

# Executive Summary

## Summer 2007

**Company:** The Financial Education

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### Details and Status:

Founded: 1999

Products: Training, guidebooks, software, web (planned)

Status highlights:

Stage I (1999-2003): product development

Stage II (2004-05): demonstrated validity of software

Stage III (2006): explored alternative sales strategies

### Funding:

Seeking: \$500k

Self-funding to date: \$125k (cash)

### Use of Proceeds:

1. Hire a V.P. of marketing and sales
2. Develop a 401(k) program
3. Sales channel development
4. Hire a programmer
5. Develop web based delivery system

### Revenue:

1999-2003:

2004-2005: \$325K +

2006: \$200K +

### Assuming \$500k investment

2007-08: \$ 940k

2009: \$ 4,932k

2010: \$ 8,925k

2011: \$16,819k

2012: \$32,513k

### Competitive Advantages:

Advantage 1: Professional standing of owners as professors with 40+ years of experience in education

Advantage 2: Low cost and high performance products

Advantage 3: Scalable training solutions

Advantage 4: Not selling or promoting 3<sup>rd</sup> party financial products or services

### Management Team:

Partner: Mark A. Nadler, Ph.D. (Economist)

Partner: Terry E. Rumker, CFP<sup>TM</sup>

### Advisory Board:

Ellen Donnelly: Partner and Co-CEO of New York City-based merchant bank Smooth Engine, Inc.

Rick Longenecker: Part owner and sales consultant to FEC

Owen Nieberg: Part owner and marketing/strategy consultant with FEC

**Service We Perform:** We are a technology based education company that provides effective, affordable, and scalable career and financial education to business, prisons and jails, schools, government, and non-profits.

### Problems We Solve:

- Increase employee productivity by providing financial education to America's 30+ mm severely financially stressed workers
- Reduce prison recidivism rates by providing career and financial re-offender entry training to the 9,400 prisons/jails/halfway houses/juvenile detention centers
- Fulfill demand for career and financial education created by government legislation and need to provide life skills to 4.5+ mm students graduating annually from high school and college
- Satisfy demand for career and financial education by 3,400 one-stop centers, 115,000 libraries, 1.2 active military personnel, and 200,000+ non-profits created by law, mission and need

### Our Sales Model:

- Solution based directed at Program and HR Directors, Instructors, Libraries, and Self-Help delivered to enterprises, departments, facilities, and individuals using direct sales techniques and rep networks

### Five-Year Sales Forecast by Customer:

- Corporate = \$40 mm annually
- Incarcerated = \$6 mm annually
- Education Market = \$5 mm annually
- Government and Non-Profit Sectors: One-Stops, Libraries, Military = \$3 mm

**Business/Revenue Model:** Our company will sell on its own account using a combination of in-house marketing and sales coupled with outside independent sales representatives. In addition, we intend to JV with, and/or license to, appropriate potential competitors.

**Differentiation:** Our competitors all suffer from some combination of the following defects: costly to deliver (textbooks), ineffectual (on-line services), not scalable (live instruction), conflict-of-interest issues (401(k) suppliers), and lack of marketing (Federal Reserve Banks). Our philosophy in developing products is that they be cost saving and easy to implement, highly scalable, easy and entertaining to use, and instructionally effective.

**Customer Traction:** Our current client list includes more than 100+ institutional customers in over 30 states serving thousands of end-users. In the 2004, the winner of the national AI Maresh Award (for best use of technology in prison education) was won by an individual who used our CD-Rom based training program Targeting Success.

**Exit Strategy:** With products and a business model that are both highly scalable, the Company will leverage growth both organically and through strategic partnerships and acquisitions in order to reach an annual revenue base of at least \$54 mm, at which time we will look to initiate a financial event (additional outside investor(s), sale of company or IPO.) Typical investors would include an educational publisher or content provider in one or more of our customer markets, or a private equity capital source that invests in this sector. The potential also exists to divest of select market segments via a licensing or sale opportunity.