

**Steve Ferman President CEO**  
**Jeffery Cox COO**  
[Steven.Ferman@CompuVault.com](mailto:Steven.Ferman@CompuVault.com)  
[Jeffery.Cox@CompuVault.com](mailto:Jeffery.Cox@CompuVault.com)  
877-928-2858

## **1.0 Executive Summary**

### **1.1 Overview**

CompuVault, Inc. is an on line data backup company founded in 2007 by a team of seasoned technology entrepreneurs. Part of the high growth on line data backup industry that is projected to reach \$8.5 billion by 2012, CompuVault expects revenues to be just shy of \$20 million by 2012.

Originally started as part of Compunite, a computer network services company serving the northern New Jersey market, CompuVault is now a free standing enterprise solely focused on line data backup and recovery services. In early 2007 a small number of customers were moved to the newly formed company from Compunite and a small infrastructure built. Simultaneous to this, the focus was shifted away from selling directly to end-users toward building a network of resellers. With an executive team experienced in re-seller channel building in place, CompuVault is on track to reach \$500,000 in revenue in 2008, its first full year of operation.

#### **Description of Product and Services:**

CompuVault provides a disk-to-disk backup solution that is offered exclusively through Channel Partners. Its unique data appliance installed locally on the end-user's network, adds easy on-site data recovery to the security of off-site storage. CompuVault's Channel Partner programs are designed so that Channel Partners' relationships with their clients are protected, while offering a best in class backup solutions to them.

Important to their positioning in the industry, CompuVault has received Certified Vendor status from Level Platforms Inc., a provider of the industry leading managed services software platform,

#### **Management Team:**

Steve Ferman, President and CEO. Also currently President and CEO of Compunite Computers Inc. founded in 1988 and is currently one of northern New Jersey's leading MSP's, specializing in network monitoring, and day to day network management for the SMB market.

Jason Casey, Director of Channel Marketing and Sales. Formerly a principal and Vice President of Capital Backup Inc., a pioneer in on line data backup services located in Albany, New York. His company provided structured backup services to end-users in over 40 states. Responsibilities included daily operations and the development of its reseller network.

Jeffrey Cox, Chief Operating Officer. Joined Compunite in 2002, and prior to that held a variety of management positions in the technology field, including senior developer at WebMD, and serving as a consultant in Silicon Valley for ten years in the areas of Internet, telecommunications and broadcasting industries.

Turi Pillitteri, Channel Sales Manager. Joined CompuVault in the May, 2008. Most recently, he was Partner Development Manager at Level Platforms, where as part of their sales team contributed to its explosive growth between 2004 and 2007.

## **Markets/Distribution Channels:**

CompuVault is building an extensive network of “resellers” who will sell direct to end-users across the spectrum of small and mid-size businesses, the “SMB market”. The company has structured a re-seller channel program that offers industry competitive compensation to the re-seller, while being protective of their clients. CompuVault does not direct sell. Its hardware appliance also provides a quicker restore time than other competing on line services that will serve to further their brand in the marketplace and benefit future product introductions.

It's reseller groups are: 1) Managed Service Providers “MSP’s” of computer network services; and 2) Professional Service Providers “PSP’s” of other non-computer related services. Re-sellers may be either Full Partners or Re-selling partners. The latter only sells services and do not provide ongoing client support. This support is provided by Full Partners who are assigned those clients.

CompuVault's highly structured re-seller program differentiates them in a highly competitive market place. Some unique aspects to their program includes: allowing re-sellers to purchase space only as needed, the use of a set commission structure, pre-sales training and support, and exceptional commitment to post-sale support.

## **Competition:**

The on line data storage backup market is a highly competitive industry. Some early entrants are now being purchased by large technology companies. CompuVault's innovative compensation and relationship structure for its re-sellers combined with a seasoned executive team previously successful in building re-seller channels indicates fast penetration of the market is readily achievable. Results for the first half of 2008 show early confirmation.

## **Use of Funds:**

The continue expansion of its sales team and associated growth will require greater working capital, as well as the purchase of fixed assets. Depending upon the rate of growth, cash needs are expected to be between \$1 and \$2 million over the next two years.

## **Achievements and Outlook:**

A seasoned executive team in place, sales and marketing programs in full swing, an initial infrastructure built for a growing group of satisfied customers, CompuVault is well positioned for high growth over the next 24 months. With its growing network of resellers, CompuVault Inc. projects:

- A network of “resellers” growing from approximately 70 at the end of 2008 to over 400 by the end of 2012, with total end-users growing from approximately 250 to 4,700 over the same time period.
- Market share of 0.5% by the end of 2012.
- Net sales growth from \$500,000 in 2008 to \$18.3 million by 2012.
- Average gross margin over the five year period exceeding 68% of net sales.
- Profitability reached during year two, with net income before taxes exceeding 35% in 2012.