C15 on Spreadsheet)
- \$335 - Buys 100% principal guarantee of NAV at Five Year Maturity (B15 on Spreadsheet)
- \$100 - Buys convertible equity option with Company. (F15 on Spreadsheet)

Company Pays.

- \$4.35 - 1% annually, paid quarterly, to the owner of the security. (E16-20 on Spreadsheet)
- \$100 - receives a 20% compound imputed interest rate... netting \$249 of equity at Term. (F15 on Spreadsheet grows to F20)

THE INVESTOR Receives -- in YEAR FIVE

- \$435 - 100% of Net Asset Value (Bond Maturity B20)
- \$22 - Coupon of 1% of NAV annually. (Annually Column E on Spreadsheet)
- \$249 - Value of Company Stock. (F20 on Spreadsheet)
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- \$704 - Total Value returned in Year 5 (Summation of NAV of Bond Maturity, Coupon and Stock Value)

Producing an Annualized average return for the investor (Net of Fees) of 34.1% on the alternative invested funds.

THE COMPANY

Has a \$1,000,000 Convertible Equity Option Investment -- (F15 on Spreadsheet)
Dilutes 50% of YEAR ONE typical Investment Dilution in the FIFTH Year. 34% average annualized return (guaranteed* based on the dilution formula in year Five). And in year five... the investor has 100% their NAP or investment principal back.

	Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K
Row 01	Capital Provides (NAV):		\$ 4,352,205								
Row 02	US Treasuries Purchase		\$ 3,352,205								
Row 03	US Treasury Maturity		\$ 4,130,795								
Row 04	Cash for Investment		\$ 1,000,000								
Row 05	Company Interest Payment		1% of principal for 5 years.								
Row 06	Provides 2.5 times cash provided in equity at the end of 5 years on agreed valuation methodology.										
Row 07											
Row 08						Company	Annual				Principal
Row 09		Bond				Equity	Investor		Typical Equity		Guaranteed
Row 10		Annual	Opportunity	Treasury	Company		Equity Return	Formulaic Value	Transaction	Equity	Equity
Row 11		Maturity	Cost	Return	Coupon Payment	20.0%		1x sales	Value	Dilution	\$ 2,488,321
Row 12											
Row 13	Transaction Value:		\$ 4,700,382								
Row 14	Commission 8% of NAV		\$ 348,176								
Row 15		\$ 3,352,205	\$ 4,352,205	\$ 4,352,205		\$ 1,000,000		\$ 4,000,000	\$ 1,000,000	25.0%	62.2%
Row 16	Year 1	\$ 3,531,883	\$ 4,585,484	\$ 233,278	\$ 43,522	\$ 1,200,000	20%	\$ 7,000,000	\$ 1,750,000	25.0%	35.5%
Row 17	Year 2	\$ 3,721,192	\$ 4,831,265	\$ 245,782	\$ 43,522	\$ 1,440,001	24%	\$ 9,000,000	\$ 2,250,000	25.0%	27.6%
Row 18	Year 3	\$ 3,920,648	\$ 5,090,221	\$ 258,956	\$ 43,522	\$ 1,728,001	29%	\$ 12,000,000	\$ 3,000,000	25.0%	20.7%
Row 19	Year 4	\$ 4,130,795	\$ 5,363,057	\$ 272,836	\$ 43,522	\$ 2,073,601	35%	\$ 15,000,000	\$ 3,750,000	25.0%	16.6%
Row 20	Year 5	\$ 4,352,205	\$ 5,650,517	\$ 287,460	\$ 43,522	\$ 2,488,321	41%	\$ 19,900,000	\$ 4,975,000	25.0%	12.5%
Row 21											
Row 22			\$ 1,298,312	\$ 1,298,312	\$ 217,610						50% less equity provided
Row 23											over five year transaction
Row 24											based on projected growth
Row 25					Cash	\$ 217,610					
Row 26					Equity Provided	\$ 2,488,321					
Row 27											
Row 28					Anticipated Gain	\$ 2,705,931					
Row 29					Gain on Total	\$ 1,705,931					
Row 30					Avg Annualized Return						
Row 31					on invested funds	34.1%					