



Synergistic Solutions for Accelerating Business Success

BUSINESS PLAN

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DISCLAIMER

This document was developed for a specific potential strategic relationship with an investment services company. The project was never completed. Though the vision and concept is still valid, Synogy's current operations do not reflect what is presented herein. This document is presented as an example of the type of work, and quality of work, that Synogy provides to other companies through its Strategic Planning services.

Synogy provides services in the following areas.

- **Strategic Planning** – Business analysis and planning, including:
 - Detailed Business Plans
 - Synogy Financial Proforma Program
 - Project implementation plans
- **Business Health Assessment** – Due Diligence services and assessment of company processes and systems
- **Development of Systems & Processes** – Analysis, development, and documentation of effective business processes.
- **Market Capture Programs** – Developing effective, rapid-growth, relationship-focused marketing programs.
- **Professional Development** – Training and mentoring to enhance leadership & staff skills, especially:
 - Principles & Practice of Project Management
 - Team Building

Other samples of Synogy's work can be downloaded and reviewed at:

www.synogy.com

or:

<http://briefcase.yahoo.com>

user: synogy1

password: \$ynogy

BUSINESS PLAN

December 15, 2000

This brochure is not an offer to sell or a solicitation of an offer to buy shares of Synogy. The information contained herein is compiled solely for the purpose of informing any and all interested persons of the mission, management, operations, and projected financial performance of the company, and to give a general overview of products and market conditions regarding the business incubator business as interpreted by the company. This brochure may be updated periodically.

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I. EXECUTIVE SUMMARY

MISSION STATEMENT

ACCELERATE BUSINESS GROWTH BY PROVIDING CLIENT COMPANIES WITH EXPERTISE AND STRATEGIC INTEGRATED SUPPORT SYSTEMS WHICH ENABLE PROFITABLE FOCUS ON CORE COMPETENCIES.

FOCUS

SERVING CLIENTS OF INVESTMENT GROUPS TO ACCELERATE INVESTOR PROFITS, LOWER RISKS, AND PROVIDE EFFECTIVE PROGRESS REPORTING.

VISION

TO CREATE, WITHIN 3 YEARS, THE WORLD'S MOST EFFECTIVE SYSTEM FOR ACCELERATING BUSINESS SUCCESS.

Synogy is an Investor Services Company that provides investment oversight and the advantages of a traditional business incubator to passive investors and the companies they invest in (Synogy Partners).

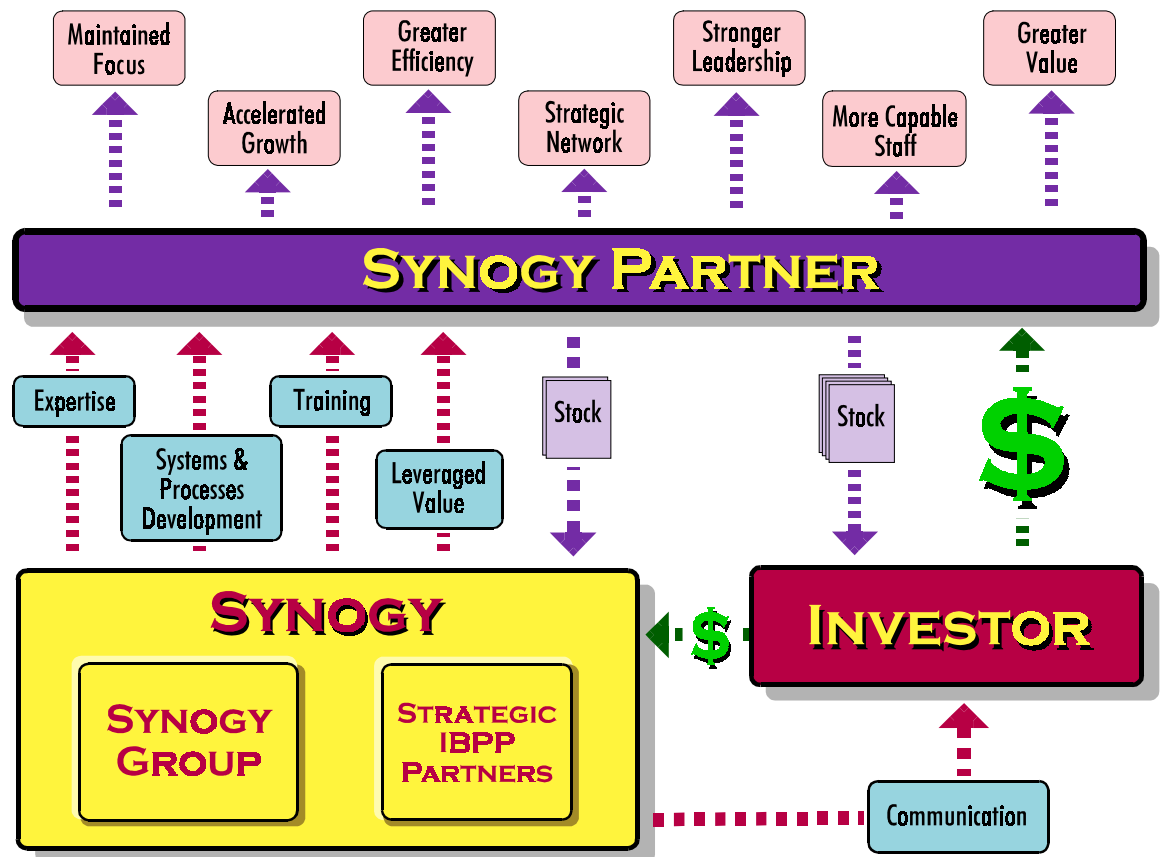
Synogy is a business accelerator and an aggregator of expertise, services, training, and business process development focused on accelerating the growth and success of Synogy's client companies (Synogy Partners). Statistics show that this type of committed third-party assistance can produce success rates approaching 90% -- a dramatic improvement over the 75% failure rates which are the norm for small business survival in the United States.¹

Historically the focus and operations of passive investment groups create a relationship where the investor has little say or impact, after funding, on whether a client company actually achieves success. Most passive investors are forced to sit on the sidelines and watch what happens with the client. Often investors receive limited regular communications reporting on the financial and operational status of the company.

Synogy has been established to bring proven expertise, business development systems, and leadership support to Synogy Partners in a manner that will accelerate the growth and success of the company. Synogy focuses on providing these benefits to the clients of passive investor groups under an agreement with, and on behalf of, the investor.

¹ U.S. Department of Commerce

SERVICES & BENEFITS



INVESTOR BENEFITS: Synogy’s Development Services Agreement provides an investor with a number of benefits:

- ◆ Accelerated growth of investment value
- ◆ Higher profits
- ◆ Lower risks
- ◆ Closer communication & reporting on status of client company
- ◆ More rapid information on company problems or opportunities
- ◆ Minimized headaches

SYNOGY SERVICES: Under a Development Services Agreement, Synogy will provide four key value-added incubator services to accelerate the growth of client companies (“Synogy Partners”):

1. *Synogy Group* - strategic network of proven business leadership and technical expertise ("Synogists")
2. *Development of Systems & Processes* - analysis, development, and documentation of effective business processes

3. *Professional Development* - training sessions and materials to develop corporate culture and enhance leadership & staff skills
4. *Leveraged Strategic Alliances* - strategic high-value services and products at negotiated group rates normally unavailable to Synogy Partner directly

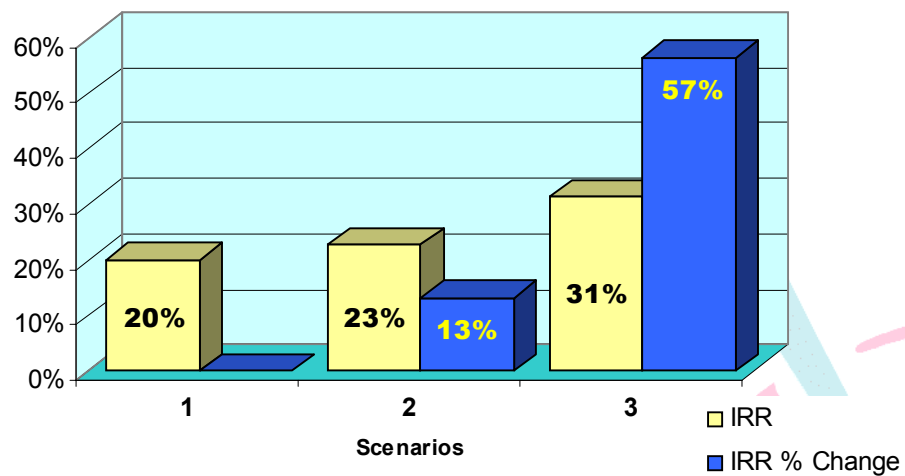
SYNOGY PARTNER BENEFITS: Synogy's services are designed to provide a strong foundation for success and provide the Synogy Partner with a number of benefits:

- ◆ Maintenance of focus on development of core competency
- ◆ Strengthened leadership
- ◆ Expanded network of strategic relationships
- ◆ Accelerated growth
- ◆ Increased efficiency of operations & processes
- ◆ Expanded staff capabilities
- ◆ Affordable access to high-end solutions

ACCELERATED RETURNS: Under Synogy's program an additional investment by the investor is committed to implementing Synogy's services to accelerate growth and produce a higher rate of return for the entire investment. The additional investment can produce dramatic results. The following chart demonstrates the potential effect on the Investor's Internal Rate of Return (IRR) of an additional 10% invested into Synogy Services.

- ◆ *Scenario 1:* \$20 million investment – 5 year cash out for \$50 million = 20% IRR
- ◆ *Scenario 2:* \$22 million investment (10% additional into Synogy Services) – 4 year cash out for \$50 million = 23% IRR = 13% improvement
- ◆ *Scenario 3:* \$22 million investment (10% additional into Synogy Services) – 3 year cash out for \$50 million = 31% IRR = 57% improvement

IMPROVED IRR - 10% Added Investment



RELATIONSHIP STRUCTURE

Synogy's effectiveness is enabled by its unique three-way relationship structure between the Investor, the Synogy Partner, and Synogy. Under this relationship each party has the following contractual obligations:

- **INVESTOR:** Invests in Client & Contracts with Synogy
 - Investment in Client
 - Synogy agreement:
 - Development Services Agreement – 3 year agreement to provide Client with a variety of business development services.
 - Years 1 & 2 – 10% of investment at time of funding (minimum of \$875,000) as prepayment against overhead expenses for services provided within the first two years of the development contract.
 - Year 3 Shared – During the third year Synogy's fees will be paid 50% by the Investor and 50% by the Synogy Partner. (Synogy services following the third year will be covered 100% by the Synogy Partner)
 - Investment Oversight Agreement – starting in the third year the Investor will pay Synogy \$120,000 per year to provide continued oversight of the Investor's interest in the Synogy Partner.
- **SYNOGY PARTNER:** Agreement with Investor & Agreement with Synogy for business development support services
 - Stock to Investor
 - Team relationship with Synogy to accomplish business development goals
 - Synogy agreement:
 - Stock to Synogy
 - Development Services Agreement – 3 year agreement to provide variety of business development services
 - Years 1 & 2 – 10% of investment at time of funding (minimum of \$875,000) as prepayment against overhead expenses for services provided within the first two years of the development contract.
 - Year 3 Shared – During the third year Synogy's fees will be paid 50% by the Investor and 50% by the Synogy Partner.
 - Continuing Services – Synogy Partner may continue to use Synogy services following the third year under a consulting contract whereby Synogy's fees will be covered 100% by the Synogy Partner.
- **SYNOGY:** Agreement with Investor & Synogy Partner to provide Synogy Services
 - Develop & oversee reporting process to Investor
 - Strategic Network Development
 - Customize variety of Synogy Services to Synogy Partner
 - Coach & Mentor Synogy Partner Leadership Team & Staff Members
 - Provide value-added services to Synogy Partner

MARKET

Synogy's primary market is passive investment groups who do not currently provide business development support services to their investment clients. Most passive investors do not provide such services to the companies in which they invest. There are hundreds of major passive investment groups and thousands of smaller groups around the world. All of these investors are potential markets for Synogy's services. Synogy also expects that it will receive numerous requests directly from companies that hear of Synogy's services and seek help directly from Synogy for acquiring funding or accelerating business development.

COMPETITION

There are numerous business incubators and consulting companies which provide some of the services of Synogy and are potential competitors. Research, however, has revealed no consulting company or incubator company that focuses on meeting the needs of investors and aggregates the collection of services that Synogy provides.

Synogy plans to leverage its experience in developing effective business systems and processes into "packaged" processes, called Implementable Best Practice Processes (IBPPs), that can be quickly implemented in new companies. Synogy has found no companies that provide Implementable Best Practice Processes as proposed by Synogy.

Discussions with representatives of major consulting companies, such as Anderson Consulting and Ernst & Young, have indicated that they see Synogy's services and focus to be different from their focus. Most have made the commitment that they are purely consulting companies, and, as such, can not take a stock ownership position in a company with which they consult. With such a commitment the major consulting companies should not deter Synogy's success because management of Synogy Partners will recognize that an independent consultant can never have the vested interest in the long-term growth and profitability of the company that Synogy will have through Synogy's equity position in the company. This equity relationship will provide Synogy with a stronger commitment to the best interests of the company than any independent company could possess.

Existing incubator companies are not expected to curtail Synogy's growth. Most traditional business incubators are physical facilities that are developed by a local community or non-profit group for the purpose of local business development. Synogy expects to learn a great deal about effective services from these traditional business incubators, but none of them have the mission to serve investors in the manner planned by Synogy.

There are a growing number of new business incubator groups that operate as quasi-venture capitalists. Most of these groups are focused only on high-technology companies and serve only a limited number of carefully selected businesses. None appear to focus on serving investor groups. However, as the success of Synogy becomes evident, there will likely be "copycat" incubator groups formed. Synogy will have a "first mover" advantage over these groups and will be able to maintain a competitive advantage as long as it provides high quality services that result in success for both the Investors and the Synogy Partners.

BACKGROUND & MANAGEMENT

Synogy grew out of a lunch meeting between Hank Tate and Charlie Bunn, in December 1999. At that meeting Mr. Bunn, President of Capital Funding Trust, was sharing, from his experience and close relationship with Institutional Investor Consulting Company, about the frustrations and challenges that passive investors face in dealing with the client companies in which they invest. The discussion led Mr. Tate to propose the creation of Synogy to provide a solution to the problems discussed.

Mr. Tate's background as a business development consultant and an experienced executive in a number of businesses, including four start-up companies, provided an immediate recognition of the challenges that were faced by client companies receiving investments from passive investors. Where venture capitalists bring numerous resources to bear on behalf of their client companies, passive investors usually only provide money. Many needs for support of business development are often unmet in clients of passive investors.

HANK TATE – CHAIRMAN & CEO

Mr. Tate's skills in business analysis, planning, and communication have been recognized in numerous business arenas. In addition to his executive experience in real estate, biotechnology, and environmental services, he has also provided consulting services to a variety of clients such as IBM Global Services, BJ Services, GE, and has helped numerous emerging businesses to develop successful business plans. This wide array of business leadership experience has equipped Mr. Tate to create a unique business vision that meets some very significant needs of passive investor groups. Mr. Tate will serve as Chairman and CEO of Synogy. He will focus on researching and developing a broad array of synergistic services and strategic relationships for Synogy. *(full resume in Appendix)*

GILBERT N. HOLLOWAY - PRESIDENT

Mr. Holloway is an award winning Senior Executive with demonstrated successes in the roles of CEO, Executive VP, VP of Sales & Marketing and Consultant achieving record sales, market share growth and profits. The founder of six companies, Mr. Holloway was instrumental in developing the early sales programs and marketing success for NIKE achieving over \$37 million in annual sales. He served on NIKE's Advisory Board for 8 years. For 10 years Mr. Holloway has been recognized for excellence in leadership training with service to 50+ companies, including several Fortune 500 companies. He has taught Marketing, e-Commerce, or Management courses for five universities as an Adjunct Professor. Mr. Holloway co-founded the Basic Research Corporation, a technology R&D company and directed the development of three inventions through patenting, testing and validation. Mr. Holloway will serve as President of Synogy and will focus on building Synogy's network of relationships with Investors, Synogists, and Synogy Partners. *(full resume in Appendix)*

OTHER LEADERSHIP

A substantial Board of Advisors has been established to provide proven experience and expertise to Synogy's leadership. The Board of Directors is partially established and will consist of highly-experienced and successful business leaders who share the vision for equipping and mentoring emerging companies. Synogy will expand the Board of Directors and Advisory Board and identify additional high-profile individuals who share Synogy's vision for building successful companies.

A team of experienced business professionals has been assembled. A recruiting process has been implemented to recruit additional experienced business leaders to fill upper-level leadership positions. Emphasis will be placed on people with demonstrated skills in building successful companies from the ground up. Leadership will be carefully chosen to reflect a combination of exceptional skills, a passion for creative excellence, and a strong commitment to Synogy's mission, vision, and values. Synogy is committed to a strong leadership plan built on a foundation of integrity, excellence, and profound respect for individuals.

All Directors, Advisors, Synogy executives, and associates (employees) will share in the ownership of Synogy.

CORPORATE STRUCTURE

Synogy's organizational infrastructure will include experienced, specialized personnel in the following functional areas of the company:

- ◆ *Investor Services:* Manage relationships with investor groups being served, build relationships, learn needs, assure regular reports on client companies
- ◆ *Synogy Partner Services:* Manage relationships with client companies, build relationships, present introductory planning retreat, identify true needs; direct Synogy Group Services to locate needed Directors, operational leadership, or technical Synogists; track all services for completion and satisfaction
- ◆ *International Services:* Providing international business development services. Assisting foreign companies develop business operations in the United States and U.S. companies develop business operations internationally.
- ◆ *Synogy Group Services:* Identify potential Synogists (Business experts in Synogy Group database), check background and references, manage contracts, build relationships, train on Synogy's vision, manage Synogy Group database, locate Synogists from Synogy Group to meet needs of clients
- ◆ *Due Diligence Services:* Manage contracts and teams to provide services for Business Health Assessments and IPO Readiness Due Diligence.
- ◆ *Administration:* Manage Synogy's internal operations; employee support, supplies, and relations; external communications, inter-staff communications, internal business processes

- ◆ *Knowledge Management:* Direct Synogy Web site design and content management; manage collection and dissemination of strategic information to Synogy associates, Synogists, and Synogy Partners; develop resource libraries of books, manuals, audio tapes, video tapes, and software for use by Synogy Partners; develop newsletters for Synogists and Synogy Partners
- ◆ *Technology:* Develop Synogy communications and computer networks, implement standardized computer processes; develop Synogy Group database and other strategic software applications; build Implementable Best Practice Processes for telecommunications, computer networks, inter-staff communications; share processes with Synogy Partners
- ◆ *Implementable Best Practice Processes (IBPP):* Identify a comprehensive set of strategic IBPPs that can be developed for a wide variety of companies; direct development, documentation, and implementation methods
- ◆ *Synogy Centers:* Research existing incubator centers, develop Synogy Center facilities design and operations parameters; locate site in Houston for first Synogy Center, build and manage Houston; identify additional locations around U.S.; build and manage distributed Synogy Centers
- ◆ *Financial Management:* Manage Synogy's internal financial operations; manage billings for Synogy Partner services and payments to Synogists; develop best practice financial systems that can be implemented internally and in Synogy Partners; report financial status of Synogy
- ◆ *Legal Management:* Manage Synogy's internal legal operations; manage contract development for all of Synogy's relationships; develop best practice legal processes that can be implemented internally and in Synogy Partners.

FINANCIAL OVERVIEW

Synogy's profitability will come from five profit centers:

- ◆ *Synogy Development Services Agreement:* 10% of investment funding (minimum \$875,000) for providing a customized collection of business development services and investor oversight.
- ◆ *Stock Appreciation:* Increase in asset value from successfully growing the Synogy Partners at an accelerated rate.
- ◆ *Investor Oversight Services:* \$120,000 per year fee to provide continued oversight of investment for the investor after expiration of Development Services Agreement.
- ◆ *Added-Value Services:* Commissions or profit sharing that Synogy can negotiate from suppliers of services and products which are made available to Synogy Partners at significant discounts.
- ◆ *IBPP Sales:* Sales of Implementable Best Practice Processes to companies other than Synogy Partners. Not anticipated until second year.

The following estimated growth is used to drive the financial projections and is believed to be a very conservative growth projection.² Management believes that demand for services from Investors will be much greater than shown. Projections also limit the number of projected Synogy Center Partners to 6 per center even though most traditional incubators typically serve more than twelve companies.

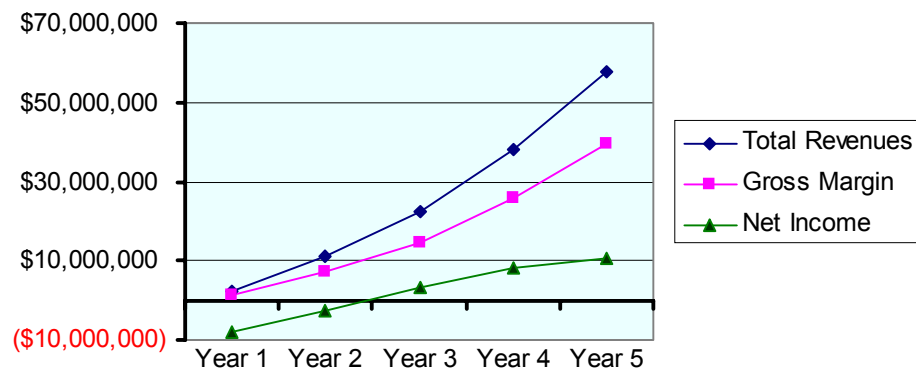
Year	1	2	3	4	5
Investor Groups	1	2	3	4	5
New Investor Synogy Partners	3	5	8	11	14
Total Investor Synogy Partners	3	8	16	24	33
New Independent Synogy Partners	1	3	3	3	3
Total Independent Synogy Partners	1	4	7	9	9
New Synogy Centers	0	1	2	3	4
Total Synogy Centers	0	1	3	6	10
New Synogy Center Partners	0	6	12	18	24
Total Synogy Center Partners	0	6	18	36	60
Total Synogy Partners	4	18	41	69	104

The projections also reflect revenues from Due Diligence Services and projected sales from marketing IBPPs to other companies not under a contract with Synogy. For further information on assumptions see the section *Financial Projections*.

Year	1	2	3	4	5
Due Diligence Contracts	6	13	23	42	75
IBPPs Sold	4	56	72	112	164

Based on the above growth projections, management projects the following gross revenues, gross margin, and net profits:

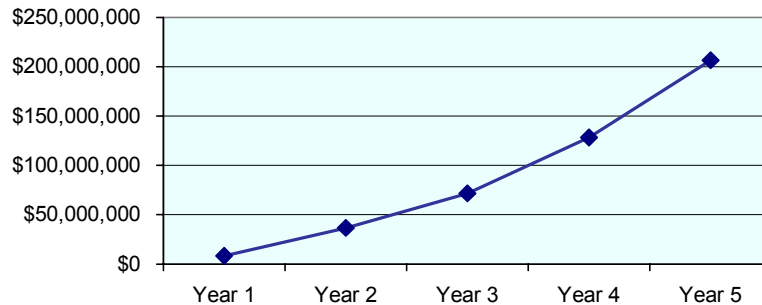
REVENUE, GROSS MARGIN & NET PROFIT



² Figures for years 4 & 5 Total Synogy Partners reflect that Synogy Partners for years 1 & 2 are no longer under a Development Services Agreement

The true return on an investment in Synogy is not reflected in the Net Profits. The focus of Synogy is building the value of its ownership in the Synogy Partners. This focus produces a conservative Net Profit. The Asset Growth of Synogy reflects the true value of Synogy and produces a significant return on investment.

Cumulative Asset Value



The asset growth of Synogy is derived from a projection that Synogy will receive an ownership interest in Synogy Partners of approximately 10%, that the average capitalization of each Synogy Partner is \$15MM, and that the investment grows at an average of 20% per year. Based on these assumptions the Net Present Value of Synogy’s Projected cash flows (assuming cash out of cumulative value at the end of year five) reflects the following Net Present Value on the Total Investment Required (cash flow in millions):

Year	1	2	3	4	5
NPV = \$ 124,945,995	-8.5	-3.3	1.6	4.9	210.8

FUNDING SOUGHT

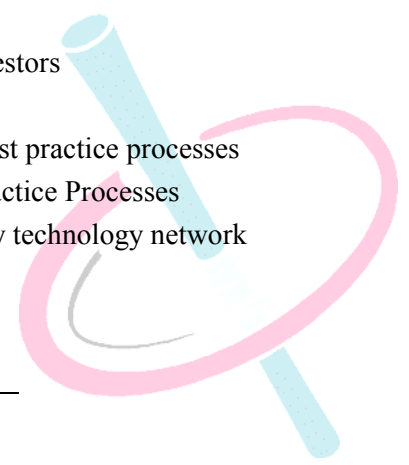
Synogy will seek initial capitalization in three phases as described below. The first two phases will fund development of Synogy’s structure and services. The third phase will cover mortgage funding for the development of Synogy Centers with funding obtained as Synogy Centers are built.

The following funding schedule is based on very conservative growth projections. More aggressive growth projections would require a larger initial investment for accelerating IBPP development and faster ramp-up of staffing.

PHASE I - YEAR 1

\$8.5 MILLION

- Develop corporate infrastructure
- Initial consulting and due-diligence work for investors
- Recruiting key leadership
- Focus groups to identify and prioritize needed best practice processes
- Contract development of Implementable Best Practice Processes
- Begin development of Synogy Group and Synogy technology network
- Strategic relationship development



- Locate, complete, and occupy headquarter offices
- Limited Synogy Partner services – provided on a “pilot project” basis
- Initial development of functional divisions

PHASE 1 - USES OF CASH

Development of Image, Corporate Structure, Office & Operations – \$ 1.7MM

Development of Consulting Services & Due Diligence Practice – \$ 817K

Development of Synogy Group, Database, & Investor Relations – \$ 1.1MM

Development of IBPPs & Web site – \$ 4.3MM

Development of Databases & Technology Services – \$ 902K

Capital Expenditures for Office, Network & Employee Setup – \$ 700K

Directors Compensation and Board Expense – \$ 300K

Total	\$ 9.8MM
Less Projected Gross Margin	\$ 1.3MM
Investment Required	\$ 8.5MM

PHASE 2 - YEAR 2

\$3.5 MILLION

- Implementation of full Synogy Services to Synogy Partners
- Complete development of internal processes
- Complete design of Implementable Best Practice Processes
- Complete documentation and implementation methods
- Implement Synogy Group – rapid expansion of Synogists
- Complete planning of Houston Synogy Center
- Implement leveraged strategic relationships
- Begin providing full Synogy Services to limited number of Synogy Partners

PHASE 2 - USES OF CASH

General & Administrative, Staff Acquisition & Development – \$ 1.8MM

Expansion of Consulting & Due Diligence Services – \$ 1.6MM

Expansion of Synogy Group and Strategic Relationships – \$ 2.0MM

Development of IBPPs & Knowledge Services – \$ 3.6MM

Expansion of Databases & Technology Services – \$ 906K

Capital Expenditures for Office, Network & Employee Setup – \$ 460K

Directors Compensation and Board Expense – \$ 125K

Total	\$ 10.5MM
Less Projected Gross Margin	\$ 7.0MM
Investment Required	\$ 3.5MM

*PHASE 3 - 18 MONTHS – 5 YEARS+**\$50+ MILLION MORTGAGE FUNDING FOR SYNOGY CENTERS*

- Open full Synogy Services to broad base of Synogy Partners
- Build Houston Synogy Center
- Refine Synogy Center management processes
- Expand Synogy Services in new areas
- Expand leveraged strategic relationships
- Expand Synogy Group
- Expand investors being served
- Identify locations for additional Synogy Centers
- Build 9+ additional Synogy Centers

PHASE 3 - USES OF CASH

Cash flow begins to cover expenses and overhead in year three. Management projects that the Synogy Centers will be funded through mortgage funding.

EXIT STRATEGIES

Synogy's Directors will develop effective exit strategies which will provide the most appropriate return to Synogy, its investors, the investor groups being served, and the Synogy Partners being served. Numerous options will be addressed including, ESOP sales, sales to third parties, spin-off companies, and IPO's.



II. INDUSTRY BACKGROUND

Investors and capital funding companies have struggled for decades with the challenge of selecting which companies seeking investment funding will actually achieve success. Like sending ancient ships into an unknown sea, launching a new company into the turbulent waters of modern business often ends in undesired results:

- ◆ Total company failure and loss of the investment, or
- ◆ Languishing existence where business goals and financial returns are never reached.

Achieving long-term success is a difficult road for emerging businesses. Statistics have reminded us for decades that only about 25% of new businesses survive their first five years in business. There are, however, at least three arenas of business development that have consistently demonstrated dramatically higher success rates.

- ◆ Business Incubators
- ◆ Franchises
- ◆ Venture Capitalists

All three of these arenas have demonstrated success rates much higher than normal. Business incubators specifically have shown dramatic success. National Business Incubation Association statistics reveal that greater than 80% of “incubated” companies survive the first five years; compared to an overall survival rate of less than 25% (U.S. Small Business Admin.). Franchise systems have demonstrated success rates of approximately 90% - dramatically above traditional success rates.

All three of these islands of success demonstrate similarities of philosophy and service:

- ◆ Involvement of 3rd party experts to help the company achieve success
- ◆ Analysis of opportunities and hurdles by outside counselors
- ◆ Ready counsel from experts and specialists to help make wise decisions
- ◆ Access to high-level business networking
- ◆ Mentoring from successful business people
- ◆ Support services to provide key business needs efficiently
- ◆ Development of effective business systems and processes

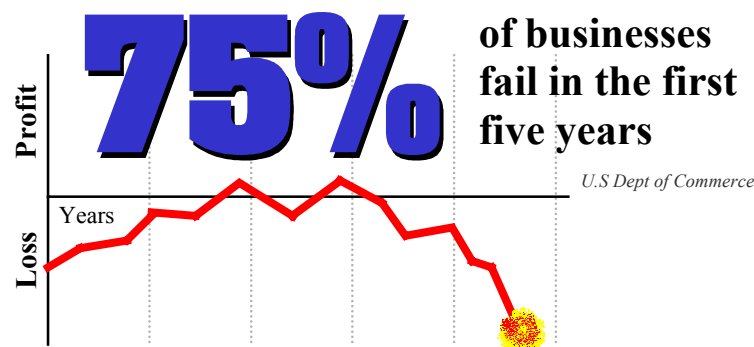
Hundreds of capital funding sources invest billions of dollars in companies where these resources are not available. The result is that passive investment companies often fail to see their client companies achieve the success that was originally envisioned when the investment was made.

The question that many of these passive investment companies continually face is, “How can we insure a greater return on our investment?” The answer is greater involvement in the process. This conclusion, however, can often not be realized internally by a traditional passive investment company. The structure of the organization typically does not provide the resources to become more pro-active in helping the client companies achieve success. Synogy provides an answer to this dilemma.

All of these resources can be strategically applied to create an environment for greater success in the relationship between capital funding groups and their client companies. Synogy will create and manage the Synogy Group, a resource pool of business experts in a wide variety of fields which will operate under a contractual commitment to the capital funding company to help their clients achieve success. Synogy will create a business development environment that combines the best practices of Venture Capital companies and Business Incubators to actively support the management of companies receiving funding. Synogy will also bring the success environment of franchising to new businesses by creating a strategic collection of proven best practice business process to enhance the effectiveness of management and accelerate growth. Through a contractual relationship with Synogy, passive capital funding companies can create an environment where their client companies can achieve greater success and financial return.

PATTERNS OF FAILURE

Every business starts as a small business. Small business is the fastest-growing sector of the business world and is expanding at 17% per year. This growth rate has accelerated in recent years as an ever-increasing number of people recognize that large businesses no longer provide job security. With every round of lay-offs from economic downturns, or restructuring, a flood of new businesses hit the marketplace. The statistics on small business failures in the United States are a reminder that starting a business is very risky. Of the more than 1 million companies started in the United States each year, 75% will fail within five years of founding.³



Numerous research projects have identified a wide collection of reasons for business failure.⁴ Among the reasons are:

- ◆ Poor planning
- ◆ Insufficient resources
- ◆ Inadequate management
- ◆ Ineffective business processes

³ U.S. Department of Commerce

⁴ U.S. Department of Commerce, Dun & Bradstreet, SCORE, Bruno, Hoad, Reynolds, Vesper, Cooper

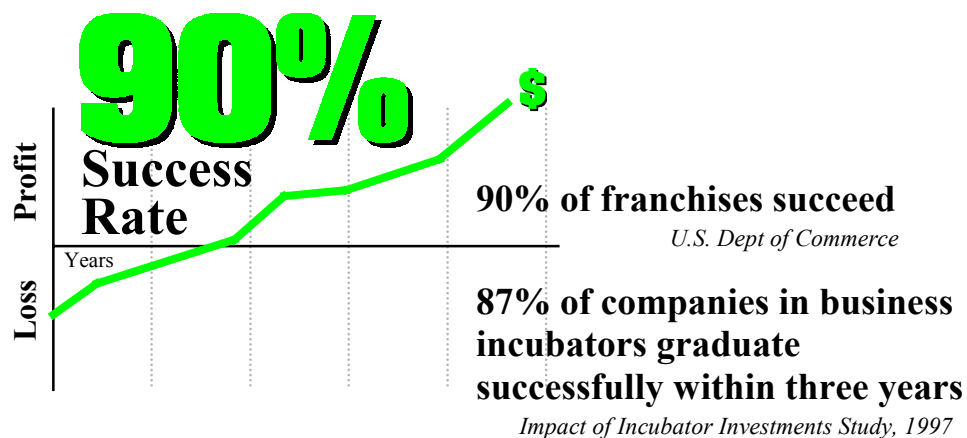
- ◆ Marketing failure
- ◆ Inability to respond to change

Such disappointing results not only reflect the loss of dreams for business founders, but also manifest an incredible loss of invested capital. For any investor these failure rates encourage a cultural timidity and a reticence to invest in projects that have any degree of uncertainty. Passive investment groups in particular are forced to be very cautious of their investments because they traditionally have limited ability to provide a positive influence on the success of a company.

BEACONS OF SUCCESS

A careful study of the business community reveals that there are some bright lights of success that stand out from the gloom of these failures. Three business arenas demonstrate success rates that are dramatically higher:

- ◆ **Franchises:** U.S. Department of Commerce research reveals a **90%** success- rate among franchises
- ◆ **Business Incubators:** According to the *Impact of Incubator Investments Study*, 1997, **87%** of incubator graduates are still in business.
- ◆ **Venture Capitalist:** Accurate statistics are not readily available but a cursory review of empirical evidence shows that venture capitalists play a major role in many successful start-ups

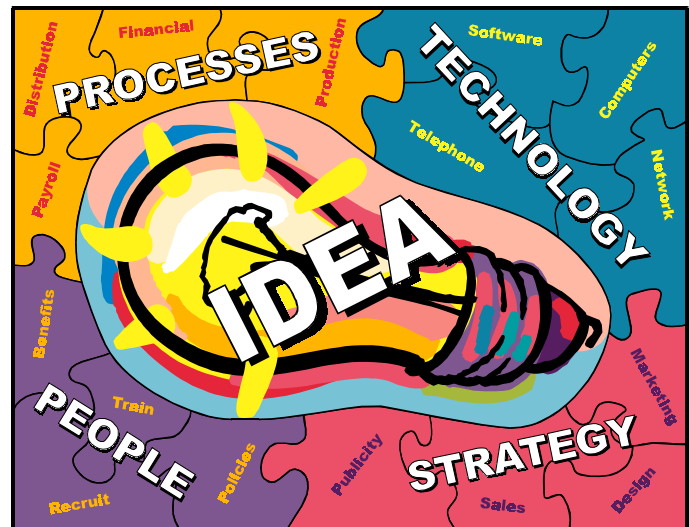


Most founders of companies do not enjoy the benefit of experience in taking a company from “idea” to success. Company founders pursue the challenge of creating a new company with a vision that their primary focus and attention within the new company will be on the IDEA or core competency that led them to create the company.

Reality attacks immediately with the discovery that there are a multitude of ancillary business issues that steal time from management’s focus on developing the IDEA into a successful company.

FOCUS

Every new business leader expects that his focus in the new business will be on his IDEA, his Core Competency



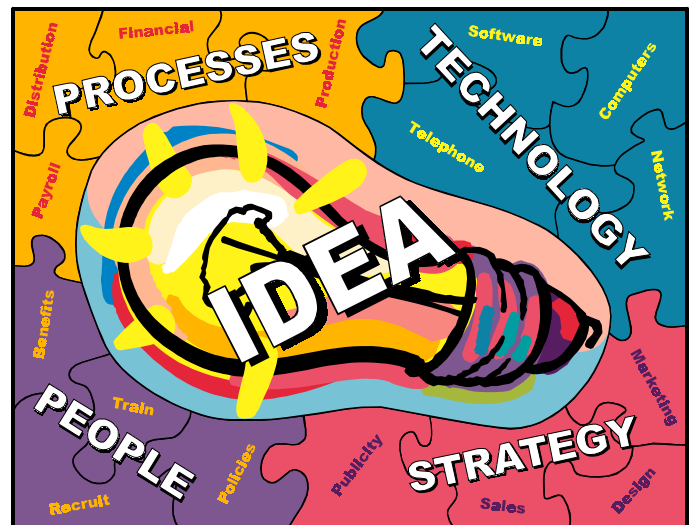
Reality is that ancillary issues in a company steal leadership attention and the IDEA, or Core Competency, does not receive effective focus.

Success suffers!



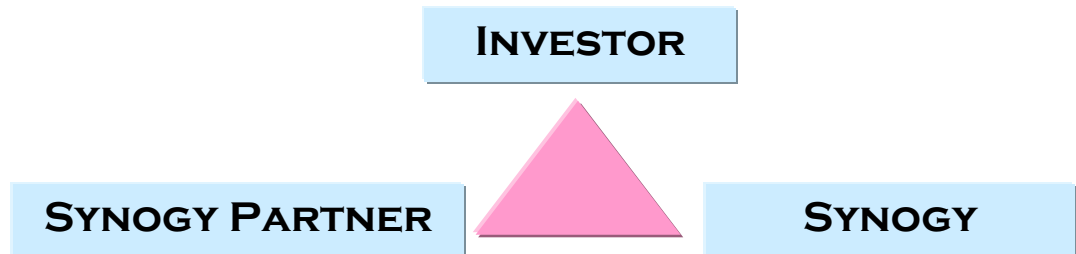
Synogy's provision of integrated support systems enables business leaders to return their focus to the Core Competencies

Success is enhanced!



III. RELATIONSHIP STRUCTURE

Synogy's effectiveness is enabled by its unique three-way relationship structure between the Investor, Synogy Partner, and Synogy.



1. **Investor Contracts with Synogy:** Investor contracts with Synogy to provide incubator type support services to appropriate investor clients. Under the agreement Investor commits to pay:
 - Development Services Agreement – 3 year agreement to provide Client with a variety of business development services.
 - Years 1 & 2 – 10% of investment at time of funding (minimum of \$875,000) as prepayment against overhead expenses for services provided within the first two years of the development contract.
 - Year 3 Shared – During the third year Synogy's fees will be paid 50% by the Investor and 50% by the Synogy Partner. (Synogy services following the third year will be covered 100% by the Synogy Partner)
 - Investment Oversight Agreement – starting in the third year the Investor will pay Synogy \$120,000 per year to provide continued oversight of the Investor's interest in the Synogy Partner.
2. **Investor invests in client & requires client to contract with Synogy:** Investor's contract with client to invest requested funds includes:
 - Requirement for Client to contract with Synogy to provide "Synogy Services" to the client for a three year period.
 - The agreement includes a commitment that Investor will pay for the first two years of Synogy's standard Development Services Agreement from the initial funding, and will cover 50% of Synogy's fees during the third year.
3. **Synogy Partner contracts with Synogy:** Synogy Partner will negotiate a Development Services Agreement with Synogy and commits to:
 - Collaborate effectively with Synogy to provide successful delivery of Synogy's business development services for at least three years.
 - Provide a negotiated stock ownership position to Synogy (estimated at about 10%), and
 - Pay the 50% Synogy Partner obligation for services during the third year of the agreement.

4. **Synogy provides services to Synogy Partner:** Synogy provides to the Synogy Partner a variety of services customized to the specific needs of the Synogy Partner. Under the Synogy Development Services Agreement, Synogy will provide:
 - Access to Synogy Group to identify Synogists to provide mentoring, leadership support, or technical services,
 - Analysis and development of effective business processes and systems as needed by each company,
 - Implementable Best Practice Processes (IBPP) identified and implemented to meet needs of the Synogy Partner,
 - Leadership & Staff Development workshops and resources,
 - Leveraged Strategic Relationships for providing value-added services and products to the Synogy Partner,
 - Approximately 6-8 days per month of pre-paid Synogists services or workshops,
 - Assistance in building Board of Directors or Advisory Board,
 - Other value-added services appropriate to the needs of the Synogy Partner
5. **Synogy reports to Investor:** Synogy will establish and supervise reporting processes which enable Synogy Partner leadership and the Investor to track company metrics and processes through a secure online Web site.

IV. DUE DILIGENCE SERVICES

Every potential investment client reviewed by an Investor needs an independent Due Diligence Report to validate and verify the information presented in the business plan. Synogy is developing best practice processes for performing due diligence in two areas.

BUSINESS HEALTH ASSESSMENT (BHA)

This in-depth due diligence analysis is designed to provide the Investor and the client company with a comprehensive business diagnostic and report of the health of the business in both financial and non-financial areas of the business. The report will include:

- ◆ Financial validation of existing business claims
- ◆ Verification of assumptions for business projections
- ◆ Product analysis to validate value of proprietary products and intellectual properties while also identifying additional potential markets and segments
- ◆ Processes audit to measure effectiveness of a variety of internal business processes
- ◆ Technology analysis to determine effective use of computers, internet, telecommunications, and other technology within the company
- ◆ Personnel background checks

From the Business Health Assessment the Investor and the company will validate the assumptions for the investment. In addition, the BHA will become the foundation for identifying areas where Synogy needs to provide support resources and develop effective systems and processes to enhance operations and accelerate growth.

A BHA for a start-up company may take less than one week to validate assumptions in the business plan. Since there are no operations or history to analyze the process is relatively quick and inexpensive.

A BHA for an existing business may require 30-45 days to complete. During that time it is expected that Synogy will provide a team with varied skills and experience to analyze the various aspects of the business. The process will be designed to minimize the time requirements of the company's leadership and will be documented in a "rapid-audit" form to identify and collect necessary information rapidly.

IPO READINESS PROGRAM

A major problem faced by leadership of companies pursuing an Initial Public Offering is the time and mental focus required to pull together the Due Diligence package necessary to successfully accomplish the IPO. Synogy is developing a best practice process for preparing for an IPO that enables company management to maintain a significant focus on daily business while Synogy's trained team collects the information required. The IPO Readiness Program follows a scripted process in which management defines key personnel for each area of required information and the Synogy team works with the defined personnel to collect and package a professional Due Diligence package for the company. It is anticipated that an IPO Readiness Program will take 30-90 days.

V. SYNOGY PARTNER SERVICES

Synogy will provide a wide variety of synergistic services carefully customized to meet the specific needs of each Synogy Partner and its leadership. In most cases the services needed by the Synogy Partner will be determined from the Business Health Assessment performed before the engagement.

Synogy's strategy is to create packaged solutions that solve typical business problems yet still retain flexibility that enables the services and IBPPs to be customized. These packaged solutions will enable Synogy to accelerate the Synogy Partner's growth and provide considerable value to each Synogy Partner.

Synogy provides each Synogy Partner with an opportunity to establish sound business practices, fine tune their product or service offering, make valuable contacts, build staff capabilities and enjoy leveraged value from a variety of service providers without losing leadership's focus on the core competencies of the Synogy Partner. Synogy will accomplish these goals through four key areas of service:

1. SYNOGY GROUP

Every company achieving success has a network of key people who believe in the company and open doors to other strategic relationships ... which lead to additional strategic relationships ... until success is assured. This network of contacts is difficult to develop for

most startup or emerging companies. Most startup companies are started by what Michael Gerber, in his book *The E-Myth*⁵, calls “technicians” – people who know intimately their area of expertise and skills. These technicians are good at what they do and often have created an incredibly great product or business process. However, they usually do not socialize in high-profile leadership circles and find the process of building a high-profile strategic network to be a mystery. In addition there are other areas of technical and business expertise required for the successful implementation of their vision and the founder often does not know whom to trust to help him build his vision. Finding and screening this expertise can be a major distraction from focus on core competencies of the company.

Venture Capitalists often bring into companies they accept, a team of experienced business professionals and a network of strategic relationships. In most cases the cost in loss of ownership and/or control by the founder can be enormous. Business incubators provide introductions to business specialists who can help with the development of the company on a contract basis, but usually the support is local and sometimes is inexperienced.

Synogy Group provides the solution to this dilemma. Synogy will build a network of pre-screened business and technical experts, called “Synogists,” which will be available to all Synogy Partners. Becoming a Synogist will require satisfactory completion of a screening process. Each person referred will be contacted by a Synogy Group manager and interviewed to validate the referral and explain the Synogy Group program. Synogy intends to leverage the existing relationship network of Synogists accepted into the Synogy group to identify additional potential Synogists. Individuals and companies accepted into the Synogy Group will be asked to recommend additional contacts. A referral reward of \$200 will be paid to anyone who recommends a name that is ultimately accepted into the Synogy Group network. Each applicant’s information will be validated by contacting references and former clients. Background checks may also be made on criminal or credit history.

Synogy Group will also be used to provide two additional areas of service to Investors and Synogy Partners:

- ◆ **Board of Directors/Advisors:** Synogy will use the Synogy Group to help new Synogy Partners locate experienced high-profile individuals who are willing to serve as directors or advisors to the Synogy Partner. Many founders have limited high-profile contacts and find this to be a daunting task. Synogy will also assist the Synogy Partner in negotiating appropriate compensation packages with new directors and advisors.
- ◆ **Business Analysis for Investors:** Synogy will also make the Synogy Group available to its Investors as expert resources for other projects of the Investor or for performing an expert analysis of potential investments.

⁵ *The E-Myth & The E-Myth Revisited*, Michael Gerber, HarperCollins Publishers, 1995

2. DEVELOP EFFECTIVE SYSTEMS AND PROCESSES

Every company must develop processes to accomplish its business goals. Michael Dell points out that, “If a young growth company sufficiently believes in its future, it will invest in management skills and controls that can sustain high performance over many decades.”⁶ More practical analysis of actual operations in most companies reveals, however, that “...instead most businesses are operated according to what the owner wants as opposed to what the business needs.”⁷ As Michael Gerber points out in *The E-Myth Revisited*, most businesses are started by technicians with incredible grasp of, and creative accomplishments in, their area of expertise, but often with minimal experience in other operational areas of a business.

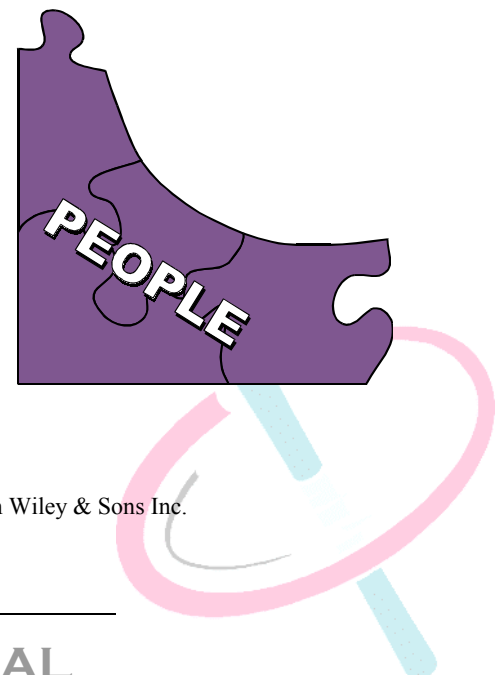
Determining how to create effective business processes in all areas of a business provides a challenge to any business leader. No one has experience and understanding in all areas of business and often the process of identifying and implementing best practice processes is an incredible distraction from focusing on the core competencies of the company. Designing and implementing a best practice process involves research into multiple options and providers. Just the process of learning enough about the arena of focus to make wise decisions can require significant time and expenses for a business leader.

Synogy’s long-term strategic plan directs effort towards rapidly developing a suite of proven processes, called Implementable Best Practice Processes (IBPP), which can be readily implemented into a wide variety of business environments with minimal distraction for the company’s leadership. Synogy’s system of developing Implementable Best Practice Processes will provide significant value and time savings for Synogy Partner leadership. Research time and investment expenses will be leveraged across multiple Synogy Partners and Synogy’s strategic relationships will provide resources and insights that would not normally be available to the Synogy Partners. Synogy will develop IBPPs in a number of operational areas, such as:

OPERATIONAL AREAS

PEOPLE

- ◆ Recruiting
- ◆ Hiring & Firing Practices
- ◆ Employee Policies & Handbook
- ◆ Employee Implementation
- ◆ Relationship Management
- ◆ Leadership & Employee Training
- ◆ Workforce/Labor Union Relations
- ◆ Skills Development

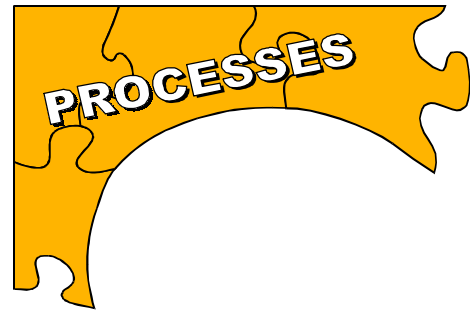


⁶ *Wisdom of the CEO*, Michael S. Dell – Chairman & CEO of Dell Computer Corp., John Wiley & Sons Inc.

⁷ *The E-Myth Revisited*, Michael Gerber; 1995, HarperCollins Publishers, Inc.

PROCESSES

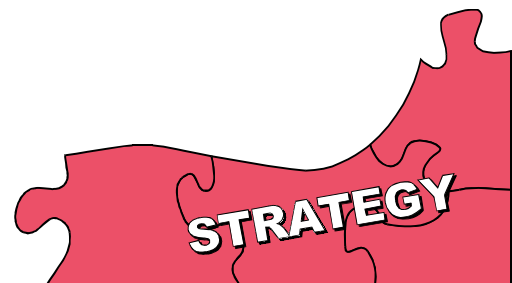
- ◆ Records Management
- ◆ Due Diligence
- ◆ Project Management
- ◆ Financial Reporting
- ◆ Request for Proposal
- ◆ Manufacturing Design
- ◆ Lean Manufacturing
- ◆ Order Processing
- ◆ Inventory Control & Management
- ◆ Supplier Management

*TECHNOLOGY*

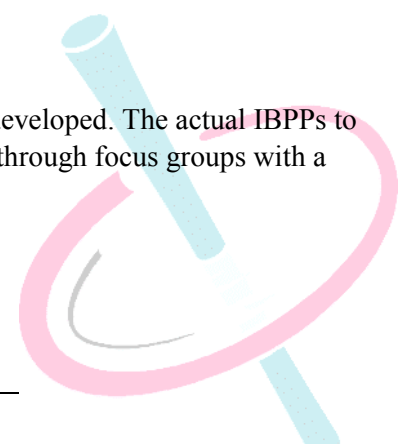
- ◆ Internal computer network
- ◆ Distributed computer network
- ◆ Strategic software tools
- ◆ Telecommunications
- ◆ Wireless Communications
- ◆ Inter-staff Communications
- ◆ Company intranet
- ◆ Internet website
- ◆ Business-to-Business e-Commerce
- ◆ Business-to-Consumer e-Commerce
- ◆ Knowledge Management
- ◆ Order Tracking
- ◆ Product Certification Support

*STRATEGY*

- ◆ Develop Mission, Vision, & Strategy
- ◆ Develop Board of Directors
- ◆ Build Advisory Board
- ◆ Corporate Image Design
- ◆ Marketing Planning
- ◆ IPO Readiness Analysis
- ◆ Strategic Network Development
- ◆ Customer Satisfaction Analysis
- ◆ Customer Data Mining



The list above provides example areas where IBPPs can be developed. The actual IBPPs to be developed, and their priority ranking, will be determined through focus groups with a number of business owners.



IBPP EXAMPLES

INTERNAL COMPUTER NETWORK

Almost all companies in our modern business world need a computer network system. Most companies, however, do not start with experienced computer technicians and struggle with the process of designing and implementing a computer network. Leadership must either turn some significant attention to learning about the options in designing a computer network – a time consuming task at best, or they must contract with someone to implement a turn-key computer network. One challenge with a contract installation is the time necessary to find and qualify potential providers and determine whether a provider can be trusted to install and support a high-quality system at a reasonable price. The contractor's goal is to maximize profits, not enhance the company's growth capabilities.

Synogy's IBPP program provides a new alternative that is focused on implementing a computer network that will foster successful operations and growth. Since Synogy owns a percentage of the Synogy Partner it is easier for leadership of the Synogy Partner to accept that the IBPP is designed to maximize growth, not immediate profit. In addition, leadership should readily see how Synogy's IBPP will provide the Synogy Partner with a higher-value product and much more reliable service.

Under the IBPP program Synogy would work with strategic partners such as Cisco, Dell, IBM, and Microsoft to develop the definition of an IBPP for a computer network. The IBPP plan would include definitions of hardware, software, network management, along with an implementation plan, suppliers, documentation, and training.

Synogy's IBPP for Computer Networks would provide the Synogy Partner with a world-class solution that uses hardware and software of recognized excellence at a price much lower than the Partner could ever develop it themselves. In addition, since Synogy's goal is to equip the Synogy Partner for long-term success, areas that are often overlooked in building computer networks, such as power and data backup, would automatically be part of the solution. The Synogy Partner gets a Best Practice Process with substantial cost and time savings. Focus can be maintained on building the Core Competency of the company.

RECORDS MANAGEMENT

Records management is a non-technical area where emerging businesses often fail to implement effective systems. There are numerous specialists in this area that can be a part of an IBPP development team to create an Implementable Best Practice Process in Records Management. Not only would the IBPP enable the Synogy Partner operate more efficiently, it would also be designed to identify critical information that will be needed for a IPO and establish a system to collect and protect that data so that it is immediately available when the company begins pursuing an IPO.

Under an IBPP for Records Management the leadership of the Synogy Partner would spend an hour, or less, answering questions on various options. Once completed the IBPP process would be initiated and an entire records management system would be delivered within a few days. The system would include file cabinets, folders, labeling equipment, tracking software, binders, and whatever other equipment is necessary to implement the IBPP. A Synogy representative would assist in installing and setting up the equipment and supplies and would then provide a IBPP Records Management Course to all employees on how to use the records management system. Each employee would receive a reference manual on how to maintain personal and corporate information within the guidelines of the IBPP. As a result of the Records Management IBPP the Synogy Partner would have immediate implementation of a world-class records management system with a substantial savings in cost and time. Leadership can retain its focus on the company's Core Competency.

3. LEADERSHIP & STAFF DEVELOPMENT

BUILDING LEADERSHIP CAPABILITIES

Synogy's goal is to build companies by building people. Most outstanding companies are born from the personal vision of one man or woman who sees value and potential before others are caught with the insight. A creative visionary is one of the greatest assets that a company can have. Many visionary people, however, are technicians with limited skills in management or business development and feel a need to develop leadership skills. Others in leadership positions often desire to build their capabilities as an effective business leader. Training, mentoring, and information are key factors.

“Building companies by building people”

In addition to the mentoring provided by Synogists, Synogy will provide a variety of professional and technical development courses and support programs designed to expand and enhance the skills and knowledge of the Synogy Partner's company leadership and staff.

Synogy believes that the most effective way to create future value is to invest in the abilities of men and women of vision and build support systems that enhance their abilities.

BUILDING LEADERSHIP & STAFF CAPABILITIES

Truly effective companies build effective staff at all levels. With technology changing at an exponentially rapid rate, it is becoming increasingly difficult to allocate time and resources for developing constantly changing skills. The process of identifying effective training programs can be a daunting task and major distraction for a company's leadership. Synogy's Knowledge Management Division will identify educational programs, materials, and resources which can help Synogy Partners develop leadership and staff skills.

DEVELOPMENT RETREATS

Synogy will provide team support to facilitate Synogy Partner teams working through dynamic business development in a number of key areas:

High Performance Leadership: Each new Synogy engagement will start with a multi-day retreat for the Synogy Partner leadership team to meet with a Synogy leadership team. This retreat will focus on building key foundations for company success including:

- Articulating Mission, Vision, and Values for the Synogy Partner
- Definition of philosophies of operating and growing the company
- Review of Synogy's available resources and methodology
- Identification of key leadership needs to focus initial support efforts

Lean Management Analysis & Haiku Retreats: Experienced assistance in identifying areas where company operations can be improved and defining methods of improvement.

WORKSHOPS

Synogy will identify potential providers of training programs of interest to Synogy Partners. The workshops, training programs, and materials of providers will be audited to determine which suppliers provide effective workshops at reasonable fees.

Leadership courses will include courses such as:

- Professional Leadership Development
- Effective Business Development
- Financial Management
- Developing People Skills
- Media Relations

Skills development courses will include courses such as:

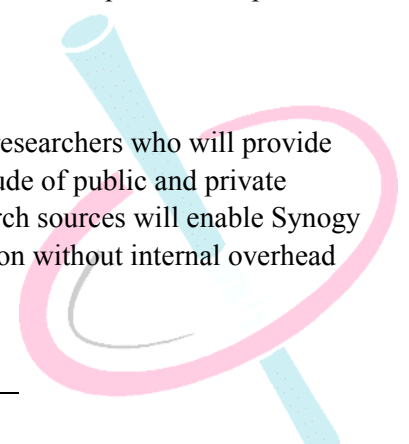
- Computer competency
- Database development, programming, and management
- Product design and engineering
- Safety and government regulations
- Manufacturing efficiency and Lean Thinking

NEWSLETTERS

Constant Learning: Synogy will publish email newsletters on a variety of topics which are appropriate for helping Synogy Partners keep leadership and staff up-to-date of strategic fields of knowledge.

RESEARCH

Synogy will provide Synogy Partners with experienced researchers who will provide strategic research in a wide variety of areas and a multitude of public and private sources. Synogy's membership in multiple private research sources will enable Synogy Partners to obtain high-quality research in a timely fashion without internal overhead for separate memberships or research specialists.



4. LEVERAGED STRATEGIC ALLIANCES

As an aggregator of services, Synogy has the ability to establish strategic business relationships that can provide expanded benefits to Synogy Partners at prices that would be unavailable to the Partner directly. By creating a group purchasing system Synogy will be able to provide a wide variety of products and services to Synogy Partners with rapid delivery and reduced prices.

Synogy expects to develop Leveraged Strategic Alliances in a number of areas, such as:

Back Office Software: Synogy has initiated conversations with Lawson, a provider of high-end back office software, directed toward developing a cost affordable method for providing high-end back office solutions to small companies. A Lawson installation typically costs \$500,000 to \$1.5 million or more. The value to the company for managing internal processes and data is substantial, but the typical implementation cost would make it impossible for emerging companies to enjoy the benefits.

Lawson has indicated a willingness to work with Synogy to develop a distributed method of delivery whereby Synogy could provide Lawson's software to Synogy Partners on a per-seat basis at a cost that would be affordable for Synogy Partners.

Group Purchasing: Synogy will develop group purchasing programs through strategic relationships with an online suppliers for a variety of products and services. Synogy will be able to negotiate better pricing and service through Synogy's Group Purchasing Program.

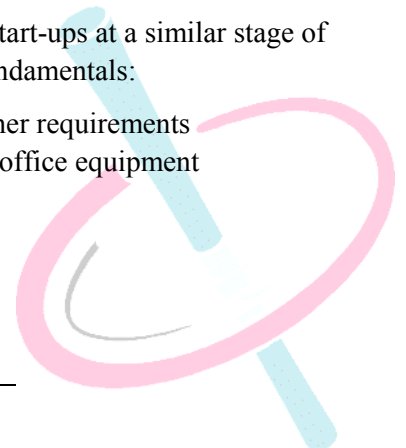
VI. SYNOGY CENTERS

All of the services defined above can be provided to Synogy Partners wherever they are located. Some Synogy Partners will need office space. Research and experience have shown very clearly that a traditional business incubator facility is very effective for helping companies with their initial growth.

Synogy plans to establish a traditional business incubator facility, called a "Synogy Center," in Houston, Texas within the first 18 months of operation. Additional Synogy Centers will be developed in other cities around the United States within the first five years. Synogy projects having ten Synogy Centers in operation by the end of year five.

In addition to the rich dynamics created by a community of start-ups at a similar stage of development, the Synogy Centers will offer the following fundamentals:

- ◆ Affordable furnished office space fit to Synogy Partner requirements
- ◆ Access to shared copier, FAX and complete suite of office equipment
- ◆ Common receptionist & notary
- ◆ Secretarial support on a per-hour basis
- ◆ Business assistance and mentoring



- ◆ Conference rooms with multimedia presentation equipment
- ◆ Central mail handling
- ◆ Janitorial services
- ◆ Security system
- ◆ Telephone services if requested
- ◆ Shared break room facility
- ◆ Resource library (see Appendix for example of Resource Library holdings)
- ◆ Utilities
- ◆ High speed Internet access
- ◆ Advanced cabling
- ◆ Central computer network with power & data backup

The Synogy Centers will provide Synogy Partners with a variety of benefits:

Access to a shared support system of personnel and equipment

Access to facilities and equipment otherwise unavailable and unaffordable such as fiber optics and advanced cabling systems.

Increased visibility in the marketplace

Immediate access to Synogy staff experts for:

- ◆ Feasibility studies
- ◆ Financing options
- ◆ Legal assistance with intellectual property matters
- ◆ Organizational development
- ◆ Market research
- ◆ Technical review teams
- ◆ Financial management
- ◆ Human resources
- ◆ Safety training
- ◆ Product development
- ◆ Business planning
- ◆ Marketing and pricing
- ◆ Operations manuals

This enhanced level of service will enable Synogy Partners needing facilities to locate where the maximum amount of support is readily available at an affordable price.

VII. MARKET

INVESTOR COMMUNITY

Synogy's focus on serving the Investor community directly provides substantial market opportunity. There are hundreds of major investment groups and thousands of smaller groups or individuals that can benefit from Synogy's services. Synogy's research over the last nine months has not revealed any companies that appear to be providing services similar to Synogy's to Investor groups. All of the incubators and venture capitalists that Synogy has studied are focused on the needs of the client companies. That, of course, is

critical to building company success, but Synogy's management believes that Synogy's focus on building Synogy to meet the specific needs of the Investors, as it assists the Synogy Partners, provides Synogy with some distinct advantages in the marketplace:

- ◆ **Large Market:** Investors see thousands of potential investment packages every year. Many investors will benefit from Synogy's Due Diligence Services and will find that a wide variety of the companies to be invested in would benefit from Synogy's services.
- ◆ **Strategic Relationships:** Synogy's service offerings and pricing structures will be established in partnership with its Investor clients to assure that there is a close match between the services of Synogy and the needs of the investment community. This focus should give Synogy a strong position in developing strategic relationships with a wide variety of investors.
- ◆ **Unlimited Funds:** All Venture Capitalists and a great many of the new incubators have developed investment funds which they use for purchasing a position in the companies they serve. Since Synogy is serving the investment community and providing its services to the clients of investors, Synogy is not limited to a specific pool of acquired investment capital. The number of Synogy Partners that can be served is limited only by Synogy's ability to grow its staff and serve its Investor clients successfully.

FUTURE POTENTIAL MARKETS

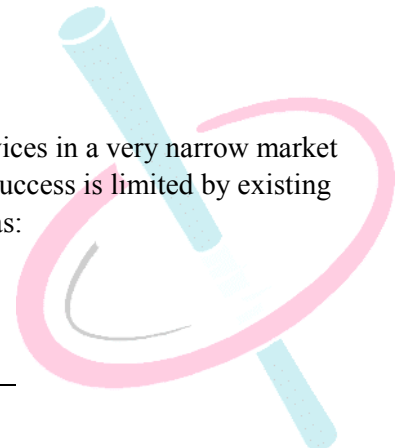
Through Synogy's research management has identified additional potential markets and profit centers. The most dramatic potential exists in the commercialization of Synogy's Implementable Best Practice Processes into the general business world. A recent meeting with Silicon Valley Bank revealed a strong potential to sell individual IBPPs into a wide variety of companies other than just Synogy Partners. It was pointed out that Silicon Valley Bank's venture capital firms would be chasing Synogy to help them with their companies once news got out that Synogy had developed a collection of effective business processes that could be quickly implemented in a new company. This market could be very large.

VIII. COMPETITION

Incubators are appearing at an incredible rate. Incubators are not just found in Silicon Valley and New York. They are springing up in such diverse locations as Pittsburgh, San Diego, Los Angeles, Boston, Toronto and all over Europe.

SYNOGY'S COMPETITIVE ADVANTAGE

Virtually all of Synogy's "*competitors*" offer incubation services in a very narrow market sector – the Internet space. Synogy does not believe that its success is limited by existing incubators. Synogy sees competitive advantages in three areas:



- **Focus on Serving Investors:** None of the companies that Synogy has identified focus on serving the specific needs of investors – or focus on supporting the clients of investors. Synogy’s unique competitive advantage will be in supporting investor clients with a wide variety of services designed to make the Investor and the client company more profitable. Through its strategic relationships with Investors, Synogy will have a wider array of potential clients and will have funding capabilities that far exceed what is found in most competitive incubators.
- **Broad Market Segments:** Synogy is not focused on the Internet or high-tech startups. Its services will be designed to serve both traditional and high-tech companies. The market segments that Synogy serves will be directly influenced by the investment focus of its Investor clients.
- **Implementable Best Practice Processes:** Synogy has found no incubators or venture capitalists that are developing the concept of Implementable Best Practice Processes. All of the incubators focus on bringing experienced leadership into an emerging company, as Synogy will also do, but then all of the processes for building the companies are usually rebuilt from the start. Synogy’s IBPPs will not only provide incredible leveraged value for Synogy Partners, but Synogy has also been told by Silicon Valley Bank that other VCs and Incubators will want Synogy to help provide IBPPs for their companies.
- **Non-controlling Ownership:** Synogy proposes keeping its equity stake in its incubated clients to a reasonable non-controlling level, thereby allowing the owners/founders to focus on their core competencies in a protected and accelerated environment. This alone will make Synogy’s model very viable and uniquely competitive, as many incubators are incorrectly taking majority stakes, ill-positioning their clients for growth.

Synogy management has studied a number of companies providing incubator services. We believe that they are representative of the hundreds of incubator companies that have emerged to focus on the high-technology market. An overview of incubators is presented in the *Appendix*.

IX. MANAGEMENT

Synogy recognizes the importance of an effective leadership team. Key leadership is in place and leadership for functional divisions is being expanded. An Advisory Board has been established which includes a number of individuals with widely recognized skills and successes. The Advisory Board has played an active role in finalizing the business plan for Synogy and one Advisory Board member has been selected to serve on the Board of Directors. Other Directors are in process.

MANAGEMENT TEAM

CHAIRMAN & CEO — HANK TATE

Mr. Tate is the founder and visionary of Synogy. In his early business career Mr. Tate served as Director of Clubs for Kickerillo Company before becoming Vice President of Jack Frey Properties in Tomball, Texas. In that position he demonstrated his ability to achieve rapid proficiency in new arenas and manage multiple creative areas of a rapidly growing small company. His subdivision and engineering designs were recognized for excellence locally and nationally.

In 1985 Mr. Tate founded an independent consulting company, now known as Polaris Group International, through which he has served as a business development consultant to a wide variety of companies. PGI specializes in business analysis, planning, and effective communications. Mr. Tate has served as an Executive Consultant to IBM Global Services and some of its clients.

Through his consulting relationships Mr. Tate has had the opportunity to serve in a leadership capacity, and as a principal, with numerous startup companies. He served as President and COO of Hydro3, an environmental services company, and has served as vice president and Chief Information Officer of two biotech startups, RENEW Development International and ONASCO. Mr. Tate has demonstrated extensive skills in development of corporate operations and communication systems; implementation of technology and computer systems; product design and development; and producing numerous training programs. He has served as co-founder and/or director of seven charitable organizations.

Mr. Tate has developed and presented numerous training programs and is a nationally recognized public speaker and trainer with services for clients such as Motorola, Bell Canada, Thompson Newspapers, BJ Services, and GE. He has served as keynote speaker or main conference instructor at more than twenty conferences and has presented over 200 workshops and speaking presentations with an attendance of 25,000 since 1987. Mr. Tate has substantial media exposure, including more than 45 radio and TV interviews and talk shows. *(see full resume in Appendix)*

PRESIDENT — GILBERT N. HOLLOWAY

Mr. Holloway is an award winning Senior Executive with demonstrated successes in roles of Entrepreneur, CEO, Executive VP, VP of Sales & Marketing and Consultant. The founder of six corporations, he has consistently achieved record sales, market share growth and profits.

His marketing corporation, Holloway Sales, Inc., was cited as the #1 U.S. sales agency for NIKE. He grew sales \$10 million in one year and achieved \$37+ million in annual sales volume. Mr. Holloway's organization led the nation with Nike in sales volume and rate of increase for 8 consecutive years. He served on Nike's Advisory Board 8 years, and opened Europe for Nike by appointing six distributors on the continent.

Mr. Holloway was awarded the Spink Leadership Award, a prestigious national honor recognizing industry marketing excellence. He serves as a marketing consultant, sales trainer, and keynote speaker to 50+ organizations, including several Fortune 500 companies, and has served as an Adjunct Professor of Marketing, e-Commerce, and Management for Pt. Loma Nazarene University since 1997. Mr. Holloway has also taught and lectured part-time at the University of Texas, University of Arizona and New Mexico State University for ten years, and was recently certified to teach for the University of Phoenix.

In 1996, Mr. Holloway co-founded the Basic Research Corporation, a technology R&D company. He personally raised \$5.1+ million in 18 months and directed the development of three advanced technology inventions through patenting, testing and validation. He has served as the President of 1st Cyber Communications, LLC, San Diego, CA. and facilitated its merger with Pointivity.

Mr. Holloway is skilled in strategic and marketing planning, forecasting, budgeting, recruiting, staffing, training, leading, business/product development, web strategies, advertising and promotions, sales management and total marketing execution.

ASSOCIATES

RAY SHEEN

Mr. Sheen is president of the consulting firm Product & Process Innovation, Inc. He is a veteran project manager with over 20 years of project management and functional management experience. He is a certified Project Management Professional (PMP) with the Project Management Institute. Mr. Sheen is a member of the Project Management Institute and the American Society for Quality.

Mr. Sheen spent 10 years in the Air Force. He was an instructor pilot in the T-38 Talon aircraft, and also was a design engineer for several flight simulators. He served as the program manager for the MX missile warhead during its development and early production phases and was the program manager for the MX missile inertial guidance unit during its transition from development into production. Mr. Sheen finished his Air Force experience as the Executive Officer for the Ballistic Missile Office, a 1,000-person organization responsible for all Air Force ballistic missile design, development, and production.

Mr. Sheen spent 9 years with General Electric, working in the Aerospace business, on GE's Corporate Staff, and in the Electrical Distribution & Control business. While in the Aerospace business, he was responsible for budgets and schedules on the GE portion of the Navy Trident missile program. When Mr. Sheen moved to GE's Corporate Staff he implemented Best Practices and Continuous Improvement at 9 of GE's businesses. He also served as Program Manager for the Manager Development Course at GE's Crotonville training center, an intensive four-week training program conducted at the MBA level for selected GE managers. Mr. Sheen then held several engineering management positions in GE's Electrical Distribution and Control business,

including manager of design engineering for all circuit breakers and switches. Mr. Sheen played a major role in GE's New Product Introduction initiative, including leading several product development projects.

As founder and president of the consulting firm Product & Process Innovation (PPI), Mr. Sheen has worked with many corporations to review and improve their project management processes and product development. He has advised project leaders on the planning and execution of their projects. Mr. Sheen also served as Chairman of an industry-wide task force charged with developing the standards and certification process for a new line of electrical products. PPI served as the design and engineering consultant to the Connecticut Product Development Network, an organization of manufacturers and consultants who provide assistance to Connecticut inventors.

Mr. Sheen provides training and consulting in Project Management, Product Development, Design for Manufacturability, Lean Manufacturing, ISO9000 and QS9000 certification through universities such as Clemson University, Worcester Polytechnic Institute, and Central Connecticut State University. He also works with several other consulting firms to provide business simulations used by Fortune 500 companies to train their middle managers to run businesses. His consulting clients during the past year include General Electric, 3Com, Boeing, Connecticut Department of Labor, Union Carbide, Texaco, Morgan Construction, MJ Research, and Prime Screw Machine Company.

DOUG TUCKER

Mr. Tucker's previous employment history includes 3 years with KPMG Peat Marwick, 9 years with William M. Mercer and another 3 years with KPMG Peat Marwick all in consulting. He has extensive financial and business background including but not limited to obtaining funding, business valuations, mergers and acquisitions, marketing, pricing, packaging, materials, prototyping, manufacturing, distribution, licensing, and intellectual properties. Eighteen years of business consulting including employee benefits, executive compensation and management of financial assets.

Mr. Tucker graduated from Baylor University with a Bachelor of Business Administration with a major in accounting and a minor in statistics and was on the Dean's Distinguished Honors List. He has the following professional certifications Certified Public Accountant (CPA), Enrolled Actuary (EA), Associate of the Society of Actuaries (ASA), and Securities License Series 7, 24, and 66 (a combination of 63 and 65). He is a member of the American Institute of Certified Public Accountants (AICPA), the Texas Society of Certified Public Accountants (TSCPA), the Conference of Consulting Actuaries (CCA), and the Member Society of Actuaries (SOA).

He is actively participating with a number of companies including but not limited to Tucker Capital Advisors, LLC (applied for registration as Registered Investment Adviser), Earthsports.com - interim CFO (action sports – ecommerce/alliance memberships), The Gramercy Partnership, LLC – managing director and CFO (investment banking firm on wall street).

Other activities include Associate Member of the Friendswood Chamber of Commerce, Speaker for Society of Actuaries meeting, Houston Inventors' Association Board member, Junior Achievement, Houston Volunteer Center, Center for Entrepreneurship & Innovation College of Business Administration University of Houston, Lighthouse Cooking Team Foundation, United Way, Houston Ballet Nutcracker market, and tutors high school students in mathematics.

RICHARD RAINWATER

After 3 years as a partner in a Sunflower Dry cleaning franchise business and two years as operations manager of L.O.G. Development Company, Mr. Rainwater began a 20 year career with Western Geophysical Company managing major seismic development projects around the world including Africa, Europe, Middle East and Far East. During his tenure of service with Western Geophysical, and while working in Stavanger, Norway, Mr. Rainwater took a two year leave-of-absence to manage, remodel, restructure personnel and set up an inventory and quality control system for Commodore Hotel and Columbus Restaurant. The results increased gross revenue by 38.5% in less than two years.

In 1990, Mr. Rainwater was successful in setting up the Environmental Affairs Department for four divisions of Western Atlas consisting of over 3,000 employees.

Through his managing relationships over 25 years, Mr. Rainwater had the opportunity to serve in a leadership capacity with Coastline Geophysical, Inc. He negotiated contracts with senior executives, developed quality employee morale and implemented marketing and organizational skills to manage a start-up shallow water seismic business while streamlining and designing equipment for a offshore seismic operation.

Mr. Rainwater brings with him a background in business with a B.B.A. degree from the University of North Texas where he studied finance, economics, basic law and business. Following graduation, Mr. Rainwater completed his military obligation with six years in the United States Marine Corp Reserve, based in Fort Worth, Texas, where he taught artillery techniques to troops both in the class room and in the field.

Mr. Rainwater's extensive experience in establishing, from inception, all of the operating structures and processes for numerous international operations provides Synogy with key experience for assisting companies that are wanting to expand into international operations.

ALINE TATOM

Ms. Tatom professional career began with sixteen years experience in the petrochemical industry as a Chemical Engineer. She served sixteen years with Exxon Co. USA and Exxon Research and Engineering Co. where she grew from serving as a process development engineer and plant technical support engineer into management of logistics and planning. She directed a team of coordinators responsible for plant logistics, planning, and production targets.

Ms. Tatom also served with Tosco Refining Co. as Operations Supervisor, Process Engineering Supervisor, and Plant Laboratory Supervisor with responsibilities for large teams of operators and technicians.

With Ms. Tatom's experience with systems and processes she was intrigued with Michael Gerber's emphasis on the importance of building effective systems and processes to provide a foundation for business success. In 1996 she established a private consulting company to provide counsel on Michael Gerber's E-Myth Mastery Program. Ms. Tatom developed one of ten regional distributorships in the U.S. for the E-Myth Mastery Program.

Ms. Tatom has exceptional skills in analyzing, sorting, and restructuring business systems and process to enhance effectiveness. She is serving as the V.P. of Process Development for Synogy and has strongly demonstrated her ability to design and document effective processes.

BOARD OF DIRECTORS

DEKE STEPHENS

After eighteen years in the information technology industry developing business systems and managing major development projects, Mr. Stephens founded, with two employees, AllTech Systems, Inc., an information technology contract resource supplier for fortune 500 companies. AllTech now employs 80 – 100 I/T contractors, with gross sales over twelve million dollars. AllTech's corporate office is located in Houston, with regional offices in North Carolina, Atlanta and Birmingham.

In the fall of 1999 Mr. Stephens became the major investor, with management responsibilities (CO-CEO and CFO), of Good Speed Transportation, Inc. Good Speed delivers automobiles for dealers, auctions, rental car agencies, and cab companies in Texas, Louisiana, Arkansas, and Oklahoma. Projected sales for Good Speed for fiscal year 2001 is one million dollars.

ADVISORY BOARD *(see expanded Resumes in Appendix)*

MICHAEL GERBER

Michael Gerber is a world recognized entrepreneur, author, speaker, and revolutionary. Over two decades ago Michael Gerber's mega-best seller *The E-Myth: Why Most Businesses Don't Work and What To Do About It* started a revolution in thinking about what made businesses successful. His E-Myth Academy has helped over 20,000 companies develop effective systems and processes that have made a dramatic difference in their business success and provided freedom and joy for those who own the business.

TOMMY WALDROP

Mr. Waldrop has twenty-two years of experience in the Data Communications Industry and is recognized as a cutting-edge leader in applying data communications to the rapid growth of the Internet. In 1997 he was co-founder and Vice President of Network Architecture and Engineering for Allied Riser Corporation which raised \$283 million in its 1999 IPO. Mr. Waldrop was also co-founder of MFS DATANET in 1991 which became a premier national data communications service provider. He also served as the Chief Technology Officer of iExalt, a publicly traded Internet Service Provider. He currently is the owner of an Internet hosting company.

BOB OCHTERBECK

Mr. Ochterbeck serves as the Secretary/Treasurer and Vice President of Marketing & Finance for Ochterbeck Distributing Co., Inc., a 54-year-old second generation family-owned truck and auto accessory company with four locations in Houston, Texas. He also has ownership and management in Custom Reflections, Inc., an automotive mirror manufacturer, and A & D Marketing, a vehicle security manufacturer. Mr. Ochterbeck serves as a member of the City of Houston Mayor's Automotive Board.

MIKE BISONE

Mr. Bisone served as the corporate Vice President and Chief Financial Officer for iExalt, a leader in filtered Internet services where he successfully took the company public in September 1999 after nine months of operations and six acquisitions. He also served as the Corporate SEC and Accounting Manager for Pride International, Inc. and as the assistant corporate Controller/Treasurer for Altra Energy Technologies, an Internet software development company.

RICH BOYER

In 1998 Mr. Boyer retired from 24 years of accounting practice and a partnership with Balsler, Horowitz, Frank & Wakeling a California accountancy corporation to pursue the development of Stephen Smith's technologies. Mr. Boyer is currently Chief Executive Officer of Smith Technology Development, LLC in San Diego, California. Mr. Boyer is a director in various civic and humanitarian non-profit organizations. He has been a financial advisor for Youth With A Mission - Mercy Ships International since 1981 and has served as director for Alpenland Ministries, a non-profit relief organization to Yugoslavia, since 1978. Mr. Boyer has been a director for the Orange County Rescue Mission since 1976 and has been Chairman of the Board from 1988 to 1998.

ANDY DEKANEY

Mr. Dekaney is the President of iGent Solutions, Inc. a Full Service Application Provider (FSP) of turnkey e-business solutions for the middle market. He was President and founder, in the mid 1980's, of Corporate Networks, Inc. providing local area networks

and PC communications equipment and services. Additionally, he has been President of Autocon, Inc., a multinational, multi-million dollar, automated control systems company, of Renew Development International, Inc., a technology transfer company, and General Manager of an electronics contract assembly business (ElectroSpec).

X. RISK FACTORS

Synogy is subject to a number of risks that are particular to its business. We describe some of these below. If any of these risks materialize, Synogy's business, financial condition and results of operations could be detrimentally affected.

SUCCESSFUL ENGAGEMENTS

Future sales are directly related to Synogy's success with its investors and clients. If Synogy fails to provide services that are perceived to have a high value, or if Synogy's services fail to achieve expectations in accelerating the growth of its Synogy Partners, demand for Synogy's services could suffer.

Mitigation: Synogy has an absolute commitment to excellence in service, and will implement an Excellence Award Program to emphasize focus on customer service and excellence in products and processes to all employees. Customer satisfaction surveys will be used to measure the excellence of team performance and will provide the foundation for Excellence Awards and bonuses.

SYNOGY IS SUBJECT TO COMPETITION.

The market for business consulting products and services is highly competitive. Moreover, the market incubator market lacks significant barriers to entry, enabling new businesses to enter this market relatively easily. Competition may intensify in the future. Numerous well-established companies and smaller entrepreneurial companies are focusing significant resources on developing and marketing products and services that will compete with Synogy. Many of Synogy's current competitors have longer operating histories, larger client bases, larger professional staffs, greater brand recognition and greater financial, technical, marketing and other resources. This may place Synogy at a disadvantage in responding to competitors' pricing strategies, technological advances, advertising campaigns, strategic partnerships and other initiatives. Competitors may also be able to devote more resources to the development, promotion and sale of their services than Synogy can.

Current and potential competitors also may establish cooperative relationships to increase their ability to address customer needs. Accordingly, it is possible that new competitors or alliances among competitors may emerge and acquire significant market share. In addition, some of Synogy's competitors may develop services that are superior to, or have greater market acceptance than, the services offered by Synogy.

Mitigation: Synogy's focus on developing services specifically designed to meet the needs of Investors will provide not only a strategic advantage, but should also engender rapid

development of a network of significant strategic relationships. Synogy believes its strategic relationship with Institutional Investor Consulting Company will help Synogy achieve a priority position in serving Investors. Synogy also believes that its focus on developing Implementable Best Practice Processes will create a significant competitive barrier for other companies.

GROWTH STRAINS RESOURCES.

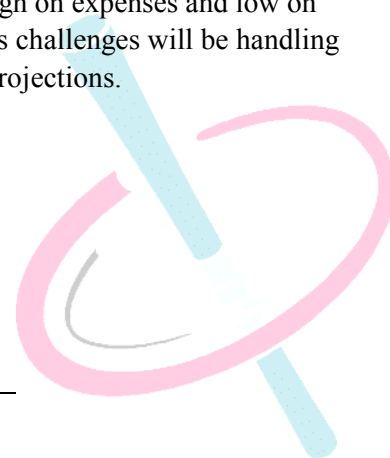
Synogy's projected rapid growth is expected to place a significant strain on its managerial, operational and financial resources. Further, as the number of Synogy's Investors, Synogy Partners, and other business partners grows, Synogy will be required to manage multiple relationships with various customers, strategic partners and other third parties. Further growth of Synogy or increase in the number of its strategic relationships will increase this strain on Synogy's managerial, operational, and financial resources, inhibiting Synogy's ability to achieve the rapid execution necessary to successfully implement its business plan. In addition, Synogy's future success will also depend on its ability to expand its consulting organization and its support organization commensurate with the growth of Synogy's business.

Mitigation: Synogy expects rapid growth to be a major challenge. Management plans to accomplish multiple goals through strategic relationships with other companies and individuals to leverage its ability to accomplish major goals rapidly without having to acquire all expertise internally. Synogy's projections also reflect strong staffing plans, especially in management areas with substantial recruiting fees including in the budget. Synogy plans to develop a number of strategic relationships with aggressive recruiting firms to assist in identifying skilled staff.

DIFFICULT TO DETERMINE FUTURE REVENUES & PROFITABILITY

The emerging nature of the companies that Synogy will be serving make any projections concerning Synogy's future revenues and value difficult. In addition the concept of creating Implementable Best Practice Processes is a new concept with no known models to use for estimating expense and time requirements. Synogy believes that period-to-period comparisons of its results of operations will not necessarily be meaningful and should not be relied upon as indicative of Synogy's future performance. It is also possible that in some fiscal quarters Synogy's operating results will be below expectations.

Mitigation: Synogy's management has adopted a conservative methodology for projecting its income and growth. An effort has been made to project high on expenses and low on growth. Initial market research indicates that one of Synogy's challenges will be handling demand for its services and actual growth could far exceed projections.



XI. FINANCIAL OVERVIEW

REVENUE SOURCES

Services Fees: Most of Synogy's revenues will come from Synogy's Development Services Agreement. Under this agreement Synogy will receive 10% of the investment in a Synogy Partner (minimum \$875,000) at the time of the investment. This fee will cover expenses for the services that Synogy provides the Synogy Partner over the first two years. Synogy will supply Synogy Partners with Synogists with proven expertise in a variety of leadership and technical areas. Contract fees will be charged against the Development Services Fee for the services rendered at rates that are competitive with market rates for high-quality people. A percentage of the placement fee will be paid to the Synogists under a consulting Agreement and the balance retained as gross profits for services. The amount retained will vary depending on individual consulting agreements, but Synogy will strive to maintain a profitability percentage similar to that maintained by other high-quality placement firms. Some of the Synogy Services will be billed on a "package" basis and Synogy's standard Development Services Agreement will typically include 4-8 days per month of pre-paid time.

Added Value Services: Synogy will aggressively develop group programs that can provide Synogy Partners with access to services and products at discounts normally unavailable to them in the open market. In many of these relationships Synogy will retain a small commission fee for the products and services purchased by Synogy Partners.

Stock Appreciation: The ultimate goal of Synogy is to accelerate the growth of Synogy Partners in a manner that produces dramatic appreciation of each company's stock value. Synogy's ownership in the companies helps insure that the overriding focus is on building the strength and value of the companies ... not making unfavorable profits on services rendered. Synogy's successful support of company growth will provide Synogy, the Investor, and the Synogy Partner with dramatic value for the services rendered.

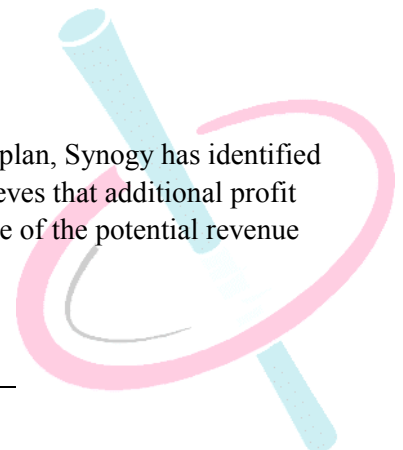
Other: Synogy believes there will be numerous other profit centers that can be developed. See *Future Developments* for other potential revenue streams.

FEE PHILOSOPHY

Synogy will focus on developing fee structures that provide high-value for Investors and Synogy Partners while still enabling Synogy to maintain a reasonable profitability through its ongoing transactions.

XII. FUTURE DEVELOPMENTS

In the process of research and development for this business plan, Synogy has identified numerous other potential revenue sources. Management believes that additional profit opportunities will be identified as Synogy is developed. Some of the potential revenue opportunities already identified are:



- ◆ *Sale of Implementable Best Practice Processes:* Synogy plans to market IBPPs to companies other than Synogy Partners. Initial market research indicates that there will be significant broad interest in IBPPs.
- ◆ *Marketing of the Synogy Group Database to the public:* Synogy plans to make Synogists available to the public through an online website that would allow profile matching. Synogy would act as a placement company with an override on fees for Synogists that are placed through this type of service.
- ◆ *Software, book, tape, and office supply discounts:* Synogy plans to set up partnership alliances with major providers such as Amazon.com. Through these relationships Synogy can receive commissions of up to 15% of the cost of books and other materials purchased by Synogy Partners.
- ◆ *Insurance:* Synogy may be able to develop a group purchasing program for corporate insurance such as professional liability/E & O, Worker's Comp and eventually health care/dental/disability insurance. Even while providing such insurance at reduced rates, Synogy should be able to earn a commission.
- ◆ *Seminars:* Many of Synogy's workshops and seminars will be of interest to the public and could be marketed as independent workshops at multiple locations around the country.
- ◆ *Long distance and cellular telephone contracts:* Synogy may be able to develop a long distance and cellular telephone program designed specifically for the needs of Synogy Partners with special pricing to association members. Synogy should be able to receive an override on all contracts.

WORKOUTS

Synogy's research has indicated that there may be an opportunity to provide "workout services" to investors or banks with troubled companies in their portfolios. Many of the services that Synogy is developing for serving emerging companies can also be applied to rebuilding the operating infrastructures of existing companies and reclaiming greater operating efficiencies. The Synogy Group will also provide a broad resource of business experience which can be made available for analyzing problems and developing solutions for existing businesses.

MERGERS & ACQUISITIONS

Synogy may become a catalyst for identifying merger or acquisition opportunities within the Synogy Group network or among potential clients that Synogy investigates. Synogy's focus on establishing successful operating systems will be of great value in merging the operating structures of different companies. Synogy's relationships with a variety of Investors may also place Synogy in a strategic position to implement and fund a successful merger that can provide dramatically improved returns for all parties.



Synergistic Solutions for Accelerating Business Success



**FINANCIAL
PROJECTIONS**

XIII. FINANCIAL PROJECTIONS

SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING PRACTICES

All of the financial information included with this business plan reflects the anticipated income and expenses for the operations of Synogy. These financial projections are based upon certain income levels and present, to the best of management's knowledge and belief, the expected results of operations and significant changes in financial position of the projection periods if such income levels are attained. Market data has been derived from third party sources of information and relies on historical data. Current and future data could vary substantially and could affect the accuracy of the market projections shown.

The assumptions disclosed herein are those that management believes are significant to the projections. However, even if the funding and income levels are attained, there will usually be differences between projected and actual results because events and circumstances frequently do not occur as expected, and those differences may be material. The other sections of this Business Plan should be read in conjunction with the financial projections.

SYNOGY FINANCIAL ASSUMPTIONS

GROWTH & REVENUE

The major focus of Synogy's services is on companies that sign a "Development Services Agreement" for Synogy to provide business development services in return for fees and stock in the company. Most of these "Synogy Partners" will come from Synogy's relationships with investors who want pro-active assistance in accelerating the growth of their investments. Synogy management recognizes, however, that there will also be a growing number of companies who come directly to Synogy to help them prepare for, and find, funding. The financial projections recognize both groups as revenue centers and projects each group separately. The projections also calculate separately the number of Synogy Partners that are expected to be acquired through construction of Synogy Centers around the country.

1. INVESTOR SYNOGY PARTNERS

The growth projections of Synogy Partners is driven by assumptions on the number of Investors that contract with Synogy for support services. In the first year it is assumed that Synogy will serve only one Investor. It is expected that IICC will aggressively market Synogy's services to the investor groups that IICC serves. Even though IICC has relationships with hundreds of investors, management has conservatively projected a growth rate of only 1 Investor per year after the first year.

It is believed that most investor groups will invest in a number of Synogy Partners each year. Evidence indicates that some of the larger groups often invest in more than 20 companies each year. Synogy projects 3 Development Services Agreements per year for each Investor Group.

	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
New Investors	1	1	1	1	1
Total Investors	1	2	3	4	5
New Investor Synogy Partners	3	5	8	11	14
Total Investor Synogy Partners	3	8	16	24	33

2. INDEPENDENT SYNOGY PARTNERS (companies that come to Synogy directly)

Some companies are expected to come directly to Synogy for assistance in acquiring capital.

	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
New Indep. Synogy Partners	1	3	3	3	3
Total Indep. Synogy Partners	1	4	7	9	9

3. SYNOGY CENTER SYNOGY PARTNERS (companies that move into a Synogy Center)

Synogy plans to build ten Synogy Centers around the United States to provide traditional incubator facilities and services to multiple Synogy Partners. See *Synogy Centers* section and *Financial Assumptions - Facilities* for a description of Synogy Center and projected expenses. A Synogy Center would house 10-15 companies. Projections are based on 6 companies per Synogy Center.

	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
New Synogy Center	0	1	2	3	4
Total Synogy Centers	0	1	3	6	10
New Synogy Center Partners	0	6	12	18	24
Total Synogy Center Partners	0	6	18	36	60

Development Services Agreement: The amount received from the Development Services Agreement is has been divided into three categories of services for projection purposes. The first fee covers Development of Systems and Processes that are customized and implemented in the company within the first year. This Process Development payment is a reflected as a one-time payment in the projections. The second fee covers a package of professional services that are provided to the Synogy Partner during years two and three. This fee includes a projection for 8 man-days per month of consulting services, which will be customized to meet the strategic planning and technical requirements of the company. The third fee is an Investor Oversight Fee to cover overhead for managing oversight of the investment and regular reporting for the investor.

1. \$350,000 Processes development and implementation projection
2. \$250,000 / year for Development Services Agreement – 3 years
Includes 8 man days of pre-paid services per month. This income is currently shown as monthly income in the projections. The actual income will be received up-front at the time of funding.
3. \$120,000 / year Investment Oversight – for projections shown as \$10,000 monthly after the initiation of the client.

The Development Services Agreement with investors will also include a provision that if a Synogy Partner needs services that exceed the fees in the Development Services Contract, the

Investor will pay 50% of said “overage” fees during the three year life of the Development Services Agreement. The Synogy Partner will pay the other 50% of said overage fees. After three years the Synogy Partner will assume full responsibility for all fees.

4. CONSULTING SERVICES

For purposes of the financial projections, it is assumed that each Synogy Partner receives 2 “overage” man-days per month of support services for a 3-year period of time. Management believes this is a very conservative assumption, and that Synogy will continue as a primary supplier of support services after the expiration of the Development Services Agreement.

	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Total
Investor Payments - Dev. Contract						
IBPP Implementation	\$ 350,000	\$ -	\$ -	\$ -	\$ -	\$ 350,000
Professional Services Package	\$ 250,000	\$ 250,000	\$ 250,000	\$ -	\$ -	\$ 750,000
Oversight Fee	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 600,000
Total Investor Contract	\$ 720,000	\$ 370,000	\$ 370,000	\$ 120,000	\$ 120,000	\$ 1,700,000
<i>Consulting Sharing (50/50) varies</i>	\$ 18,000	\$ 18,000	\$ 18,000	\$ -	\$ -	\$ 54,000
<i>Total Investor Costs</i>	<i>\$ 738,000</i>	<i>\$ 388,000</i>	<i>\$ 388,000</i>	<i>\$ 120,000</i>	<i>\$ 120,000</i>	<i>\$ 1,754,000</i>
Synogy Partner Payments						
<i>Consulting Sharing (50/50) varies</i>	\$ 18,000	\$ 18,000	\$ 18,000	\$ -	\$ -	\$ 54,000
Consulting Fees - varies	\$ -	\$ -	\$ -	\$ 36,000	\$ 36,000	\$ 72,000
Total Synogy Partner Costs	\$ 18,000	\$ 18,000	\$ 18,000	\$ 36,000	\$ 36,000	\$ 126,000

NOTE: Synogy’s Development Services Agreement will include the implementation of a wide collection of systems and processes and value-added services. Eventually IBPPs will be developed and documented in a manner that enables them to be effectively implemented in a wide variety of companies. Strategic relationships must be developed to provide leveraged value products and services to Synogy Partners. Synogy intends to spend the first six months of operations developing IBPPs and strategic relationships. During this time, Synogy plans to delay the acceptance of any Development Services Agreements in order to focus on the development of IBPPs and value added services. For this reason, the financial projections show no Development Services Agreements until the 6th month.

5. DUE DILIGENCE

Synogy will develop three types of Due Diligence services; Cursory, Business Health Assessment, and IPO Readiness. Implementable Best Practice Processes will be developed to provide effective tools for measuring and/or validating the financial, operational, personnel, and intellectual value of the company. The Due Diligence services will be developed within the first two months of operations. Synogy plans to provide Due Diligence services as early as the 3rd month using a combination of internal staff and contractors. Due Diligence through Synogy’s first year of operation will be limited to the Cursory and Business Health Assessment programs defined below:

A. Cursory Due Diligence: 1-3 days, 1-2 people

The popularity of this service may vary from Investor to Investor depending upon the staff size and skills.

B. Business Health Assessment (BHA): Synogy believes that this service will be in high demand. While many due diligence processes focus just on financial issues, Synogy will provide an expanded analysis that includes the company's intangible and intellectual assets. There appears to be few consultants providing due diligence services that cover an in-depth analysis of all aspects of a company's health. This service will provide two primary values:

- 1) Validation of company claims and health of business operations prior to completion of an investment
- 2) Identify areas where services can be provided to improve the effectiveness of the company

Consulting Time: Synogy's projections are based on the following assumptions for a Business Health Assessment:

22 billable days / month

1-month duration

4 men teams

44 man days / month / due diligence contract

Rate \$1,500 / man day

The financial projections show the first BHA starting in the 3rd month of operation at ½ of the regular time (22 man-days per month). Each month reflects a 5% growth over the previous month's billing for BHA man-days.

Based on the projected growth rate and an estimate 44 man-days per BHA, the number of BHAs done annually is calculated as:

	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
No. Corporate Health Analysis	6	13	23	42	75

C. IPO Readiness Due Diligence: This service will be developed to manage the due diligence process of preparing a company for an IPO. The service will be designed to provide experienced support services that enable the Synogy Partner's leadership to continue effective company operations during the arduous IPO preparation process. There is the potential that this service could be a significant profit center, but no financial assumptions for income from this service are included in the projections.

COST OF GOODS

The following assumptions are made to determine allocation of costs of goods to the consulting services provided. Payment to all independent contractors is the only significant expenses included in the cost of goods calculations. All other costs for IBPP development and Synogy internal consulting staff are reflected in projections for staff expenses and IBPP development expenses.

70% of Consulting delivered by Contractors
 50% margin on Independent Contractors
 20% of Consulting delivered by Consulting Companies
 20% margin on Consulting or Service companies

The number of consulting staff and practice managers shown in the projections are calculated from the projected man-days of services provided within the service categories of Consulting and Due Diligence described above. After subtracting the amount of hours delivered by contractors, the following assumptions are used to derive the number of staff required to provide the projected services.

75% utilization of internal staff (i.e. 22 billable days * 75% utilization = 16.5 billable days available from each internal consultant. Therefore, number of projected billable days per month divided by 16.5 determines the number of consultants needed)

1 Manager is calculated for each 10 Consultants

ASSETS

Synogy will receive an ownership position in every Synogy Partner it serves. The following assumptions are used to calculate the growth in asset value of Synogy's stock portfolio. It is anticipated that Synogy will receive a much higher ownership interest in Independent Synogy Partners because of the additional role that Synogy will play in preparing the company for introduction to investors and directing the effort to find investment capital. A 20% annual growth rate is projected based upon IICC's statements that the investors are expecting a 20% annual growth rate.

INVESTOR SYNOGY PARTNERS

10% ownership anticipated (only 5% average ownership of company reflected in financials)

\$15,000,000 average initial investment is assumed for each project (average investment may be much higher)

20% average annual growth

Book initial value (\$15MM x 5%) at time new Synogy Partner is added to the projections

INDEPENDENT SYNOGY PARTNERS

10-30% average ownership of company anticipated (only 10% shown in projections)

\$15,000,000 average initial investment is assumed for each project (average investment may be much higher)

20% average annual growth

Book initial value (\$15MM x 10%) at time new Synogy Partner is added to the projections

STAFF EXPENSES

The following assumptions are used to derive Synogy's staff expenses.

Each division of the company has four levels of employees defined. Each level of employee has a number of variable expenses calculated for employees at that level:

Cell Phone - \$150/month average (High [150%], Medium [100%], Low [75%],
No usage)

Pager - \$25/month (Yes, No)

Home Access Line (at home) - \$100/month

% Out of Town – used to determine Per Diem Expenses @ \$150/per day

Number of flights per month – used to determine airfare expenses @ \$500/flight
average

Company Car - (Yes, No) determines car allowance @ \$300-500 depending on
level of employee

% Auto Usage - used to determine:

Gas Reimbursement for company cars @ 22 days/month * 75 mi/day * 18 mpg
* \$1.70/gal

Mileage Reimbursement for all other employees @ 22 days/month * 75 mi/day
* \$0.30 /mile

Conferences Attended per year - used to determine additional cost of conference
overhead at \$1,500 per conference

Entertainment Expense - calculated from % Out of Town * \$50/day

Since Synogy will be a relationship intensive company, additional expenses are
calculated for reimbursement of club expenses for upper management. Other
entertainment expenses are calculated based on the number of Investors,
Synogy Partners, and Synogists as shown below.

% Bonus - used to calculate year-end bonus amounts. It is assumed that all bonuses
are earned every year. All bonuses are calculated in the 12th month of each
year.

Recruitment Expense - calculated in month hired as 20% of annual salary to cover
payment for recruitment services and signing bonuses

Setup Expenses - a capital expense is calculated at the time each employee is hired.
The expense amount varies depending upon the level of the employee and
varies from \$5,000 for clerical to \$10,000 for management and technical. The
higher amount includes allocation for expenses to equip an office at home for
leveraging effectiveness of leadership and technical staff.

IMPLEMENTABLE BEST PRACTICE PROCESS DEVELOPMENT

It is impossible, at this time, to fully define the number of Implementable Best Practice
Processes (IBPP) that will be developed and the cost of developing each IBPP. The
following assumptions have been reflected as expenses of the Knowledge Division.

25 processes developed

\$200,000 each

4 months @ \$50,000/month
 5 processes / month in progress each month until all are completed
 1 process / month after completion to cover updating processes

SYNOGY GROUP DEVELOPMENT

The Synogy Group network will become one of Synogy’s most valuable intellectual assets. There may be opportunities to leverage the value of the network into additional revenue streams as the size of the network grows. Management has considered a membership program that would provide Synogy Partners access to the Synogy Group. No revenues are projected for this type of income.

Development of a high-quality network will not only require investment in software and hardware, but also a significant investment in finding, screening, profiling, and managing the network. The following assumptions have been applied.

\$800 acquisition for each Synogist (\$600 expenses + \$200 referral)
 5 new Synogists per month over the first year, 6 per month in second year, 7 per month in third year, 8 per month in fourth year, and 9 per month in fifth year.

FACILITIES

Three types of facilities are anticipated for Synogy.

- Synogy Offices: it is assumed that Synogy’s offices will be nice (Class B-A Building) without being extravagant. The following assumptions are made to cover office expenses. An assumption is made that 50% of staff will have mobile offices.

150 sq ft / person (measured by end of year staff count – with assumption that 50% of staff is working mobile)
 1,200 sq ft common area
 \$18 / sq ft / 12 monthly rent (includes common area allocation)

- Synogy Center: Synogy plans to build 10 Synogy Centers around the country, with the first facility being completed in Houston in the 2nd year. Additional Synogy Centers are projected over years two through five.

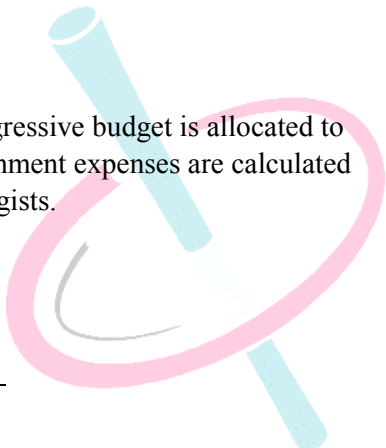
	<i>Yr 1</i>	<i>Yr 2</i>	<i>Yr 3</i>	<i>Yr 4</i>	<i>Yr 4</i>
New Synogy Center	0	1	2	3	4
Total Synogy Centers	0	1	3	6	10

Cost / Asset = \$4.8 million – all amortized 30 years @ 9%
 Monthly Income = monthly mortgage pmt + 25%

ENTERTAINMENT

Since Synogy will be a relationship intensive company an aggressive budget is allocated to invest in relationship development and maintenance. Entertainment expenses are calculated based on the number of Investors, Synogy Partners, and Synogists.

\$100 / investor / month
 \$200 / Synogy Partner / month



\$ 40 / Synogist / month

OTHER EXPENSES

Identity & Marketing Development - \$82,000 (yr 1)

Website & Internet Development - \$175,000 (yr 1)

Web & Database Software - \$250,000 (yr 1)

Network & Equipment - \$130,000 (yr 1)

Staff Training - 12% of Total Corp Salary (compare to \$500/month)

Workshop in a Box - \$20,000 Laptops, networking, and shipping case

Newsletter Program – \$75,000 development (yr 1)





**5 YEAR SUMMARY
FINANCIAL PROJECTIONS**



Synogy

Financial Projections

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5 Year Projections

GROWTH STATISTICS

	Year 1 Total	Year 2 Total	Year 3 Total	Year 4 Total	Year 5 Total
Investors & Synogy Partners					
(1) New Investor Groups	1	1	1	1	1
(2) Cum Investor Groups	1	2	3	4	5
(3) New Investor Synogy Partners	3	5	8	11	14
(4) Minus Ending 3 Yr Contracts	0	0	0	3	5
(5) Cum Invst Synogy Part / Contract	3	8	16	24	33
(6) New Independent Synogy Partners	1	3	3	3	3
(7) Minus Ending 3 Yr Contracts	0	0	0	1	3
(8) Cum Independent Synogy Partners	1	4	7	9	9
Synogy Centers Partners					
(9) New Synogy Center	0	1	2	3	4
(10) Cum Synogy Centers	0	1	3	6	10
(11) New Synogy Center Synogy Partners	0	6	12	18	24
(12) Cum Synogy Center Synogy Partners	0	6	18	36	60
(13) Total New Synogy Partners	4	14	23	32	41
(14) Total Synogy Part / Contract	4	18	41	69	102
(15) Total Synogy Part / Overview	4	18	41	73	114
(16) Due Diligence Clients	6	13	23	42	75
(17) Synogy Group Synogists	50	122	206	302	410
IBPP Development					
(18) New IBPPs Completed	10	15	0	5	3
(19) Cum IBPPs Completed	10	25	25	30	33
(20) New IBPPs Sold	4	56	72	112	164
(21) Cum IBPPs Sold	4	60	132	244	408

REVENUES

	Year 1 Total	Year 2 Total	Year 3 Total	Year 4 Total	Year 5 Total
Total Income					
(22) Investor Oversight Income	120,000	610,000	1,400,000	2,580,000	4,080,000
(23) Implementation Fee Income	1,400,000	4,900,000	8,050,000	11,200,000	14,350,000
(24) Synogy Partner Contract Income	270,833	2,708,333	7,354,167	14,166,667	22,104,167
(25) Synogy Partner Overage Services	39,000	390,000	1,059,000	2,040,000	3,183,000
(26) Synogy Partner Maintenance Income	0	0	0	26,000	176,000
Total Services Income	1,829,833	8,608,333	17,863,167	30,012,667	43,893,167
(27) Due Diligence Income	415,070	855,602	1,536,538	2,759,401	4,955,487
(28) Synogy Center Income	0	360,456	1,287,339	2,883,635	5,200,839
(29) Total IBPP Sales Profits	81,500	1,174,600	1,618,200	2,582,000	3,876,700
Total Income	2,326,404	10,998,991	22,305,243	38,237,702	57,926,193
Cost of Sales					
(30) Contractor Payments	806,628	2,719,711	5,270,313	8,574,790	12,512,846
(31) Consulting Co. Payments	322,651	1,243,296	2,409,286	3,919,904	5,720,158
Total Services Payments	1,129,279	3,963,007	7,679,599	12,494,694	18,233,004
Gross Margin	\$1,197,124	\$7,035,984	\$14,625,644	\$25,743,008	\$39,693,189

EXPENSES

	Year 1 Total	Year 2 Total	Year 3 Total	Year 4 Total	Year 5 Total
Directors & Advisors					
(32) Total Dir Meeting Expense	126,000	40,000	40,000	40,000	40,000
(33) Total Directors Compensation	144,000	49,000	49,000	49,000	49,000
(34) Advisors Consulting Compensation	6,000	6,000	6,000	6,000	6,000
(35) Annual Meeting Expense	30,000	30,000	30,000	30,000	30,000
Total Directors & Advisors	306,000	125,000	125,000	125,000	125,000
(36) Total Employees	30	41	53	78	111
G&A					
(37) Total G&A Staff	6	7	11	17	28
(38) G&A Payroll & Benefits	586,000	754,646	971,843	1,586,285	2,671,763
(39) G&A Travel, Conf, & Enter	200,272	221,337	263,239	377,436	572,451
(40) G&A Recruit & Bonus	382,000	223,650	329,097	455,814	706,515
(41) G&A Billable Adjustment	(34,104)	(34,564)	(38,744)	(49,297)	(66,007)
Total G&A Staff Expenses	1,134,168	1,165,069	1,525,435	2,370,238	3,884,722
(42) Total Investor Support	3,600	6,000	8,400	10,800	13,200
(43) Synogy Partner Expenses	4,130	15,300	26,530	38,930	52,490
(44) Synogy Personnel Support	63,270	105,930	138,273	200,713	295,098
(45) Office Resources	92,700	17,160	19,932	23,528	28,249
(46) Professional Services	127,000	69,740	84,579	109,741	148,460
(47) Misc. Overhead	26,892	54,556	62,173	72,981	87,905
(48) Foundation Support	84,000	140,285	436,008	874,459	1,076,242
Total G&A Misc. Expenses	401,592	408,971	775,895	1,331,152	1,701,644
(49) Office Rental / Payments	62,100	132,300	164,700	296,700	410,550
(50) Utilities & Maint	41,968	71,863	94,744	139,664	207,414
Total Facilities Expense	104,068	204,163	259,444	436,364	617,964
Total G&A Expenses	1,639,828	1,778,203	2,560,774	4,137,754	6,204,330

Services						
(51)	Total Services Staff	6	14	16	18	21
(52)	Services Payroll & Benefits	461,760	1,103,480	1,661,841	1,878,818	2,399,991
(53)	Services Travel, Conf. & Enter	95,433	238,971	354,309	384,134	473,622
(54)	Services Recruit & Bonus	191,700	301,140	246,740	283,387	352,861
(55)	Services Billable Adjustment	(45,781)	(143,241)	(229,743)	(252,113)	(319,227)
	Total Services Staff Expenses	703,112	1,500,350	2,033,147	2,294,226	2,907,247
(56)	Total Vendor Relations Development	114,000	30,000	37,500	46,875	58,594
	Total Services Misc. Expenses	114,000	30,000	37,500	46,875	58,594
	Total Services Expenses	817,112	1,530,350	2,070,647	2,341,101	2,965,841
Relations						
(57)	Total Relations Staff	5	7	12	22	31
(58)	Relations Payroll & Benefits	298,716	547,296	878,144	1,743,863	2,678,007
(59)	Relations Travel, Conf. & Enter	102,888	180,137	270,610	535,029	790,751
(60)	Relations Recruit & Bonus	167,950	115,500	226,344	447,481	595,843
(61)	Relations Billable Adjustment	(16,284)	(29,820)	(40,917)	(79,767)	(118,612)
	Total Relations Staff Expenses	553,270	813,113	1,334,181	2,646,606	3,945,989
(62)	Image, Marketing Materials & Manuals	82,050	16,333	25,207	39,420	57,500
(63)	Advertising & Publicity	216,930	206,650	261,430	365,640	541,180
(64)	Synogy Group Development	220,000	854,400	1,608,000	2,476,800	3,460,800
(65)	Relationship Support	14,400	70,720	154,200	266,840	408,440
	Total Relations Misc. Expenses	533,380	1,148,103	2,048,837	3,148,700	4,467,920
	Total Relations Expenses	1,086,650	1,961,216	3,383,018	5,795,306	8,413,909
Knowledge						
(66)	Total Knowledge Staff	8	8	8	10	13
(67)	Knowledge Payroll & Benefits	655,099	883,152	925,944	1,047,324	1,283,467
(68)	Knowledge Travel, Conf. & Enter	300,625	384,492	384,492	405,393	452,036
(69)	Knowledge Recruit & Bonus	255,600	136,710	143,546	177,464	212,106
(70)	Knowledge Billable Adjustment	(55,402)	(71,232)	(71,232)	(71,232)	(71,232)
	Total Knowledge Staff Expenses	1,155,922	1,333,122	1,382,750	1,558,949	1,876,377
(71)	Total IBPP Dev Cost	3,000,000	2,200,000	600,000	600,000	600,000
(72)	Total Newsletters	135,000	60,000	72,000	72,000	84,000
	Total Knowledge Misc. Expenses	3,135,000	2,260,000	672,000	672,000	684,000
	Total Knowledge Expenses	4,290,922	3,593,122	2,054,750	2,230,949	2,560,377
Technology						
(73)	Total Technology Staff	5	5	6	11	18
(74)	Technology Payroll & Benefits	388,267	556,272	635,746	1,119,649	1,896,550
(75)	Technology Travel, Conf. & Enter	97,383	134,112	149,177	262,958	431,333
(76)	Technology Recruit & Bonus	171,750	86,363	128,166	268,569	428,162
(77)	Technology Billable Adjustment	(11,592)	(17,100)	(20,110)	(41,562)	(71,968)
	Total Technology Staff Expenses	645,808	759,647	892,979	1,609,614	2,684,077
(78)	Total Professional Support	256,600	147,090	196,110	294,530	463,320
	Total Technology Misc. Expenses	256,600	147,090	196,110	294,530	463,320
	Total Technology Expenses	902,408	906,737	1,089,089	1,904,144	3,147,397
	TOTAL EXPENSES	9,042,920	9,894,628	11,283,278	16,534,254	23,416,854
	Earnings Before Interest & Taxes	(7,845,797)	(2,858,651)	3,342,364	9,208,750	16,276,326
	Interest	0	0	0	0	0
	Earnings (Loss) Before Taxes	(7,845,797)	(2,858,651)	3,342,364	9,208,750	16,276,326
	Accumulated Losses	(7,845,797)	(10,704,448)	(7,362,083)	0	0
	Taxes 35.0%	0	0	0	904,766	5,757,459
	NET INCOME (LOSS)	(7,845,797)	(2,858,651)	3,342,364	8,303,984	10,518,868
CAPITAL EXPENDITURES						
G&A Capital Expenses						
	<i>Year 1 Total</i>		<i>Year 2 Total</i>	<i>Year 3 Total</i>	<i>Year 4 Total</i>	<i>Year 5 Total</i>
(79)	G&A Employee Setup	44,000	7,000	26,000	39,000	71,000
(80)	Facilities & Improvements	0	288,363	1,529,869	3,056,908	5,160,672
	Total G&A Capital Expenses	44,000	295,363	1,555,869	3,095,908	5,231,672
Services Capital Expenses						
(81)	Total Services Employee Setup	40,000	48,000	12,000	12,000	18,000
(82)	Total Services Equipment Expenses	0	0	0	0	0
	Total Services Capital Expenses	40,000	48,000	12,000	12,000	18,000
Relations Capital Expenses						
(83)	Total Relations Employee Setup	35,000	11,000	31,000	63,000	58,000
(84)	Total Relations Equipment Expenses	0	0	0	0	0
	Total Relations Capital Expenses	35,000	11,000	31,000	63,000	58,000
Knowledge Capital Expenses						
(85)	Total Knowledge Employee Setup	59,000	0	0	11,000	17,000
(86)	Total Knowledge Equipment Expenses	100,000	0	0	0	0
	Total Knowledge Capital Expenses	159,000	0	0	11,000	17,000
Technology Capital Expenses						
(87)	Total Technology Employee Setup	41,500	0	8,500	37,000	53,000
(88)	Network & Equipment	380,000	110,000	155,000	165,000	265,000
	Total Technology Capital Expenses	421,500	110,000	163,500	202,000	318,000
	Total Capital Expenditures	699,500	464,365	1,762,371	3,383,908	5,642,671

SOURCES OF CASH	<i>Year 1 Total</i>	<i>Year 2 Total</i>	<i>Year 3 Total</i>	<i>Year 4 Total</i>	<i>Year 5 Total</i>
Net Income (Loss)	(7,845,797)	(2,858,651)	3,342,364	8,303,984	10,518,868
Sources of Cash	(7,845,797)	(2,858,651)	3,342,364	8,303,984	10,518,868
USES OF CASH					
Total Capital Expenditures	(699,500)	(464,365)	(1,762,371)	(3,383,908)	(5,642,671)
CASH From (Used In) Operations	(7,845,797)	(2,858,651)	3,342,364	8,303,984	10,518,868
CASH USED In Operations	(8,545,297)	(3,323,016)	1,579,993	4,920,076	4,876,197
ANNUAL CAPITAL REQUIREMENT	(\$8,545,297)	(\$3,323,016)	(\$333,021)	\$0	\$0

Asset Growth

	<i>Year 1 Total</i>	<i>Year 2 Total</i>	<i>Year 3 Total</i>	<i>Year 4 Total</i>	<i>Year 5 Total</i>
Synogy Partner Asset Growth					
(89) Cum Investor Synogy Partner Value	2,366,324	6,896,174	14,881,755	27,119,727	44,493,416
(90) Cum Independent Synogy Partner Value	1,500,000	6,643,678	12,915,834	20,564,044	29,890,204
(91) Cum Synogy Center Synogy Partner Value	0	4,969,172	15,924,326	34,270,978	61,785,931
Total Sgy Part Stock Value	3,866,324	18,509,024	43,721,914	81,954,749	136,169,550
Facilities Asset Growth					
(92) Cum Synogy Center Value	0	5,000,267	15,291,406	31,244,459	53,291,255
IBPP Asset Growth					
(93) Total IBPP Asset Value	5,000,000	12,500,000	12,500,000	15,000,000	16,500,000
Asset Growth	8,866,324	27,142,967	35,504,030	56,685,886	77,761,599
Cum Asset Value	8,866,324	36,009,291	71,513,321	128,199,207	205,960,806

NPV Calculations

	<i>Year 1 Total</i>	<i>Year 2 Total</i>	<i>Year 3 Total</i>	<i>Year 4 Total</i>	<i>Year 5 Total</i>
*** Assume Cash Out End Yr 5					
Synogy Centers NPV ***	34,382,473	0	72,093	257,470	576,727
IBPP NPV (cash flow only)	652,674	(2,918,500)	(1,025,400)	1,018,200	1,982,000
Total NPV (on net income) ***	133,104,682	(7,845,797)	(2,858,651)	3,342,364	8,303,984
Total NPV (on total cash) ***	124,945,995	(8,545,297)	(3,323,016)	1,579,993	4,920,076



**YEAR 1
FINANCIAL PROJECTIONS**



Synogy

Financial Projections

Year 1

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5 Year Projections

GROWTH STATISTICS

Investors & Synogy Partners

	Jul-2000	Aug-2000	Sep-2000	Oct-2000	Nov-2000	Dec-2000	Jan-2001	Feb-2001	Mar-2001	Apr-2001	May-2001	Jun-2001	Year 1 Total
(1) New Investor Groups	0	0	0	0	1	0	0	0	0	0	0	0	1
(2) Cum Investor Groups	0	0	0	0	1	1	1	1	1	1	1	1	1
(3) New Investor Synogy Partners	0	0	0	0	0	1	0	0	1	0	0	1	3
(4) Minus Ending 3 Yr Contracts	0	0	0	0	0	0	0	0	0	0	0	0	0
(5) Cum Invst Synogy Part / Contract	0	0	0	0	0	1	1	1	2	2	2	3	3
(6) New Independent Synogy Partners	0	0	0	0	0	0	0	0	0	0	0	1	1
(7) Minus Ending 3 Yr Contracts	0	0	0	0	0	0	0	0	0	0	0	0	0
(8) Cum Independent Synogy Partners	0	0	0	0	0	0	0	0	0	0	0	1	1

Synogy Centers Partners

(9) New Synogy Center	0	0	0	0	0	0	0	0	0	0	0	0	0
(10) Cum Synogy Centers	0	0	0	0	0	0	0	0	0	0	0	0	0
(11) New Synogy Center Synogy Partners	0	0	0	0	0	0	0	0	0	0	0	0	0
(12) Cum Synogy Center Synogy Partners	0	0	0	0	0	0	0	0	0	0	0	0	0
(13) Total New Synogy Partners	0	0	0	0	0	1	0	0	1	0	0	2	4
(14) Total Synogy Part / Contract	0	0	0	0	0	1	1	1	2	2	2	4	4
(15) Total Synogy Part / Overview	0	0	0	0	0	1	1	1	2	2	2	4	4

Due Diligence Clients

(16) Due Diligence Clients	0.0	0.0	0.5	0.5	0.6	0.6	0.6	0.6	0.7	0.7	0.7	0.8	6
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Synogy Group Synogists

(17) Synogy Group Synogists	0	0	5	10	15	20	25	30	35	40	45	50	50
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IBPP Development

(18) New IBPPs Completed	0	0	0	0	5	0	0	0	5	0	0	0	10
(19) Cum IBPPs Completed	0	0	0	0	5	5	5	5	10	10	10	10	10
(20) New IBPPs Sold	0	0	0	0	0	0	0	0	1	1	1	1	4
(21) Cum IBPPs Sold	0	0	0	0	0	0	0	0	1	2	3	4	4

REVENUES

Total Income

	Jul-2000	Aug-2000	Sep-2000	Oct-2000	Nov-2000	Dec-2000	Jan-2001	Feb-2001	Mar-2001	Apr-2001	May-2001	Jun-2001	Year 1 Total
(22) Investor Oversight Income	0	0	0	0	0	10,000	10,000	10,000	20,000	20,000	20,000	30,000	120,000
(23) Implementation Fee Income	0	0	0	0	0	350,000	0	0	350,000	0	0	700,000	1,400,000
(24) Synogy Partner Contract Income	0	0	0	0	0	20,833	20,833	20,833	41,667	41,667	41,667	83,333	270,833
(25) Synogy Partner Overage Services	0	0	0	0	0	3,000	3,000	3,000	6,000	6,000	6,000	12,000	39,000
(26) Synogy Partner Maintenance Income	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Services Income	0	0	0	0	0	383,833	33,833	33,833	417,667	67,667	67,667	825,333	1,829,833
(27) Due Diligence Income	0	0	33,000	34,650	36,383	38,202	40,112	42,117	44,223	46,434	48,756	51,194	415,070
(28) Synogy Center Income	0	0	0	0	0	0	0	0	0	0	0	0	0
(29) Total IBPP Sales Profits	0	0	0	0	0	0	0	0	20,150	20,300	20,450	20,600	81,500
Total Income	0	0	33,000	34,650	36,383	422,035	73,945	75,951	482,040	134,401	136,873	897,127	2,326,404

Cost of Sales

(30) Contractor Payments	0	0	13,200	13,860	14,553	161,481	22,245	23,047	170,089	30,974	31,902	325,278	806,628
(31) Consulting Co. Payments	0	0	5,280	5,544	5,821	64,592	8,898	9,219	68,036	12,389	12,761	130,111	322,651
Total Services Payments	0	0	18,480	19,404	20,374	226,073	31,143	32,266	238,125	43,363	44,663	455,389	1,129,279

Gross Margin

Gross Margin	\$0	\$0	\$14,520	\$15,246	\$16,008	\$195,962	\$42,802	\$43,685	\$243,915	\$91,038	\$92,209	\$441,739	\$1,197,124
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EXPENSES

Directors & Advisors

	Jul-2000	Aug-2000	Sep-2000	Oct-2000	Nov-2000	Dec-2000	Jan-2001	Feb-2001	Mar-2001	Apr-2001	May-2001	Jun-2001	Year 1 Total
(32) Total Dir Meeting Expense	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	126,000
(33) Total Directors Compensation	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	144,000
(34) Advisors Consulting Compensation	500	500	500	500	500	500	500	500	500	500	500	500	6,000
(35) Annual Meeting Expense	0	0	0	0	0	0	0	0	0	0	0	30,000	30,000
Total Directors & Advisors	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	53,000	306,000

(36)	Total Employees	2	9	16	23	25	26	27	29	30	30	30	30	30
G&A														
(37)	Total G&A Staff	2	4	4	5	5	5	6	6	6	6	6	6	6
(38)	G&A Payroll & Benefits	33,200	41,500	41,500	46,550	46,550	46,550	55,025	55,025	55,025	55,025	55,025	55,025	586,000
(39)	G&A Travel, Conf. & Enter	13,661	14,875	14,875	15,963	15,963	15,963	18,162	18,162	18,162	18,162	18,162	18,162	200,272
(40)	G&A Recruit & Bonus	160,000	15,000	0	9,000	0	0	15,000	0	0	0	0	0	183,000
(41)	G&A Billable Adjustment	(2,732)	(2,732)	(2,732)	(2,732)	(2,732)	(2,732)	(2,952)	(2,952)	(2,952)	(2,952)	(2,952)	(2,952)	(34,104)
	Total G&A Staff Expenses	204,129	68,643	53,643	66,761	59,761	59,761	85,235	70,235	70,235	70,235	70,235	70,235	1,134,168
(42)	Total Investor Support	0	0	0	0	2,200	200	200	200	200	200	200	200	3,600
(43)	Synogy Partner Expenses	0	0	0	0	1,010	10	10	10	1,020	20	20	2,040	4,130
(44)	Synogy Personnel Support	940	2,480	3,600	5,175	5,625	5,850	6,075	6,525	6,750	6,750	6,750	6,750	63,270
(45)	Office Resources	650	10,650	30,650	30,750	1,250	1,250	1,250	1,250	1,250	11,250	1,250	1,250	92,700
(46)	Professional Services	22,000	22,000	22,000	13,150	13,250	4,800	4,850	4,950	5,000	5,000	5,000	5,000	127,000
(47)	Misc. Overhead	2,030	2,100	2,170	2,240	2,260	2,270	2,280	2,300	2,310	2,310	2,310	2,310	26,892
(48)	Foundation Support	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	84,000
	Total G&A Misc. Expenses	32,620	44,230	65,420	58,315	31,585	22,380	21,665	22,235	23,530	32,530	22,530	24,550	401,592
(49)	Office Rental / Payments	5,175	5,175	5,175	5,175	5,175	5,175	5,175	5,175	5,175	5,175	5,175	5,175	62,100
(50)	Utilities & Maint	1,653	2,265	2,878	3,490	3,665	3,753	3,840	4,015	4,103	4,103	4,103	4,103	41,968
	Total Facilities Expense	6,828	7,440	8,053	8,665	8,840	8,928	9,015	9,190	9,278	9,278	9,278	9,278	104,068
	Total G&A Expenses	243,577	120,313	127,116	135,761	100,206	91,089	115,915	101,660	103,043	112,043	102,043	287,063	1,639,828
Services														
(51)	Total Services Staff	0	2	3	4	5	6	6	6	6	6	6	6	6
(52)	Services Payroll & Benefits	0	11,400	19,333	33,225	42,783	50,717	50,717	50,717	50,717	50,717	50,717	50,717	461,760
(53)	Services Travel, Conf. & Enter	0	2,114	4,102	6,133	8,646	10,634	10,634	10,634	10,634	10,634	10,634	10,634	95,433
(54)	Services Recruit & Bonus	0	20,400	14,000	35,500	17,000	14,000	0	0	0	0	0	0	191,700
(55)	Services Billable Adjustment	0	(1,491)	(2,983)	(2,983)	(3,485)	(4,977)	(4,977)	(4,977)	(4,977)	(4,977)	(4,977)	(4,977)	(45,781)
	Total Services Staff Expenses	0	32,423	34,452	71,875	64,944	70,374	56,374	56,374	56,374	56,374	56,374	56,374	401,112
(56)	Total Vendor Relations Development	20,000	20,000	20,000	20,000	20,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	114,000
	Total Services Misc. Expenses	20,000	20,000	20,000	20,000	20,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	114,000
	Total Services Expenses	20,000	52,423	54,452	91,875	84,944	72,374	58,374	58,374	58,374	58,374	58,374	149,174	817,112
Relations														
(57)	Total Relations Staff	0	2	3	3	3	3	3	4	5	5	5	5	5
(58)	Relations Payroll & Benefits	0	14,608	18,075	18,075	18,075	18,075	18,075	27,633	41,525	41,525	41,525	41,525	298,716
(59)	Relations Travel, Conf. & Enter	0	5,803	5,928	5,928	5,928	5,928	5,928	9,893	14,388	14,388	14,388	14,388	102,888
(60)	Relations Recruit & Bonus	0	26,000	6,400	0	0	0	0	17,000	35,500	0	0	0	83,050
(61)	Relations Billable Adjustment	0	(793)	(793)	(793)	(793)	(793)	(793)	(1,586)	(2,485)	(2,485)	(2,485)	(2,485)	(16,284)
	Total Relations Staff Expenses	0	45,618	29,610	23,210	23,210	23,210	23,210	52,940	88,928	53,428	53,428	53,428	553,270
(62)	Image, Marketing Materials & Manuals	0	15,000	15,000	15,000	20,000	6,000	6,000	1,000	1,000	1,000	1,000	1,000	82,050
(63)	Advertising & Publicity	0	0	0	30,000	50,000	50,000	20,000	10,000	10,100	15,400	15,610	15,820	216,930
(64)	Synogy Group Development	0	4,000	4,000	8,000	12,000	16,000	20,000	24,000	28,000	32,000	36,000	40,000	220,000
(65)	Relationship Support	0	0	200	400	700	1,100	1,300	1,500	1,900	2,100	2,300	2,900	14,400
	Total Relations Misc. Expenses	0	15,000	19,200	53,400	82,700	73,100	47,300	36,500	41,000	50,500	54,910	59,770	533,380
	Total Relations Expenses	0	60,618	48,810	76,610	105,910	96,310	70,510	89,440	129,928	103,928	108,338	196,248	1,086,650
Knowledge														
(66)	Total Knowledge Staff	0	1	4	7	8	8	8	8	8	8	8	8	8
(67)	Knowledge Payroll & Benefits	0	9,558	27,633	56,308	70,200	70,200	70,200	70,200	70,200	70,200	70,200	70,200	655,099
(68)	Knowledge Travel, Conf. & Enter	0	4,946	12,256	27,095	32,041	32,041	32,041	32,041	32,041	32,041	32,041	32,041	300,625
(69)	Knowledge Recruit & Bonus	0	17,000	32,400	51,000	25,000	0	0	0	0	0	0	0	130,200
(70)	Knowledge Billable Adjustment	0	(989)	(1,979)	(4,946)	(5,936)	(5,936)	(5,936)	(5,936)	(5,936)	(5,936)	(5,936)	(5,936)	(55,402)
	Total Knowledge Staff Expenses	0	30,515	70,310	129,457	121,305	96,305	96,305	96,305	96,305	96,305	96,305	96,305	1,155,922
(71)	Total IBPP Dev Cost	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	3,000,000
(72)	Total Newsletters	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	30,000	30,000	30,000	5,000	135,000
	Total Knowledge Misc. Expenses	255,000	255,000	255,000	255,000	255,000	255,000	255,000	255,000	280,000	280,000	280,000	255,000	3,135,000
	Total Knowledge Expenses	255,000	285,515	325,310	384,457	376,305	351,305	351,305	351,305	376,305	376,305	376,305	481,505	4,290,922
Technology														
(73)	Total Technology Staff	0	0	2	4	4	4	4	5	5	5	5	5	5
(74)	Technology Payroll & Benefits	0	0	21,750	36,358	36,358	36,358	36,358	44,217	44,217	44,217	44,217	44,217	388,267
(75)	Technology Travel, Conf. & Enter	0	0	5,019	9,121	9,121	9,121	9,121	11,176	11,176	11,176	11,176	11,176	97,383
(76)	Technology Recruit & Bonus	0	0	49,500	26,000	0	0	0	14,000	0	0	0	0	82,250
(77)	Technology Billable Adjustment	0	0	(411)	(1,014)	(1,014)	(1,014)	(1,014)	(1,425)	(1,425)	(1,425)	(1,425)	(1,425)	(11,592)
	Total Technology Staff Expenses	0	0	75,858	70,465	44,465	44,465	44,465	67,968	53,968	53,968	53,968	53,968	645,808
(78)	Total Professional Support	0	0	15,000	40,000	60,000	60,000	60,000	30,000	10,000	10,000	10,000	10,000	256,600
	Total Technology Misc. Expenses	0	0	15,000	40,000	60,000	60,000	60,000	30,000	10,000	10,000	10,000	10,000	256,600
	Total Technology Expenses	0	0	90,858	110,465	104,465	104,465	74,465	77,968	64,068	64,268	64,468	146,918	902,408
	TOTAL EXPENSES	541,577	541,869	669,546	822,168	794,830	738,543	693,569	701,747	754,718	737,918	732,528	1,313,908	9,042,920
	Earnings Before Interest & Taxes	(541,577)	(541,869)	(655,026)	(806,922)	(778,822)	(542,581)	(650,767)	(658,062)	(510,803)	(646,880)	(640,319)	(872,169)	(7,845,797)
	Interest	0	0	0	0	0	0	0	0	0	0	0	0	0
	Earnings (Loss) Before Taxes	(541,577)	(541,869)	(655,026)	(806,922)	(778,822)	(542,581)	(650,767)	(658,062)	(510,803)	(646,880)	(640,319)	(872,169)	(7,845,797)
	Accumulated Losses	(541,577)	(1,083,446)	(1,738,472)	(2,545,394)	(3,324,216)	(3,866,797)	(4,517,563)	(5,175,625)	(5,686,428)	(6,333,309)	(6,973,627)	(7,845,797)	(7,845,797)
	Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
	NET INCOME (LOSS)	(541,577)	(541,869)	(655,026)	(806,922)	(778,822)	(542,581)	(650,767)	(658,062)	(510,803)	(646,880)	(640,319)	(872,169)	(7,845,797)

CAPITAL EXPENDITURES

	Jul-2000	Aug-2000	Sep-2000	Oct-2000	Nov-2000	Dec-2000	Jan-2001	Feb-2001	Mar-2001	Apr-2001	May-2001	Jun-2001	Year 1 Total
G&A Capital Expenses													
(79) G&A Employee Setup	20,000	11,000	0	6,000	0	0	7,000	0	0	0	0	0	44,000
(80) Facilities & Improvements	0	0	0	0	0	0	0	0	0	0	0	0	0
Total G&A Capital Expenses	20,000	11,000	0	6,000	0	0	7,000	0	0	0	0	0	44,000
Services Capital Expenses													
(81) Total Services Employee Setup	0	11,000	6,000	10,000	7,000	6,000	0	0	0	0	0	0	40,000
(82) Total Services Equipment Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Services Capital Expenses	0	11,000	6,000	10,000	7,000	6,000	0	0	0	0	0	0	40,000
Relations Capital Expenses													
(83) Total Relations Employee Setup	0	13,000	5,000	0	0	0	0	7,000	10,000	0	0	0	35,000
(84) Total Relations Equipment Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Relations Capital Expenses	0	13,000	5,000	0	0	0	0	7,000	10,000	0	0	0	35,000
Knowledge Capital Expenses													
(85) Total Knowledge Employee Setup	0	7,000	18,000	21,000	13,000	0	0	0	0	0	0	0	59,000
(86) Total Knowledge Equipment Expenses	0	0	0	0	0	0	25,000	25,000	25,000	25,000	25,000	0	100,000
Total Knowledge Capital Expenses	0	7,000	18,000	21,000	13,000	0	25,000	25,000	25,000	25,000	25,000	0	159,000
Technology Capital Expenses													
(87) Total Technology Employee Setup	0	0	20,500	13,500	0	0	0	7,500	0	0	0	0	41,500
(88) Network & Equipment	0	0	0	35,000	0	285,000	0	0	60,000	0	0	0	380,000
Total Technology Capital Expenses	0	0	20,500	48,500	0	285,000	0	7,500	60,000	0	0	0	421,500
Total Capital Expenditures	20,000	42,000	49,500	85,500	20,000	291,000	7,000	39,500	95,000	25,000	25,000	0	699,500

SOURCES & USES OF CASH

	Jul-2000	Aug-2000	Sep-2000	Oct-2000	Nov-2000	Dec-2000	Jan-2001	Feb-2001	Mar-2001	Apr-2001	May-2001	Jun-2001	Year 1 Total
SOURCES OF CASH													
Net Income (Loss)	(541,577)	(541,869)	(655,026)	(806,922)	(778,822)	(542,581)	(650,767)	(658,062)	(510,803)	(646,880)	(640,319)	(872,169)	(7,845,797)
Sources of Cash	(541,577)	(541,869)	(655,026)	(806,922)	(778,822)	(542,581)	(650,767)	(658,062)	(510,803)	(646,880)	(640,319)	(872,169)	(7,845,797)
USES OF CASH													
Total Capital Expenditures	(20,000)	(42,000)	(49,500)	(85,500)	(20,000)	(291,000)	(7,000)	(39,500)	(95,000)	(25,000)	(25,000)	0	(699,500)
CASH From (Used In) Operations	(541,577)	(541,869)	(655,026)	(806,922)	(778,822)	(542,581)	(650,767)	(658,062)	(510,803)	(646,880)	(640,319)	(872,169)	(7,845,797)
CASH USED In Operations	(541,577)	(541,869)	(704,526)	(892,422)	(798,822)	(833,581)	(657,767)	(697,562)	(605,803)	(671,880)	(665,319)	(872,169)	(8,545,297)
Beginning Cash Balance (\$0 each yr)	0	(561,577)	(1,145,446)	(1,849,972)	(2,742,394)	(3,541,216)	(4,374,797)	(5,032,563)	(5,730,125)	(6,335,928)	(7,007,809)	(7,673,127)	
Annual Ending Cash Balance	(561,577)	(1,145,446)	(1,849,972)	(2,742,394)	(3,541,216)	(4,374,797)	(5,032,563)	(5,730,125)	(6,335,928)	(7,007,809)	(7,673,127)	(8,545,297)	(8,545,297)
ANNUAL CAPITAL REQUIREMENT													(8,545,297)

ASSET GROWTH

	Jul-2000	Aug-2000	Sep-2000	Oct-2000	Nov-2000	Dec-2000	Jan-2001	Feb-2001	Mar-2001	Apr-2001	May-2001	Jun-2001	Year 1 Total
Asset Growth													
Synogy Partner Asset Growth													
(89) Cum Investor Synogy Partner Value	0	0	0	0	0	750,000	762,500	775,208	1,538,128	1,563,764	1,589,827	2,366,324	2,366,324
(90) Cum Independent Synogy Partner Value	0	0	0	0	0	0	0	0	0	0	0	1,500,000	1,500,000
(91) Cum Synogy Center Synogy Partner Value	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Sgy Part Stock Value	0	0	0	0	0	750,000	762,500	775,208	1,538,128	1,563,764	1,589,827	3,866,324	3,866,324
Facilities Asset Growth													
(92) Cum Synogy Center Value	0	0	0	0	0	0	0	0	0	0	0	0	0
IBPP Asset Growth													
(93) Total IBPP Asset Value	0	0	0	0	2,500,000	2,500,000	2,500,000	2,500,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Asset Growth	0	0	0	0	2,500,000	750,000	12,500	12,708	3,262,920	25,635	26,063	2,276,497	8,866,324
Cum Asset Value	0	0	0	0	2,500,000	3,250,000	3,262,500	3,275,208	6,538,128	6,563,764	6,589,827	8,866,324	8,866,324

Synogy

Financial Projections

5 Year Projections

DETAILS REPORT

Year 1 DETAILS REPORT

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GROWTH & REVENUE PROJECTIONS

Synogy Partner Growth

Assumptions		Investors	Investors / Year	3	1											
		Investor Synogy Partners	Synogy Partners / Investor / Year	3												
		Independent Synogy Partners	Independent Synogy Partners / Year	1												
		Synogy Center Synogy Partners	Synogy Partners / Synogy Center	6												
Investor Growth	Investor Calcs	Jul-2000	Aug-2000	Sep-2000	Oct-2000	Nov-2000	Dec-2000	Jan-2001	Feb-2001	Mar-2001	Apr-2001	May-2001	Jun-2001			
(1)	New Investor Groups	0	0	0	0	1	0.0833	0.1667	0.2500	0.3333	0.4167	0.5000	0.5833			
(2)	Cum Investor Groups	0	0	0	0	1	1	1	1	1	1	1	1	1	1	1
Investor Synogy Partner Growth																
(3)	New Investor Synogy Partners	0	0	0	0	0	1	0	0	1	0	0	0	1	0	3
(4)	Minus Ending 3 Yr Contracts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(5)	Cum Invest Synogy Part / Contract	0	0	0	0	0	1	1	1	2	2	2	3	3	3	3
	Cum Invest Synogy Part / Overview	0	0	0	0	0	1	1	1	2	2	2	3	3	3	3
Independent Synogy Partner Growth																
(6)	New Independent Synogy Partners	0.0834	0.1668	0.2501	0.3334	0.4168	0.5001	0.5834	0.6668	0.7501	0.8334	0.9168	1.0001			
(7)	Minus Ending 3 Yr Contracts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(8)	Cum Independent Synogy Partners	0	0	0	0	0	0	0	0	0	0	0	0	1	1	1
Synogy Center Synogy Partner Growth																
(11)	New Synogy Center Synogy Partners	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(12)	Cum Synogy Center Synogy Partners	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(13)	Total New Synogy Partners	0	0	0	0	0	1	0	0	1	0	0	0	2	4	4
	Minus Ending 3 Yr Contracts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Cum Ending - Under Maintenance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(14)	Total Synogy Part / Contract	0	0	0	0	0	1	1	1	2	2	2	4	4	4	4
(15)	Total Synogy Part / Overview	0	0	0	0	0	1	1	1	2	2	2	4	4	4	4

Synogy Group Network Growth

Assumptions		Synogist Growth	New Synogists per month	5												
		Jul-2000	Aug-2000	Sep-2000	Oct-2000	Nov-2000	Dec-2000	Jan-2001	Feb-2001	Mar-2001	Apr-2001	May-2001	Jun-2001	Year 1 Total		
(17)	Total Synogists in Synogy Group	0	0	5	10	15	20	25	30	35	40	45	50	50	50	50

Synogy Partner & Investor Services Income

Assumptions		Investment Oversight Fee	Annual Oversight Fee / Investor / Synogy Partner	\$120,000												
		Implementation Fee	Per New Synogy Partner	\$350,000												
		Implementation Allocation	% Allocation of Impl Fee to Man Days	100%												
		Implementation Man-Days	Total Days / Implementation	233												
		Annual Contract Fee	Annual Fee	\$250,000	5% Percent of Investment											
		Monthly Fee	Annual Fee Allocated per Month	\$20,833												
		Monthly Maintenance Fee	Monthly Maintenance Fee after Contract	\$2,000												
		% Services Allocation of Mo Fee	% Allocation of Monthly Fee	60%												
		Man-Day Total Fees	\$ / Man-Day for Month	\$12,500												
		Fee Per Man-Day	\$ / Man-Day	\$1,500												
		Total Man-Days per Month	Per Synogy Partner / Month	8												
		Overage Days	Overage Days Per Month	2												
Investor Oversight Income	Investor Calcs	Jul-2000	Aug-2000	Sep-2000	Oct-2000	Nov-2000	Dec-2000	Jan-2001	Feb-2001	Mar-2001	Apr-2001	May-2001	Jun-2001	Year 1 Total		
(22)	Cum Invest Synogy Part / Overview	0	0	0	0	0	1	1	1	2	2	2	3	3	3	3
	Investor Oversight Income	0	0	0	0	0	10,000	10,000	10,000	20,000	20,000	20,000	30,000	120,000	120,000	120,000
Implementation Fee Income																
(23)	Total New Synogy Partners	0	0	0	0	0	1	0	0	1	0	0	2	4	4	4
	Implementation Fee Income	0	0	0	0	0	350,000	0	0	350,000	0	0	700,000	1,400,000	1,400,000	1,400,000
	Total Implementation Man-Days	0	0	0	0	0	233	0	0	233	0	0	467	933	933	933

Synogy Partner Contract Income

Total Synogy Part / Contract	0	0	0	0	0	1	1	1	2	2	2	4	4
Total Dev Contract Man-Days	0	0	0	0	0	8	8	8	17	17	17	33	108
(24) Synogy Partner Contract Income	0	0	0	0	0	20,833	20,833	20,833	41,667	41,667	41,667	83,333	270,833
Total Overage Man-Days	0	0	0	0	0	2	2	2	4	4	4	8	26
(25) Synogy Partner Overage Services	0	0	0	0	0	3,000	3,000	3,000	6,000	6,000	6,000	12,000	39,000
(26) Synogy Partner Maintenance Income	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Services Income	0	0	0	0	0	383,833	33,833	33,833	417,667	67,667	67,667	825,333	1,829,833

Due Diligence Services Income

Assumptions

Man-Days Per CHA	44
Growth Rate	5%
Fee Per Man-Day	\$1,500
Man-Days / Month / CHA	44
% Growth / Month	5%
\$ / Man-Day	\$1,500

	Jul-2000	Aug-2000	Sep-2000	Oct-2000	Nov-2000	Dec-2000	Jan-2001	Feb-2001	Mar-2001	Apr-2001	May-2001	Jun-2001	Year 1 Total
Due Diligence Man-Days	0	0	22	23	24	25	27	28	29	31	33	34	277
(16) No. Due Diligence Contracts	0.0	0.0	0.5	0.5	0.6	0.6	0.6	0.6	0.7	0.7	0.7	0.8	6.3
Due Diligence Income	0	0	33,000	34,650	36,383	38,202	40,112	42,117	44,223	46,434	48,756	51,194	415,070

Synogy Center Income

Assumptions

Net Income %	25%
% Income exceeds monthly payment	25%

	Jul-2000	Aug-2000	Sep-2000	Oct-2000	Nov-2000	Dec-2000	Jan-2001	Feb-2001	Mar-2001	Apr-2001	May-2001	Jun-2001	Year 1 Total
No. of Synogy Centers	0	0	0	0	0	0	0	0	0	0	0	0	0
Monthly Payments	0	0	0	0	0	0	0	0	0	0	0	0	0
Synogy Center Income	0	0	0	0	0	0	0	0	0	0	0	0	0

Cost of Sales

Assumptions

% of Services Ind Contractors	80%
% Margin on Ind. Contractors	50%
% of Services Consulting Co.	20%
% Margin on Consulting Co.	20%
% Ind Contractors / Month	80%
% Margin on Ind. Contractors	50%
% Consulting Co. / Month	20%
% Margin on Consulting Co.	20%

Man-Days Analysis

Total Implementation Man-Days	0	0	0	0	0	233	0	0	233	0	0	467	933
Total Dev Contract Man-Days	0	0	0	0	0	10	10	10	21	21	21	41	108
Due Diligence Man-Days	0	0	22	23	24	25	27	28	29	31	33	34	277
Total Man-Days	0	0	22	23	24	269	37	38	283	52	53	542	1,318
Man-Days by Contractors	0	0	18	18	19	215	30	31	227	41	43	434	1,076
Man-Days by Consulting Co.	0	0	4	5	5	54	7	8	57	10	11	108	269
Total Man-Days Contracted	0	0	22	23	24	269	37	38	283	52	53	542	1,344
Man-Days covered Internally	0	0	0	0	0	0	0	0	0	0	0	0	(26)

Total Income

Total Income	Jul-2000	Aug-2000	Sep-2000	Oct-2000	Nov-2000	Dec-2000	Jan-2001	Feb-2001	Mar-2001	Apr-2001	May-2001	Jun-2001	Year 1 Total
	0	0	33,000	34,650	36,383	422,035	73,945	75,951	461,890	114,101	116,423	876,527	2,244,904
Contractor Payments	0	0	13,200	13,860	14,553	161,481	22,245	23,047	170,089	30,974	31,902	325,278	806,628
(30) Contractor Payments	0	0	13,200	13,860	14,553	161,481	22,245	23,047	170,089	30,974	31,902	325,278	806,628
Consulting Co. Payments	0	0	5,280	5,544	5,821	64,592	8,898	9,219	68,036	12,389	12,761	130,111	322,651
(31) Consulting Co. Payments	0	0	5,280	5,544	5,821	64,592	8,898	9,219	68,036	12,389	12,761	130,111	322,651
Total Services Payments	0	0	18,480	19,404	20,374	226,073	31,143	32,266	238,125	43,363	44,663	455,389	1,129,279

IBPP Growth & Sales

Assumptions

IBPP Sales Ave Profit	\$20,000
IBPP Maintenance Fee	\$150
IBPP Sales Growth	10%
Asset Value Multiplier	3
Ave IBPP Asset Value	500,000
Average Profit / IBPP Sale	\$20,000
Ave Monthly Maint Fee / IBPP Placed	\$150
% IBPPs Completed Sold / Month	10%
X Cost to Determine Asset Value	3
Intellect Value = X * Cost	500,000

	Jul-2000	Aug-2000	Sep-2000	Oct-2000	Nov-2000	Dec-2000	Jan-2001	Feb-2001	Mar-2001	Apr-2001	May-2001	Jun-2001	Year 1 Total
(18) New IBPPs Completed	0	0	0	0	5	0	0	0	5	0	0	0	10
(19) Cum IBPPs Completed	0	0	0	0	5	5	5	5	10	10	10	10	10
(20) New IBPPs Sold	0	0	0	0	0	0	0	0	1	1	1	1	4
(21) Cum IBPPs Sold	0	0	0	0	0	0	0	0	1	2	3	4	4
IBPP Sales Profits	0	0	0	0	0	0	0	0	20,000	20,000	20,000	20,000	80,000
IBPP Sales Profits	0	0	0	0	0	0	0	0	20,000	20,000	20,000	20,000	80,000
IBPP Maintenance Fee Income	0	0	0	0	0	0	0	0	150	300	450	600	1,500
IBPP Maintenance Fee Income	0	0	0	0	0	0	0	0	150	300	450	600	1,500
(29) Total IBPP Sales Profits	0	0	0	0	0	0	0	0	20,150	20,300	20,450	20,600	81,500
IBPP Sales Profits	0	0	0	0	0	0	0	0	20,150	20,300	20,450	20,600	81,500
(93) Total IBPP Asset Value	0	0	0	0	2,500,000	2,500,000	2,500,000	2,500,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Total IBPP Asset Value	0	0	0	0	2,500,000	2,500,000	2,500,000	2,500,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
NPV Calculations	652,674	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)	(229,850)	(229,700)	(229,550)	(229,400)	(2,918,500)

STOCK ASSET GROWTH

Stock Asset Growth

Assumptions		Value of Synogy Partner	Average Value of Synogy Partner @ startup											
		Growth Rate	15,000,000	20%										
		Ownership in Investor Synogy Partners	5%	10%										
		Ownership in Independent Synogy Partners	10%	5%										
		Ownership in Synogy Center Synogy Partners	5%											
Investor Synogy Partner Growth														
	New Investor Synogy Partners	0	0	0	0	0	1	0	0	1	0	0	1	3
	New Investor Synogy Partner Value	0	0	0	0	0	750,000	0	0	750,000	0	0	750,000	2,250,000
(89)	Cum Investor Synogy Partner Value	0	0	0	0	0	750,000	762,500	775,208	1,538,128	1,563,764	1,589,827	2,366,324	2,366,324
Independent Synogy Partner Growth														
	New Independent Synogy Partners	0	0	0	0	0	0	0	0	0	0	0	1	1
	New Independent Synogy Partner Value	0	0	0	0	0	0	0	0	0	0	0	1,500,000	1,500,000
(90)	Cum Independent Synogy Partner Value	0	0	0	0	0	0	0	0	0	0	0	1,500,000	1,500,000
Synogy Center Synogy Partner Growth														
	New Synogy Center Synogy Partners	0	0	0	0	0	0	0	0	0	0	0	0	0
	New Synogy Center Synogy Partner Value	0	0	0	0	0	0	0	0	0	0	0	0	0
(91)	Cum Synogy Center Synogy Partner Value	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total Sgy Part Stock Value	0	0	0	0	0	750,000	762,500	775,208	1,538,128	1,563,764	1,589,827	3,866,324	3,866,324

SYNOGY CENTER ASSET GROWTH

Synogy Center Asset Growth

Assumptions		Cost of Synogy Center	% Annual Growth in Value											
		4,871,200	10%											
		Building Depreciable Value	4,000,000											
		Years Depreciaion	20											
Synogy Center Asset Growth														
	New Synogy Center or HQ	0	0	0	0	0	0	0	0	0	0	0	0	0
	Cum No. Synogy Centers & HQ	0	0	0	0	0	0	0	0	0	0	0	0	0
	New Synogy Center Value	0	0	0	0	0	0	0	0	0	0	0	0	0
	Synogy Center Depreciation (Cum)	0	0	0	0	0	0	0	0	0	0	0	0	0
(92)	Cum Synogy Center Value	0	0	0	0	0	0	0	0	0	0	0	0	0

Employee Overhead Calculations

Assumptions:

Work Days / Month	22	
Monthly Time (min) / Employee	7,583	(Work Days/Month * 7 hrs * 50 min)
FICA & Benefits	30%	
Pager/Month	\$25	
Cell Phone/Month	\$150	
E1 Employee Setup	\$10,000	Setup for Major Computer, Office, & Mobile Office
E2 Employee Setup	\$7,000	Setup for Midlevel Computer, Office & Mobile Office
E3 Employee Setup	\$6,000	Setup for Level 3 Computer, Office, & Software
E4 Employee Setup	\$5,000	Setup for Level 4 Computer, Office, & Software
Health Insurance	\$400	Family Rate / Month
Recruiting Expense	20.0%	% of Annual Salary

High Speed Home Internet	\$100.00	Price / Month - High Speed Internet Access & Phone Lines
Gas Price	\$1.70	Price / Gallon of Gas
Ave Miles / Gallon	18	Average Gas Mileage for Company Car
Car Allowance	500	Monthly Allowance for Company Car
Miles/Day	75	
Mileage Reimbursement Rate	\$0.30	Rate at which mileage is reimbursed
Auto Expense @ 100% Travel	\$488	Days * Miles/Day @ Reimbursement Rate
Per Diem	\$150	
Ave Entertainment/Day	\$50	
Conference Expense	\$1,500	Additional Per Person to Cover Conference Overhead
Flight Average	\$500	Average Cost of Plane Fare / Flight
Club Reimbursement	\$500	Monthly Reimbursement for Club Membership

Employee Count Totals														
calculated in divisions below														
	NEW G&A Staff	2	2	0	1	0	0	1	0	0	0	0	0	6
	Total G&A Staff	2	4	4	5	5	5	6	6	6	6	6	6	6
	NEW Services Staff	0	2	1	1	1	1	0	0	0	0	0	0	6
	Total Services Staff	0	2	3	4	5	6	6	6	6	6	6	6	6
	NEW Relations Staff	0	2	1	0	0	0	0	1	1	0	0	0	5
	Total Relations Staff	0	2	3	3	3	3	3	4	5	5	5	5	5
	NEW Knowledge Staff	0	1	3	3	1	0	0	0	0	0	0	0	8
	Total Knowledge Staff	0	1	4	7	8	8	8	8	8	8	8	8	8
	NEW Technology Staff	0	0	2	2	0	0	0	1	0	0	0	0	5
	Total Technology Staff	0	0	2	4	4	4	4	5	5	5	5	5	5
(36)	Total Employees	2	9	16	23	25	26	27	29	30	30	30	30	30

DIRECTORS & ADVISORS

Directors & Advisors

Directors & Advisors Assumptions

No of Directors	5	Not counting CEO & President
Traveling Directors	1	
Director's Meeting Compensation	\$2,000	
Director's Hourly Compensation	\$150	
Travel Expense	\$500	
No of Advisors	10	
Advisor's Hourly Compensation	\$100	
Annual Meeting Expense / Person	\$2,000	

Directors Compensation

	Jul-2000	Aug-2000	Sep-2000	Oct-2000	Nov-2000	Dec-2000	Jan-2001	Feb-2001	Mar-2001	Apr-2001	May-2001	Jun-2001	Year 1 Total
Director's Meetings	1	1	1	1	1	1	1	1	1	1	1	1	12
Travel Cost	500	500	500	500	500	500	500	500	500	500	500	500	6,000
Dir Meeting Compensation	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	120,000
(32) Total Dir Meeting Expense	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	126,000

Directors Consulting

	Jul-2000	Aug-2000	Sep-2000	Oct-2000	Nov-2000	Dec-2000	Jan-2001	Feb-2001	Mar-2001	Apr-2001	May-2001	Jun-2001	Year 1 Total
Hours Per Month	10	10	10	10	10	10	10	10	10	10	10	10	120
Directors Consulting Compensation	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000
(33) Total Directors Compensation	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	0

Advisors Consulting

	Jul-2000	Aug-2000	Sep-2000	Oct-2000	Nov-2000	Dec-2000	Jan-2001	Feb-2001	Mar-2001	Apr-2001	May-2001	Jun-2001	Year 1 Total
Hours Per Month	5	5	5	5	5	5	5	5	5	5	5	5	60
Advisors Consulting Compensation	500	500	500	500	500	500	500	500	500	500	500	500	6,000

Annual Meeting

	Jul-2000	Aug-2000	Sep-2000	Oct-2000	Nov-2000	Dec-2000	Jan-2001	Feb-2001	Mar-2001	Apr-2001	May-2001	Jun-2001	Year 1 Total
Annual Meeting													1
(35) Annual Meeting Expense	0	0	0	0	0	0	0	0	0	0	0	0	30,000

Total Directors & Advisors	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	53,000	162,000
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G&A

G&A

G&A Staff Exp Calc

Functional Title	Annual Salary	Other Expense			Capital	Monthly Expenses				Travel Expenses				Billable
		Bonus %	Recruit Adjust	Setup Adjust	Cell Usage	Pager	HighSp	Club	Car?	% Car Travel	% Out of Town	Flights Month	Confer per Year	% Billable
FL1 Pres/CEO	\$ 150,000	50.0%	\$ 50,000		H	Y	Y	Y	Y	20.0%	30.0%	6	12	
FL2 G&A Mgr	\$ 75,000	20.0%			H	Y	Y			10.0%	15.0%	2	4	10.0%
FL3 Assistant	\$ 45,000	15.0%			M	Y				25.0%	5.0%	1	2	
FL4 Clerical	\$ 30,000	15.0%											1	

	Monthly	FICA & Ben	Mon&Benefits	Cell	Pager	High Speed	Tot Month	Recruiting Expense	Annual Bonus	Capital Setup
FL1 Pres/CEO	\$12,500	\$3,750	\$16,250	\$225	\$25	\$100	\$16,600	\$ 80,000	\$ 75,000	\$ 10,000
FL2 G&A Mgr	\$6,250	\$1,875	\$8,125	\$225	\$25	\$100	\$8,475	\$ 15,000	\$ 15,000	\$ 7,000
FL3 Assistant	\$3,750	\$1,125	\$4,875	\$150	\$25		\$5,050	\$ 9,000	\$ 6,750	\$ 6,000
FL4 Clerical	\$2,500	\$750	\$3,250				\$3,250	\$ 6,000	\$ 4,500	\$ 5,000

	Car Allow	Gas Reimb	Mile Reimb	Per Diem Exp	Entertain Expense	Flight Exp	Confer. Expense	Club Expense	Mnth Travel Conf. & Ent
FL1 Pres/CEO	\$500	\$31	\$49	\$975	\$325	\$3,000	\$1,500	\$500	\$6,831
FL2 G&A Mgr			\$49	\$488	\$163	\$1,000	\$500		\$2,199
FL3 Assistant			\$122	\$163	\$54	\$500	\$250		\$1,089
FL4 Clerical			\$0	\$0	\$0	\$0	\$125		\$125

G&A Staff Assumptions

Investor Managers	No Investor Groups / Investor Manager	5
Facilities Managers	No Synogy Centers / Facilities Manager	1
G&A Mgrs	No. Synogy Partners / G&A Mgrs	20
Assistants	No. Synogy Partners / Assistant	20
Clerical	No. Synogy Partners / Clerical	20

New G&A Staff

	Jul-2000	Aug-2000	Sep-2000	Oct-2000	Nov-2000	Dec-2000	Jan-2001	Feb-2001	Mar-2001	Apr-2001	May-2001	Jun-2001	Year 1 Total
FL1 Pres/CEO	2												2
Manager Calculations													
Existing Investor Managers	0	0	0	0	0	0	0	0	0	0	0	0	0
New Investor Managers													
Existing Facilities Managers	0	0	0	0	0	0	0	0	0	0	0	0	0
New Facilities Managers													
Existing G&A Mgrs	0	0	0	0	0	0	1	1	1	1	1	1	6
New G&A Mgrs							1	0	0	0	0	0	1
FL2 G&A Mgr	0	0	0	0	0	0	1	0	0	0	0	0	1
FL3 Assistant	1			1	0	0	0	0	0	0	0	0	2
FL4 Clerical	1			0	0	0	0	0	0	0	0	0	1
NEW G&A Staff	2	2	0	1	0	0	1	0	0	0	0	0	6

Total G&A Staff

	Jul-2000	Aug-2000	Sep-2000	Oct-2000	Nov-2000	Dec-2000	Jan-2001	Feb-2001	Mar-2001	Apr-2001	May-2001	Jun-2001	Year 1 Total
FL1 Pres/CEO	2	2	2	2	2	2	2	2	2	2	2	2	2
FL2 G&A Mgr	0	0	0	0	0	0	1	1	1	1	1	1	1
FL3 Assistant	0	1	1	2	2	2	2	2	2	2	2	2	2
FL4 Clerical	0	1	1	1	1	1	1	1	1	1	1	1	1
(37) Total G&A Staff	2	4	4	5	5	5	6	6	6	6	6	6	6

SERVICES

Services

Services Staff Exp Calc

Functional Title	Annual Salary	Other Expense		Capital	Monthly Expenses				Travel Expenses				Billable	
		Bonus%	Recruit Adjust	Setup Adjust	Cell Usage	Pager	HighSp	Club	Car?	% Car Travel	% Out of Town	Flights Month	Conferm per Year	% Billable
OP1 CSO	\$ 125,000	30.0%	\$ 10,500		H	Y	Y			20.0%	10.0%	2	4	
OP2 Practice Manager	\$ 85,000	20.0%			H	Y	Y			30.0%	20.0%	2	4	20.0%
OP3 Consultants	\$ 70,000	15.0%			H	Y	Y			25.0%	20.0%	1	4	75.0%
OP4 Clerical	\$ 32,000	15.0%											1	

	Monthly	FICA & Ben	Mon&Benefits	Cell	Pager	High Speed	Tot Month	Recruiting Expense	Annual Bonus	Capital Setup
OP1 CSO	\$10,417	\$3,125	\$13,542	\$225	\$25	\$100	\$13,892	\$ 35,500	\$ 37,500	\$ 10,000
OP2 Practice Manager	\$7,083	\$2,125	\$9,208	\$225	\$25	\$100	\$9,558	\$ 17,000	\$ 17,000	\$ 7,000
OP3 Consultants	\$5,833	\$1,750	\$7,583	\$225	\$25	\$100	\$7,933	\$ 14,000	\$ 10,500	\$ 6,000
OP4 Clerical	\$2,667	\$800	\$3,467				\$3,467	\$ 6,400	\$ 4,800	\$ 5,000

	Car Allow	Gas Reimb	Mile Reimb	Per Diem Exp	Entertain Expense	Flight Exp	Confer. Expense	Club Expense	Mnth Travel Conf. & Ent
OP1 CSO			\$98	\$325	\$108	\$1,000	\$500		\$2,031
OP2 Practice Manager			\$146	\$650	\$217	\$1,000	\$500		\$2,513
OP3 Consultants			\$122	\$650	\$217	\$500	\$500		\$1,989
OP4 Clerical			\$0	\$0	\$0	\$0	\$125		\$125

Services Staff Assumptions

Utilization Rate	% of Billable Time by Consultants	75.0%
	Man-Days Available (22 * % Util)	16.25
	Consultants / Manager	10
	Consultants / Clerical	10

New Services Staff	Jul-2000	Aug-2000	Sep-2000	Oct-2000	Nov-2000	Dec-2000	Jan-2001	Feb-2001	Mar-2001	Apr-2001	May-2001	Jun-2001	Year 1 Total
OP1 CSO				1									1
OP2 Practice Manager					1	0	0	0	0	0	0	0	1
OP3 Consultants		1	1			1	0	0	0	0	0	0	3
OP4 Clerical		1	0	0	0	0	0	0	0	0	0	0	1
NEW Services Staff	0	2	1	1	1	1	0	0	0	0	0	0	6

Total Services Staff	Jul-2000	Aug-2000	Sep-2000	Oct-2000	Nov-2000	Dec-2000	Jan-2001	Feb-2001	Mar-2001	Apr-2001	May-2001	Jun-2001	Year 1 Total
OP1 CSO	0	0	0	1	1	1	1	1	1	1	1	1	1
OP2 Practice Manager	0	0	0	0	1	1	1	1	1	1	1	1	1
OP3 Consultants	0	1	2	2	2	3	3	3	3	3	3	3	3
OP4 Clerical	0	1	1	1	1	1	1	1	1	1	1	1	1
(51) Total Services Staff	0	2	3	4	5	6	6	6	6	6	6	6	6

Services Payroll & Benefits	Jul-2000	Aug-2000	Sep-2000	Oct-2000	Nov-2000	Dec-2000	Jan-2001	Feb-2001	Mar-2001	Apr-2001	May-2001	Jun-2001	Year 1 Total
OP1 CSO	0	0	0	13,892	13,892	13,892	13,892	13,892	13,892	13,892	13,892	13,892	125,025
OP2 Practice Manager	0	0	0	0	9,558	9,558	9,558	9,558	9,558	9,558	9,558	9,558	76,467
OP3 Consultants	0	7,933	15,867	15,867	15,867	23,800	23,800	23,800	23,800	23,800	23,800	23,800	222,133
OP4 Clerical	0	3,467	3,467	3,467	3,467	3,467	3,467	3,467	3,467	3,467	3,467	3,467	38,133
(52) Services Payroll & Benefits	0	11,400	19,333	33,225	42,783	50,717	50,717	50,717	50,717	50,717	50,717	50,717	461,760

Services Travel, Conf, Entertainment	Jul-2000	Aug-2000	Sep-2000	Oct-2000	Nov-2000	Dec-2000	Jan-2001	Feb-2001	Mar-2001	Apr-2001	May-2001	Jun-2001	Year 1 Total
OP1 CSO	0	0	0	2,031	2,031	2,031	2,031	2,031	2,031	2,031	2,031	2,031	18,278
OP2 Practice Manager	0	0	0	2,513	2,513	2,513	2,513	2,513	2,513	2,513	2,513	2,513	20,103
OP3 Consultants	0	1,989	3,977	3,977	5,966	5,966	5,966	5,966	5,966	5,966	5,966	5,966	55,679
OP4 Clerical	0	125	125	125	125	125	125	125	125	125	125	125	1,375
(53) Services Travel, Conf, & Enter	0	2,114	4,102	6,133	8,646	10,634	10,634	10,634	10,634	10,634	10,634	10,634	95,433

Services Recruiting & Bonus	Jul-2000	Aug-2000	Sep-2000	Oct-2000	Nov-2000	Dec-2000	Jan-2001	Feb-2001	Mar-2001	Apr-2001	May-2001	Jun-2001	Year 1 Total
OP1 CSO	0	0	0	35,500	0	0	0	0	0	0	0	0	37,500
OP2 Practice Manager	0	0	0	0	17,000	0	0	0	0	0	0	0	34,000
OP3 Consultants	0	14,000	14,000	0	0	14,000	0	0	0	0	0	0	73,500
OP4 Clerical	0	6,400	0	0	0	0	0	0	0	0	0	0	11,200
(54) Services Recruit & Bonus	0	20,400	14,000	35,500	17,000	14,000	0	0	0	0	0	0	191,700

Services Billable Adjustment	Jul-2000	Aug-2000	Sep-2000	Oct-2000	Nov-2000	Dec-2000	Jan-2001	Feb-2001	Mar-2001	Apr-2001	May-2001	Jun-2001	Year 1 Total
OP1 CSO	0	0	0	0	0	0	0	0	0	0	0	0	0
OP2 Practice Manager	0	0	0	0	(503)	(503)	(503)	(503)	(503)	(503)	(503)	(503)	(4,021)
OP3 Consultants	0	(1,491)	(2,983)	(2,983)	(2,983)	(4,474)	(4,474)	(4,474)	(4,474)	(4,474)	(4,474)	(4,474)	(41,759)
OP4 Clerical	0	0	0	0	0	0	0	0	0	0	0	0	0
(55) Services Billable Adjustment	0	(1,491)	(2,983)	(2,983)	(3,486)	(4,977)	(4,977)	(4,977)	(4,977)	(4,977)	(4,977)	(4,977)	(45,781)

Total Services Staff Expenses	0	32,423	34,452	71,875	64,944	70,374	56,374	56,374	56,374	56,374	56,374	56,374	147,174	703,112
1	1	1	1	1	1	1	1	1	1	1	1	1	1	1

Services Misc. Expenses

Vendor Relations Development

Vendor Relations	\$2,000	20,000	20,000	20,000	20,000	20,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	114,000
(56) Total Vendor Relations Development	20,000	20,000	20,000	20,000	20,000	20,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	114,000

Total Services Misc. Expenses	20,000	20,000	20,000	20,000	20,000	20,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	114,000
1	1	1	1	1	1	1	1	1	1	1	1	1	1	1

Total Services Expenses	20,000	52,423	54,452	91,875	84,944	72,374	58,374	58,374	58,374	58,374	58,374	58,374	149,174	817,112
1	1	1	1	1	1	1	1	1	1	1	1	1	1	1

Services Captial Expenses

Services Employee Setup		Jul-2000	Aug-2000	Sep-2000	Oct-2000	Nov-2000	Dec-2000	Jan-2001	Feb-2001	Mar-2001	Apr-2001	May-2001	Jun-2001	Year 1 Total
OP1	CSO	0	0	0	10,000	0	0	0	0	0	0	0	0	10,000
OP2	Practice Manage inc test equip	0	0	0	0	7,000	0	0	0	0	0	0	0	7,000
OP3	Consultants	0	6,000	6,000	0	0	6,000	0	0	0	0	0	0	18,000
OP4	Clerical	0	5,000	0	0	0	0	0	0	0	0	0	0	5,000
(81)	Total Services Employee Setup	0	11,000	6,000	10,000	7,000	6,000	0	0	0	0	0	0	40,000
(82)	Total Services Equipment Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Services Capital Expenses		0	11,000	6,000	10,000	7,000	6,000	0	0	0	0	0	0	40,000

RELATIONS

Relations

Relations Staff Exp Calc

Functional Title	Annual Salary	Other Expense		Capital	Monthly Expenses				Travel Expenses				Billable	
		Bonus%	Recruit Adjust	Setup Adjust	Cell Usage	Pager	HighSp	Club	Car?	% Car Travel	% Out of Town	Flights Month	Conferm per Year	% Billable
RL1 CRO	\$ 125,000	30.0%	\$ 10,500		H	Y	Y			40.0%	30.0%	4	8	20.0%
RL2 Relations Manager	\$ 85,000	20.0%			H	Y	Y			20.0%	20.0%	4	8	20.0%
RL3 Assistant	\$ 45,000	15.0%			M	Y				20.0%	20.0%	1	3	
RL4 Clerical	\$ 32,000	15.0%											1	3

	Monthly	FICA & Ben	Mon&Benefits	Cell	Pager	High Speed	Tot Month	Recruiting Expense	Annual Bonus	Capital Setup
RL1 CRO	\$10,417	\$3,125	\$13,542	\$225	\$25	\$100	\$13,892	\$ 35,500	\$ 37,500	\$ 10,000
RL2 Relations Manager	\$7,083	\$2,125	\$9,208	\$225	\$25	\$100	\$9,558	\$ 17,000	\$ 17,000	\$ 7,000
RL3 Assistant	\$3,750	\$1,125	\$4,875	\$150	\$25		\$5,050	\$ 9,000	\$ 6,750	\$ 6,000
RL4 Clerical	\$2,667	\$800	\$3,467				\$3,467	\$ 6,400	\$ 4,800	\$ 5,000

	Car Allow	Gas Reimb	Mile Reimb	Per Diem Exp	Entertain Expense	Flight Exp	Confer. Expense	Club Expense	Mnth Travel Conf. & Ent
RL1 CRO			\$195	\$975	\$325	\$2,000	\$1,000		\$4,495
RL2 Relations Manager			\$98	\$650	\$217	\$2,000	\$1,000		\$3,964
RL3 Assistant			\$98	\$650	\$217	\$500	\$375		\$1,839
RL4 Clerical			\$0	\$0	\$0	\$0	\$125		\$125

Relations Staff Assumptions

Synogy Group Managers	No Synogists / Synogy Group Manager	75
Synogy Partner Managers	No Synogy Partners / Synogy Partner Manager	15
Culture Manager	No. Culture Managers / Employee	40
Assistants	No. Synogists / Assistant	50
Clerical	No. Synogists / Clerical	60

New Relations Staff		Jul-2000	Aug-2000	Sep-2000	Oct-2000	Nov-2000	Dec-2000	Jan-2001	Feb-2001	Mar-2001	Apr-2001	May-2001	Jun-2001	Year 1 Total
RL1 CRO	Rel Manager Calculations									1				1
	Existing Synogy Group Managers	0	1	1	1	1	1	1	1	1	1	1	1	1
	New Synogy Group Managers		1	0	0	0	0	0	0	0	0	0	0	1
	Existing Synogy Partner Managers	0	0	0	0	0	0	0	1	1	1	1	1	1
	New Synogy Partner Managers								1	0	0	0	0	1
	Existing Culture Manager	0	0	0	0	0	0	0	0	0	0	0	0	0
	New Culture Manager	0	0	0	0	0	0	0	0	0	0	0	0	0
RL2 Relations Manager		0	1	0	0	0	0	0	1	0	0	0	0	2
RL3 Assistant			1	0	0	0	0	0	0	0	0	0	0	1
RL4 Clerical				1	0	0	0	0	0	0	0	0	0	1
	NEW Relations Staff	0	2	1	0	0	0	0	1	1	0	0	0	5

Total Relations Staff		Jul-2000	Aug-2000	Sep-2000	Oct-2000	Nov-2000	Dec-2000	Jan-2001	Feb-2001	Mar-2001	Apr-2001	May-2001	Jun-2001	Year 1 Total
RL1 CRO		0	0	0	0	0	0	0	0	1	1	1	1	1
RL2 Relations Manager		0	1	1	1	1	1	1	2	2	2	2	2	2
RL3 Assistant		0	1	1	1	1	1	1	1	1	1	1	1	1
RL4 Clerical		0	0	1	1	1	1	1	1	1	1	1	1	1
(57)	Total Relations Staff	0	2	3	3	3	3	3	4	5	5	5	5	5

Relations Payroll & Benefits		Jul-2000	Aug-2000	Sep-2000	Oct-2000	Nov-2000	Dec-2000	Jan-2001	Feb-2001	Mar-2001	Apr-2001	May-2001	Jun-2001	Year 1 Total
RL1 CRO		0	0	0	0	0	0	0	0	13,892	13,892	13,892	13,892	55,567
RL2 Relations Manager		0	9,558	9,558	9,558	9,558	9,558	9,558	19,117	19,117	19,117	19,117	152,933	
RL3 Assistant		0	5,050	5,050	5,050	5,050	5,050	5,050	5,050	5,050	5,050	5,050	55,550	
RL4 Clerical		0	3,467	3,467	3,467	3,467	3,467	3,467	3,467	3,467	3,467	3,467	34,667	
(58)	Relations Payroll & Benefits	0	14,608	18,075	18,075	18,075	18,075	18,075	27,633	41,525	41,525	41,525	41,525	298,716

Relations Travel, Conf, Entertainment		Jul-2000	Aug-2000	Sep-2000	Oct-2000	Nov-2000	Dec-2000	Jan-2001	Feb-2001	Mar-2001	Apr-2001	May-2001	Jun-2001	Year 1 Total
RL1 CRO		0	0	0	0	0	0	0	0	4,495	4,495	4,495	4,495	17,980
RL2 Relations Manager		0	3,964	3,964	3,964	3,964	3,964	3,964	7,928	7,928	7,928	7,928	63,427	
RL3 Assistant		0	1,839	1,839	1,839	1,839	1,839	1,839	1,839	1,839	1,839	1,839	20,231	
RL4 Clerical		0	0	125	125	125	125	125	125	125	125	125	1,250	
(59)	Relations Travel, Conf, & Enter	0	5,803	5,928	5,928	5,928	5,928	5,928	9,893	14,388	14,388	14,388	14,388	102,888

Relations Recruiting & Bonus		Jul-2000	Aug-2000	Sep-2000	Oct-2000	Nov-2000	Dec-2000	Jan-2001	Feb-2001	Mar-2001	Apr-2001	May-2001	Jun-2001	Year 1 Total
RL1 CRO		0	0	0	0	0	0	0	0	35,500	0	0	0	73,000
RL2 Relations Manager		0	17,000	0	0	0	0	0	17,000	0	0	0	0	68,000
RL3 Assistant		0	9,000	0	0	0	0	0	0	0	0	0	0	15,750
RL4 Clerical		0	0	6,400	0	0	0	0	0	0	0	0	0	11,200
(60)	Relations Recruit & Bonus	0	26,000	6,400	0	0	0	0	17,000	35,500	0	0	0	167,950

Relations Billable Adjustment		Jul-2000	Aug-2000	Sep-2000	Oct-2000	Nov-2000	Dec-2000	Jan-2001	Feb-2001	Mar-2001	Apr-2001	May-2001	Jun-2001	Year 1 Total
RL1	CRO	0	0	0	0	0	0	0	0	(899)	(899)	(899)	(899)	(3,596)
RL2	Relations Manager	0	(793)	(793)	(793)	(793)	(793)	(793)	(1,586)	(1,586)	(1,586)	(1,586)	(1,586)	(12,685)
RL3	Assistant	0	0	0	0	0	0	0	0	0	0	0	0	0
RL4	Clerical	0	0	0	0	0	0	0	0	0	0	0	0	0
(61)	Relations Billable Adjustment	0	(793)	(793)	(793)	(793)	(793)	(793)	(1,586)	(2,485)	(2,485)	(2,485)	(2,485)	(16,284)
Total Relations Staff Expenses		0	45,618	29,610	23,210	23,210	23,210	23,210	52,940	88,928	53,428	53,428	136,478	553,270

1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
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Relations Misc. Expenses

Marketing Materials Assumptions

% of materials into sales materials cost / unit 20% \$10.00

Image, Marketing Materials & Manuals

		Jul-2000	Aug-2000	Sep-2000	Oct-2000	Nov-2000	Dec-2000	Jan-2001	Feb-2001	Mar-2001	Apr-2001	May-2001	Jun-2001	Year 1 Total
Image Design & Materials			15,000	15,000	15,000	15,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	67,000
Marketing Design & Materials						5,000	5,000	5,000	0	0	0	0	50	15,050
(62)	Total Image & Materials	0	15,000	15,000	15,000	20,000	6,000	6,000	1,000	1,000	1,000	1,000	1,050	82,050

Advertising & Publicity														
Advertising - Print		0.0%	0	0	0	0	0	0	5,000	5,000	5,000	5,000	5,000	25,000
Direct Mail		0.5%									100	110	120	330
Website		2.0%			30,000	50,000	50,000	20,000	5,000	5,100	5,300	5,500	5,700	176,600
Publicity Contract		0.0%									5,000	5,000	5,000	15,000
(63)	Total Advertising & Publicity		0	0	30,000	50,000	50,000	20,000	10,000	10,100	15,400	15,610	15,820	216,930

Synogy Group Development

Cost per Synogists

Cost per Synogist \$800.00

(64)	Synogy Group Development	0	0	4,000	8,000	12,000	16,000	20,000	24,000	28,000	32,000	36,000	40,000	220,000
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Relationship Support

**Investor Support
Synogy Group Support
Synogy Partner Support**

Monthly Allowance / Investor \$100 \$
Monthly Allowance / Synogist \$40 \$
Monthly Allowance / Partner \$200 \$

		Jul-2000	Aug-2000	Sep-2000	Oct-2000	Nov-2000	Dec-2000	Jan-2001	Feb-2001	Mar-2001	Apr-2001	May-2001	Jun-2001	Year 1 Total
Total Investors		0	0	0	0	1	1	1	1	1	1	1	1	1
Total		0	0	0	0	100	100	100	100	100	100	100	100	800
Total Synogists		0	0	5	10	15	20	25	30	35	40	45	50	50
Total		0	0	200	400	600	800	1,000	1,200	1,400	1,600	1,800	2,000	11,000
Total Synogy Partners		0	0	0	0	0	1	1	1	2	2	2	4	4
Total		0	0	0	0	0	200	200	200	400	400	400	800	2,600
(65)	Relationship Support	0	0	200	400	700	1,100	1,300	1,500	1,900	2,100	2,300	2,900	14,400
Total Relations Misc. Expenses		0	15,000	19,200	53,400	82,700	73,100	47,300	36,500	41,000	50,500	54,910	59,770	533,380

1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
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Total Relations Expenses		0	60,618	48,810	76,610	105,910	96,310	70,510	89,440	129,928	103,928	108,338	196,248	1,086,650
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Relations Captial Expenses

Relations Employee Setup

		Jul-2000	Aug-2000	Sep-2000	Oct-2000	Nov-2000	Dec-2000	Jan-2001	Feb-2001	Mar-2001	Apr-2001	May-2001	Jun-2001	Year 1 Total
RL1	CRO	0	0	0	0	0	0	0	0	10,000	0	0	0	10,000
RL2	Relations Manag inc test equip	0	7,000	0	0	0	0	0	7,000	0	0	0	0	14,000
RL3	Assistant	0	6,000	0	0	0	0	0	0	0	0	0	0	6,000
RL4	Clerical	0	0	5,000	0	0	0	0	0	0	0	0	0	5,000
(83)	Total Relations Employee Setup	0	13,000	5,000	0	0	0	0	7,000	10,000	0	0	0	35,000

(84)	Total Relations Equipment Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0
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1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
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Total Relations Capital Expenses		0	13,000	5,000	0	0	0	0	7,000	10,000	0	0	0	35,000
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1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
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KNOWLEDGE

Knowledge

Knowledge Staff Exp Calc

Functional Title	Annual Salary	Other Expense		Capital	Monthly Expenses				Travel Expenses					Billable
		Bonus%	Recruit Adjust	Setup Adjust	Cell Usage	Pager	HighSp	Club	Car?	% Car Travel	% Out of Town	Flights Month	Conferm per Year	% Billable
RD1 CKO	\$ 125,000	30.0%		\$ 3,000	H	Y	Y			30.0%	30.0%	4	12	20.0%
RD2 Subject Manager	\$ 85,000	20.0%			H	Y	Y			30.0%	30.0%	4	12	20.0%
RD3 Assistant	\$ 45,000	10.0%			M	Y				25.0%	20.0%	2	2	
RD4 Clerical	\$ 32,000	10.0%											1	

	Monthly	FICA & Ben	Mon&Benefits	Cell	Pager	High Speed	Tot Month	Recruiting Expense	Annual Bonus	Capital Setup
RD1 CKO	\$10,417	\$3,125	\$13,542	\$225	\$25	\$100	\$13,892	\$ 25,000	\$ 37,500	\$ 13,000
RD2 Subject Manager	\$7,083	\$2,125	\$9,208	\$225	\$25	\$100	\$9,558	\$ 17,000	\$ 17,000	\$ 7,000
RD3 Assistant	\$3,750	\$1,125	\$4,875	\$150	\$25		\$5,050	\$ 9,000	\$ 4,500	\$ 6,000
RD4 Clerical	\$2,667	\$800	\$3,467				\$3,467	\$ 6,400	\$ 3,200	\$ 5,000

	Car Allow	Gas Reimb	Mile Reimb	Per Diem Exp	Entertain Expense	Flight Exp	Confer. Expense	Club Expense	Mnth Travel Conf. & Ent
RD1 CKO			\$146	\$975	\$325	\$2,000	\$1,500		\$4,946
RD2 Subject Manager			\$146	\$975	\$325	\$2,000	\$1,500		\$4,946
RD3 Assistant			\$122	\$650	\$217	\$1,000	\$250		\$2,239
RD4 Clerical			\$0	\$0	\$0	\$0	\$125		\$125

Knowledge Staff Assumptions

Subject Managers	No Synogy Partners / Manager	25
Assistant	No Synogy Partners / Assistant	25
Clerical	No. Synogy Partners / Clerical	30

New Knowledge Staff	Jul-2000	Aug-2000	Sep-2000	Oct-2000	Nov-2000	Dec-2000	Jan-2001	Feb-2001	Mar-2001	Apr-2001	May-2001	Jun-2001	Year 1 Total
RD1 CKO					1								1
RD2 Subject Manager		1	1	3	0	0	0	0	0	0	0	0	5
RD3 Assistant		1	1	0	0	0	0	0	0	0	0	0	1
RD4 Clerical			1	0	0	0	0	0	0	0	0	0	1
NEW Knowledge Staff	0	1	3	3	1	0	0	0	0	0	0	0	8

Total Knowledge Staff	Jul-2000	Aug-2000	Sep-2000	Oct-2000	Nov-2000	Dec-2000	Jan-2001	Feb-2001	Mar-2001	Apr-2001	May-2001	Jun-2001	Year 1 Total
RD1 CKO	0	0	0	0	1	1	1	1	1	1	1	1	1
RD2 Subject Manager	0	1	2	5	5	5	5	5	5	5	5	5	5
RD3 Assistant	0	0	1	1	1	1	1	1	1	1	1	1	1
RD4 Clerical	0	0	1	1	1	1	1	1	1	1	1	1	1
(66) Total Knowledge Staff	0	1	4	7	8	8	8	8	8	8	8	8	8

Knowledge Payroll & Benefits	Jul-2000	Aug-2000	Sep-2000	Oct-2000	Nov-2000	Dec-2000	Jan-2001	Feb-2001	Mar-2001	Apr-2001	May-2001	Jun-2001	Year 1 Total
RD1 CKO	0	0	0	0	13,892	13,892	13,892	13,892	13,892	13,892	13,892	13,892	111,133
RD2 Subject Manager	0	9,558	19,117	47,792	47,792	47,792	47,792	47,792	47,792	47,792	47,792	47,792	458,800
RD3 Assistant	0	0	5,050	5,050	5,050	5,050	5,050	5,050	5,050	5,050	5,050	5,050	50,500
RD4 Clerical	0	0	3,467	3,467	3,467	3,467	3,467	3,467	3,467	3,467	3,467	3,467	34,667
(67) Knowledge Payroll & Benefits	0	9,558	27,633	56,308	70,200	70,200	70,200	70,200	70,200	70,200	70,200	70,200	655,099

Knowledge Travel, Conf, Entertainment	Jul-2000	Aug-2000	Sep-2000	Oct-2000	Nov-2000	Dec-2000	Jan-2001	Feb-2001	Mar-2001	Apr-2001	May-2001	Jun-2001	Year 1 Total
RD1 CKO	0	0	0	0	4,946	4,946	4,946	4,946	4,946	4,946	4,946	4,946	39,570
RD2 Subject Manager	0	4,946	9,893	24,731	24,731	24,731	24,731	24,731	24,731	24,731	24,731	24,731	237,420
RD3 Assistant	0	0	2,239	2,239	2,239	2,239	2,239	2,239	2,239	2,239	2,239	2,239	22,385
RD4 Clerical	0	0	125	125	125	125	125	125	125	125	125	125	1,250
(68) Knowledge Travel, Conf, & Enter	0	4,946	12,256	27,095	32,041	32,041	32,041	32,041	32,041	32,041	32,041	32,041	300,625

Knowledge Recruiting & Bonus	Jul-2000	Aug-2000	Sep-2000	Oct-2000	Nov-2000	Dec-2000	Jan-2001	Feb-2001	Mar-2001	Apr-2001	May-2001	Jun-2001	Year 1 Total
RD1 CKO	0	0	0	0	25,000	0	0	0	0	0	0	0	62,500
RD2 Subject Manager	0	17,000	17,000	51,000	0	0	0	0	0	0	0	0	170,000
RD3 Assistant	0	0	9,000	0	0	0	0	0	0	0	0	0	13,500
RD4 Clerical	0	0	6,400	0	0	0	0	0	0	0	0	0	9,600
(69) Knowledge Recruit & Bonus	0	17,000	32,400	51,000	25,000	0	0	0	0	0	0	0	255,600

Knowledge Billable Adjustment	Jul-2000	Aug-2000	Sep-2000	Oct-2000	Nov-2000	Dec-2000	Jan-2001	Feb-2001	Mar-2001	Apr-2001	May-2001	Jun-2001	Year 1 Total
RD1 CKO	0	0	0	0	(989)	(989)	(989)	(989)	(989)	(989)	(989)	(989)	(7,914)
RD2 Subject Manager	0	(989)	(1,979)	(4,946)	(4,946)	(4,946)	(4,946)	(4,946)	(4,946)	(4,946)	(4,946)	(4,946)	(47,484)
RD3 Assistant	0	0	0	0	0	0	0	0	0	0	0	0	0
RD4 Clerical	0	0	0	0	0	0	0	0	0	0	0	0	0
(70) Knowledge Billable Adjustment	0	(989)	(1,979)	(4,946)	(5,936)	(5,936)	(5,936)	(5,936)	(5,936)	(5,936)	(5,936)	(5,936)	(55,402)

Total Knowledge Staff Expenses	0	30,515	70,310	129,457	121,305	96,305	96,305	96,305	96,305	96,305	96,305	226,505	1,155,922
1	1	1	1	1	1	1	1	1	1	1	1	1	1

Knowledge Misc. Expenses

Knowledge Expense Assumptions

Process Development Costs	IBPP Development Cost / IBPP	\$200,000
Number of Processes to Develop	No. IBPP Processes	25
Processes per Month	Processes / Month	5
Months to Develop	Months to Develop	4
Total Proc Dev Months	Total Proc Dev Months to Develop	100

R&D Development Expenses

	Jul-2000	Aug-2000	Sep-2000	Oct-2000	Nov-2000	Dec-2000	Jan-2001	Feb-2001	Mar-2001	Apr-2001	May-2001	Jun-2001	Year 1 Total
IBPP Calculation	5	10	15	20	25	30	35	40	45	50	55	60	60
IBPPs in Development	5	5	5	5	5	5	5	5	5	5	5	5	60
IBPP Development Costs	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	3,000,000
(71) Total IBPP Dev Cost	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	3,000,000
Cumulative IBPP Dev Cost	250,000	500,000	750,000	1,000,000	1,250,000	1,500,000	1,750,000	2,000,000	2,250,000	2,500,000	2,750,000	3,000,000	3,000,000
IBPP Calculation	5	10	15	20	5	10	15	20	5	10	15	20	
New IBPP Completions	0	0	0	0	5	5	5	5	5	5	5	5	
Cum IBPP's Completed	0	0	0	0	5	5	5	5	10	10	10	10	10

Newsletters

	Jul-2000	Aug-2000	Sep-2000	Oct-2000	Nov-2000	Dec-2000	Jan-2001	Feb-2001	Mar-2001	Apr-2001	May-2001	Jun-2001	Year 1 Total
Newsletter Development									25,000	25,000	25,000		75,000
Newsletter Production	5,000.00	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000
(72) Total Newsletters	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	30,000	30,000	30,000	5,000	135,000
Total Knowledge Misc. Expenses	255,000	255,000	255,000	255,000	255,000	255,000	255,000	255,000	280,000	280,000	280,000	255,000	3,135,000

1	1	1	1	1	1	1	1	1	1	1	1	1	1
Total Knowledge Expenses	255,000	285,515	325,310	384,457	376,305	351,305	351,305	351,305	376,305	376,305	376,305	481,505	4,290,922

Knowledge Capital Expenses

Knowledge Employee Setup

	Jul-2000	Aug-2000	Sep-2000	Oct-2000	Nov-2000	Dec-2000	Jan-2001	Feb-2001	Mar-2001	Apr-2001	May-2001	Jun-2001	Year 1 Total
RD1 CKO	0	0	0	0	13,000	0	0	0	0	0	0	0	13,000
RD2 Subject Manager inc test equip	0	7,000	7,000	21,000	0	0	0	0	0	0	0	0	35,000
RD3 Assistant	0	0	6,000	0	0	0	0	0	0	0	0	0	6,000
RD4 Clerical	0	0	5,000	0	0	0	0	0	0	0	0	0	5,000
(85) Total Knowledge Employee Setup	0	7,000	18,000	21,000	13,000	0	0	0	0	0	0	0	59,000

Knowledge Equipment Expenses

	Jul-2000	Aug-2000	Sep-2000	Oct-2000	Nov-2000	Dec-2000	Jan-2001	Feb-2001	Mar-2001	Apr-2001	May-2001	Jun-2001	Year 1 Total
Reference Library								25,000	25,000	25,000	25,000		100,000
Knowledge Equipment Expenses	0	0	0	0	0	0	0	25,000	25,000	25,000	25,000	0	100,000
(86) Total Knowledge Equipment Expenses	0	0	0	0	0	0	0	25,000	25,000	25,000	25,000	0	100,000

1	1	1	1	1	1	1	1	1	1	1	1	1	1
Total Knowledge Capital Expenses	0	7,000	18,000	21,000	13,000	0	0	25,000	25,000	25,000	25,000	0	159,000

TECHNOLOGY

Technology

Technology Staff Exp Calc

Functional Title	Annual Salary	Other Expense		Capital	Monthly Expenses				Travel Expenses				Billable	
		Bonus%	Recruit Adjust	Setup Adjust	Cell Usage	Pager	HighSp	Club	Car?	% Car Travel	% Out of Town	Flights Month	Conferm per Year	% Billable
IT1 CTO	\$ 125,000	30.0%	\$ 10,500	\$ 3,000	H	Y	Y			20.0%	20.0%	2	8	
IT2 Technology Manager	\$ 85,000	20.0%		\$ 1,500	H	Y	Y			30.0%	20.0%	2	8	20.0%
IT3 Specialists	\$ 70,000	15.0%		\$ 1,500	M	Y	Y			25.0%	10.0%	2	4	20.0%
IT4 Assistants	\$ 45,000	15.0%			M	Y				25.0%	5.0%	1	2	

	Monthly	FICA & Ben	Mon&Benefits	Cell	Pager	High Speed	Tot Month	Recruiting Expense	Annual Bonus	Capital Setup
IT1 CTO	\$10,417	\$3,125	\$13,542	\$225	\$25	\$100	\$13,892	\$ 35,500	\$ 37,500	\$ 13,000
IT2 Technology Manager	\$7,083	\$2,125	\$9,208	\$225	\$25	\$100	\$9,558	\$ 17,000	\$ 17,000	\$ 8,500
IT3 Specialists	\$5,833	\$1,750	\$7,583	\$150	\$25	\$100	\$7,858	\$ 14,000	\$ 10,500	\$ 7,500
IT4 Assistants	\$3,750	\$1,125	\$4,875	\$150	\$25		\$5,050	\$ 9,000	\$ 6,750	\$ 5,000

	Car Allow	Gas Reimb	Mile Reimb	Per Diem Exp	Entertain Expense	Flight Exp	Confer. Expense	Club Expense	Mnth Travel Conf. & Ent
IT1 CTO		\$98		\$650	\$217	\$1,000	\$1,000		\$2,964
IT2 Technology Manager			\$146	\$650	\$217	\$1,000	\$1,000		\$3,013
IT3 Specialists			\$122	\$325	\$108	\$1,000	\$500		\$2,055
IT4 Assistants			\$122	\$163	\$54	\$500	\$250		\$1,089

Technology Staff Assumptions

Managers	No Synogy Partners / Manager	15
Assistant	No Synogy Partners / Assistant	15
Clerical	No. Synogy Partners / Clerical	30

New Technology Staff

	Jul-2000	Aug-2000	Sep-2000	Oct-2000	Nov-2000	Dec-2000	Jan-2001	Feb-2001	Mar-2001	Apr-2001	May-2001	Jun-2001	Year 1 Total
IT1 CTO			1										1
IT2 Technology Manager				1	0	0	0	0	0	0	0	0	1
IT3 Specialists			1				1	0	0	0	0	0	2
IT4 Assistants				1	0	0	0	0	0	0	0	0	1
NEW Technology Staff	0	0	2	2	0	0	0	1	0	0	0	0	5

Total Technology Staff		Jul-2000	Aug-2000	Sep-2000	Oct-2000	Nov-2000	Dec-2000	Jan-2001	Feb-2001	Mar-2001	Apr-2001	May-2001	Jun-2001	Year 1 Total
IT1	CTO	0	0	1	1	1	1	1	1	1	1	1	1	1
IT2	Technology Manager	0	0	1	1	1	1	1	1	1	1	1	1	1
IT3	Specialists	0	0	1	1	1	1	1	2	2	2	2	2	2
IT4	Assistants	0	0	0	1	1	1	1	1	1	1	1	1	1
(73)	Total Technology Staff	0	0	2	4	4	4	4	5	5	5	5	5	5

Technology Payroll & Benefits		Jul-2000	Aug-2000	Sep-2000	Oct-2000	Nov-2000	Dec-2000	Jan-2001	Feb-2001	Mar-2001	Apr-2001	May-2001	Jun-2001	Year 1 Total
IT1	CTO	0	0	13,892	13,892	13,892	13,892	13,892	13,892	13,892	13,892	13,892	13,892	138,917
IT2	Technology Manager	0	0	0	9,558	9,558	9,558	9,558	9,558	9,558	9,558	9,558	9,558	86,025
IT3	Specialists	0	0	7,858	7,858	7,858	7,858	7,858	15,717	15,717	15,717	15,717	15,717	117,875
IT4	Assistants	0	0	0	5,050	5,050	5,050	5,050	5,050	5,050	5,050	5,050	5,050	45,450
(74)	Technology Payroll & Benefits	0	0	21,750	36,358	36,358	36,358	36,358	44,217	44,217	44,217	44,217	44,217	388,267

Technology Travel, Conf, Entertainment		Jul-2000	Aug-2000	Sep-2000	Oct-2000	Nov-2000	Dec-2000	Jan-2001	Feb-2001	Mar-2001	Apr-2001	May-2001	Jun-2001	Year 1 Total
IT1	CTO	0	0	2,964	2,964	2,964	2,964	2,964	2,964	2,964	2,964	2,964	2,964	29,642
IT2	Technology Manager	0	0	0	3,013	3,013	3,013	3,013	3,013	3,013	3,013	3,013	3,013	27,116
IT3	Specialists	0	0	2,055	2,055	2,055	2,055	4,110	4,110	4,110	4,110	4,110	4,110	30,828
IT4	Assistants	0	0	0	1,089	1,089	1,089	1,089	1,089	1,089	1,089	1,089	1,089	9,797
(75)	Technology Travel, Conf. & Enter	0	0	5,019	9,121	9,121	9,121	9,121	11,176	11,176	11,176	11,176	11,176	97,383

Technology Recruiting & Bonus		Jul-2000	Aug-2000	Sep-2000	Oct-2000	Nov-2000	Dec-2000	Jan-2001	Feb-2001	Mar-2001	Apr-2001	May-2001	Jun-2001	Year 1 Total
IT1	CTO	0	0	35,500	0	0	0	0	0	0	0	0	37,500	73,000
IT2	Technology Manager	0	0	0	17,000	0	0	0	0	0	0	0	17,000	34,000
IT3	Specialists	0	0	14,000	0	0	0	0	14,000	0	0	0	21,000	49,000
IT4	Assistants	0	0	0	9,000	0	0	0	0	0	0	0	6,750	15,750
(76)	Technology Recruit & Bonus	0	0	49,500	26,000	0	0	0	14,000	0	0	0	82,250	171,750

Technology Billable Adjustment		Jul-2000	Aug-2000	Sep-2000	Oct-2000	Nov-2000	Dec-2000	Jan-2001	Feb-2001	Mar-2001	Apr-2001	May-2001	Jun-2001	Year 1 Total
IT1	CTO	0	0	0	0	0	0	0	0	0	0	0	0	0
IT2	Technology Manager	0	0	0	(603)	(603)	(603)	(603)	(603)	(603)	(603)	(603)	(603)	(5,423)
IT3	Specialists	0	0	(411)	(411)	(411)	(411)	(411)	(822)	(822)	(822)	(822)	(822)	(6,166)
IT4	Assistants	0	0	0	0	0	0	0	0	0	0	0	0	0
(77)	Technology Billable Adjustment	0	0	(411)	(1,014)	(1,014)	(1,014)	(1,014)	(1,425)	(1,425)	(1,425)	(1,425)	(1,425)	(11,592)

Total Technology Staff Expenses	0	0	75,858	70,465	44,465	44,465	44,465	44,465	67,968	53,968	53,968	53,968	136,218	645,808
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Technology Misc. Expenses

Professional Support		Jul-2000	Aug-2000	Sep-2000	Oct-2000	Nov-2000	Dec-2000	Jan-2001	Feb-2001	Mar-2001	Apr-2001	May-2001	Jun-2001	Year 1 Total
Web & Internet Consultants	0.0%			10,000	10,000	10,000	10,000	10,000	5,000	5,000	5,000	5,000	5,000	75,000
Website Data & Maintenance	2.0%				30,000	50,000	50,000	20,000	5,000	5,100	5,300	5,500	5,700	176,600
Business Partner Fees	\$5,000			5,000										5,000
(78)	Total Professional Support	0	0	15,000	40,000	60,000	60,000	30,000	10,000	10,100	10,300	10,500	10,700	256,600
Total Technology Misc. Expenses	0	0	15,000	40,000	60,000	60,000	30,000	10,000	10,100	10,300	10,500	10,700	256,600	

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Total Technology Expenses	0	0	90,858	110,465	104,465	104,465	74,465	77,968	64,068	64,268	64,468	146,918	902,408
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Technology Capital Expenses

Technology Employee Setup		Jul-2000	Aug-2000	Sep-2000	Oct-2000	Nov-2000	Dec-2000	Jan-2001	Feb-2001	Mar-2001	Apr-2001	May-2001	Jun-2001	Year 1 Total
IT1	CTO	0	0	13,000	0	0	0	0	0	0	0	0	0	13,000
IT2	Technology Man inc test equip	0	0	0	8,500	0	0	0	0	0	0	0	0	8,500
IT3	Specialists	0	0	7,500	0	0	0	0	7,500	0	0	0	0	15,000
IT4	Assistants	0	0	0	5,000	0	0	0	0	0	0	0	0	5,000
(87)	Total Technology Employee Setup	0	0	20,500	13,500	0	0	0	7,500	0	0	0	0	41,500

Technology Capital Expense Assumptions

Network & Equipment Capital Expenses		Jul-2000	Aug-2000	Sep-2000	Oct-2000	Nov-2000	Dec-2000	Jan-2001	Feb-2001	Mar-2001	Apr-2001	May-2001	Jun-2001	Year 1 Total
Computer Network - Servers, Hubs, Routers					10,000		25,000			10,000				45,000
Workshop in a Box										20,000				20,000
Computer Network - Printers					5,000		10,000			5,000				20,000
Computer Software - Capitalized					20,000		250,000			25,000				295,000
(88)	Network & Equipment	0	0	0	35,000	0	285,000	0	0	60,000	0	0	0	380,000

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Total Technology Capital Expenses	0	0	20,500	48,500	0	285,000	0	7,500	60,000	0	0	0	0	421,500
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Detailed Financial Proformas for all five years
are available upon request in a separate package

SYNOGY FINANCIAL PROJECTIONS



Synogy's Financial Proforma Program, along with its spreadsheet design, are the proprietary property of Synogy. Synogy's Financial Proforma Program enables rapid development of financial proformas and reports for a wide variety of businesses or projects. Synogy's services are available under contract.

For further information, contact:

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APPENDIX



HENRY H. "HANK" TATE JR.

12954 Westleigh • Houston, Texas 77077

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hankt@iexalt.net

EXECUTIVE BUSINESS PLANNER & DEVELOPER / TROUBLESHOOTER with substantial executive experience in business development analysis, planning, and re-engineering including: research, analysis, and planning; development of systems and operations; and extensive experience in business utilization of technology, computers, and electronic communications. Accomplishments in:

- **Business Planning & Management**
- **Business Re-engineering**
- **Professional Corporate Communications**
- **Technology Implementation**
- **Presentations & Public Speaking**
- **Development of Training Programs**

Demonstrated skills in: researching and quickly developing proficiency in new areas which are often highly technical; analyzing complex business problems; developing creative practical solutions under limited budgets; and planning and implementing development projects and project teams.

Extensive experience in computer database design and programming. Project management and lead programmer for major Lotus Notes application in use by more than thirty Fortune 1,000 companies.

Unique skills for designing and producing effective, high impact, communication materials to enhance a company's image. Recognized for excellence in communication with extensive experience in teaching, training workshops, and public speaking with over 200 workshops since 1987, having an attendance of over 25,000. Extensive experience in major conference development and management. Substantial media experience with over 40 radio and TV interviews.

PROFESSIONAL BACKGROUND

SYNOGY, Houston, Texas

1985-present

CEO - Founded Business Solutions, an independent consulting and business development company focusing on strategic planning, professional business development, and corporate information management. Changed name in 2000 to Synogy. Specializes in troubleshooting problem areas, and analyzing business directions for starting or expanding businesses. Develops high quality business plans and financial proformas. Assists in developing effective operating systems and processes to facilitate company growth. In addition to client services, also involved as a principle with numerous startups or workouts.

- Directed master planning, wrote, and produced high-quality professional business plans, financial proformas and presentations for numerous businesses seeking capital investments and loans.

NUSTEM, Reno, NV

MARINA-SKY, League City, Texas

ON-SITE MEDWASTE, Houston, Texas

DRIVER OIL & GAS, Giddings, Texas

WORLDWIDE PETROMOLY, INC., Houston, Texas

LORSEN INTERNATIONAL, Singapore

MARKETING MANAGEMENT INTERNATIONAL., Singapore

- Contract Director of Business Development for iExalt, Inc., an emerging national Internet Service Company. Initial development of plans for national marketing program. Analysis and recommendations on development of business operational systems. Researched and directed development of Customer Service department to provide national account services. Produced financial analysis and projections for \$3.6 million Private Placement.
- Executive Consultant to IBM to identify opportunities and methods to expand services and enhance profitability of AS/400 Global Services Division. Technology analysis, planning, and Lotus Notes development for IBM clients.
- Nationally recognized for development and presentation of educational and professional development workshops in a number of topics. Workshops include: *Project Management, Team Building, Championship Customer Service, Creating Creativity, Developing People Skills, Professional Leadership Development*

BELL CANADA, Toronto, Canada

GE, Mexico

MOTOROLA, Illinois

GE Capital, Stamford, CN

THOMSON NEWSPAPERS, Stamford, CN

BJ SERVICES, Houston, TX

WYLIE LABORATORIES, Clear Lake, TX

U.S. DEPT of ENERGY, Knoxville, TN

- Analyzed business data processing needs for health club billing services company. Developed, programmed, and implemented a professional computerized billing system, purchased, installed, and trained employees on computer system's operation and maintenance.
- Project management for installation of computerized telephone ordering system for major national pizza chain. Included assembly of multi-user network, hardware, and proprietary software into operational installation. Developed assembly and installation process and training materials.

GENERAL BUSINESS MACHINES, INC. Houston, Texas

- Substantial contract application development in numerous database languages (Lotus Notes, Lotus Approach, and Microsoft Access) including contract services as Systems Designer, Project Manager, and Lead Programmer for numerous Lotus Notes version 3 and 4 applications. One commercial Lotus Notes application now in use at more than thirty Fortune 1,000 corporations such as: Deloitte & TOUCHÉ, DEC, Hewlett Packard, Owens Corning Fiberglass, Motorola, Raychem, Bell Canada, and Monsanto. Lotus Notes training and mentoring for both developers and users; and design of corporate user interface standards.

XNET, INC. Houston, Texas

TEXAS COMMERCE BANK, Houston, Texas

D.R. HORTON, Arlington, Texas

- Directed development of image materials, operational systems, marketing programs, training programs, manuals, and legal contracts for numerous businesses.
- Project Management and re-engineering services to develop operational systems and materials for implementation of new products or services.

AGGIE EXPRESS, College Station, Texas

HULLABALOO, College Station, Texas

HYDRO3 CONTROL SYSTEMS, INC., Houston, Texas

1991-1992

Chief Operating Officer & Vice President of Product Development - After one year of professional consulting to develop marketing materials, was requested by investors to take over day-to-day management of environmental services company.

- Restructured operational systems and rebuilt staff morale.
- Directed patent process and completion of product design.
- Discovered fraud and saved investors substantial expense and liability.
- Joined investors in the creation of a new company to assume control of the technology. Continued in same position to complete professional development of the product.

ONASCO, INC., Houston, Texas

1991-1992

Vice President, Chief Information Officer, & Founding Director - Provided professional support for development of public biotechnology company with multiple vaccines and blood testing products.

- Primary responsibility for development of professional business plan which increased initial investor valuation from \$800,000 to \$2,500,000.

RENEW DEVELOPMENT INTERNATIONAL, INC., Houston, Texas

1987-1988

Vice President of Project Development - Participated as a founding partner and officer of start-up biotechnology research and development company which was focused on transferring technology from A&M University, College Station, Texas into the marketplace. The company negotiated the first joint-venture equity relationship with A&M.

- Produced the business plan. Shared responsibility for writing. Sole responsibility for editing, designing, and publishing. The plan produced \$300,000 in investment capital prior to finalization of agreement with the university.
- Researched the technical background of the technology being developed and was responsible for educating the staff and investors on the details of the technology.
- Developed the corporate image materials and produced the corporate presentations and information packages.
- Provided regular research and analysis of new business and product areas utilizing multiple information sources including on-line database research.

EDUCATIONAL SUPPORT FOUNDATION, Houston, Texas

1985-present

Executive Director - Founder of a non-profit 501(c)(3) organization focused on educating students about the operation of businesses and how academic subjects are utilized in the business world. Currently the foundation's primary focus is on developing materials for and presenting workshops on home schooling.

- Completed substantial training in professional corporate video production from the Sony Institute of Video Technology, Hollywood, CA.
- Keynote Speaker or main conference instructor at more than twenty regional home schooling conferences. Over 200 workshops and speaking engagements on home schooling, with an attendance of 25,000 since 1987. Substantial media exposure, including more than 40 radio and TV interviews and talk shows.
- Presented multiple workshops on home schooling for public educators, including being a guest speaker at the 1990 and 1997 International Conventions of the International Association of Pupil Personnel Workers (IAPPW). Published article, "Home Schooling: Is It Valid?" Fall 1994, The Journal for Truancy and Dropout Prevention.
- Founding Director and Co-Manager of Gulf Coast Home Education Conference through the Southeast Texas Home School Association. Second largest home schooling conference in Texas with over 80 workshops and 150 exhibitors in two days and an annual attendance of over 2,500. Co-manager and key presenter of multiple workshops and keynote addresses for over ten years.

JACK FREY PROPERTIES, INC., Tomball, Texas

1977-1985

Vice President - Creative director for residential community development company in suburban Houston. Assisted in creating and operating numerous real estate investment partnerships.

- Primary responsibility for design and development of five residential communities; analyzed topography, geology, and ecology of the area; designed all lots, roads, easements and amenities. The first three communities grew in value from \$ 2 million to over \$16 million in five years.
- Sole responsibility for design of all corporate image materials, publicity, marketing materials, logos, and signage.
- Developed all legal documents, contracts, and Deed Restrictions; including extensive work in the area of Community Associations and their governing documents.
- Directed computerization of the company, including all research and system analysis along with management of the system and some programming. Trained all company personnel on the use of the computer systems.

EDUCATION

Sony Institute of Video Technology, 1985-1986

Texas Real Estate Brokers License, completed 1980

Graduate Studies in Business Management, University of Houston, 1975-1977

B.S., Texas Tech University, 1973

Undergraduate Pre-Med Studies, Georgia Institute of Technology, 1967-1969

MENSA acceptance 1980

BOARDS & COMMUNITY SERVICE

Founding Board of Directors & Past President, Southeast Texas Home Schooling Association, Houston, Texas; 1985-1997

Board of Directors, Texas Home School Coalition, Lubbock, Texas; 1986-1998

Board of Directors, HOPE for Texas, Dallas, Texas; 1992-1998

Board of Directors, Homeschool Christian Youth Association, Houston, Texas; 1993-1998

Founding Board of Directors, SONlight Ministries, Houston, Texas; 1977-1990

Board of Directors, Forest Glen Camp and Conference Center, Huntsville, Texas; 1986-1997

Founding Board of Directors, Renew Development International, Inc.; 1987-1997

Founding Board of Directors, ONASCO, Inc.; 1991-1993

Houston Livestock Show & Rodeo, Speakers & Rodeo Clown Committees; 1997-present

GILBERT N. HOLLOWAY

6409 Caminito Aronimink

La Jolla, CA 92037

Phone (858) 459-7503 • Fax (858) 459-7531 • Web site: www.gilholloway.com •
holloway@adnc.com

Award winning Senior Executive with demonstrated successes in roles of CEO, Executive VP and VP of Sales & Marketing achieving record sales, market share growth and profits.

- Cited as #1 U.S. sales agent for NIKE; Grew sales \$10 million in 1 year. Achieved \$37+ million in annual sales volume.
- Led nation in sales volume and rate of increase for 8 consecutive years; served on Nike's Advisory Board 8 years.
- Opened Europe for Nike appointing six distributors on the continent.
- Won prestigious national honor, **The Spink Leadership Award**, for industry marketing excellence.
- Marketing consultant, sales trainer, and keynote speaker to 50+ organizations, several Fortune 500.
- Adjunct Professor, Marketing/e-Commerce and Management courses, Pt. Loma Nazarene University since 1997. Also taught and lectured part-time at the University of Texas, University of Arizona and New Mexico State University for 10 years. Recently certified to teach for the University of Phoenix.
- Co-founded technology R&D company. Personally raised \$5.1+ million in 18 months utilizing a "loan with conversion options" strategy. Developed 3 inventions through patenting, testing and validation.
- Skilled in strategic and marketing planning, forecasting, budgeting, recruiting, staffing, training, leading, business/product development, Web strategies, advertising and promotions, sales management and total marketing execution.

EDUCATION & CREDENTIALS

MBA, University of Southern California.

BS, Business & Industrial Management, San Jose State University.

(Played cornerback and wide receiver in football, and setter on SJSU's intercollegiate 6-man volleyball team).

Instrument-rated pilot: 2,654 hours "pilot-in-command."

(Owned and flew Rockwell Commander 112 & 112TC, Mooney M20-C, Cessna Turbo 210 and Piper Turbo Aztec).

Advanced computer skills: Web savvy; Drafted marketing plan for E-FormsNow.com and assisted in the formulation of their marketing strategies; Consulting currently with ConsultantLocator.com and CoachingOnDemand.com. Adept with MS Office 2000 Suite including Word, Excel, PowerPoint and Access; Visio; Quick Books Pro; ACT; Internet, etc. **Fitness enthusiast:** Daily workouts rotating 3-mile runs with upper-body conditioning at 24 Hour Fitness. 12 handicap golfer. Avid tennis player.

PROFESSIONAL EXPERIENCE

GILBERT N. HOLLOWAY, INC. (www.gilholloway.com), La Jolla, CA and Las Cruces, NM.
1991 to Present

Marketing Consultant, Professional Sales Trainer and Motivational Speaker (part-time).

- Consulting / Sales Training / Motivational Talks delivered to 50+ clients including several Fortune 500 companies.

Partial Listing of Clients: E-FormsNow.com; CoachingOnDemand.com; ConsultantLocator.com; CIGNA Lovelace Health Systems, Inc.; Sandia National Labs; Master of Ceremonies and Keynote Presenter, three Quality New Mexico Forums; White Sands Missile Range; Indyme Electronics Inc.; High Industries, Inc.; HydroWorx International, Inc.; Cimarron Managed Care Corporation; Memorial Hospital /Medical Center; Metro Corporation; Matrix Capital Bank; Citizen's Bank; New Mexico Business Journal; Physical Sciences Laboratories (PSL); Consulting Engineers & Land Surveyors of CA; Keynote, "Successful Student Conference," University of Arizona; Keynote, American Marketing Association; Keynote, New Mexico Private 100 "Power Breakfast;" Keynote, Chi Beta Sigma National Convention; etc.

PT. LOMA NAZARENE UNIVERSITY, San Diego, CA. 1997 - Present

Adjunct Professor of Marketing & Management (part-time while consulting as noted above).

- Teach one Marketing/e-Commerce or Management course on Thursday evenings each semester to 50 - 70 students.
- Received letter of commendation for teaching excellence from the Department Chair of Business, April 2000.

SMITH TECHNOLOGY DEVELOPMENT LLC, San Diego, CA. 1996 - 2000

Vice President, Marketing & Corporate Communications

- Raised over \$5.3 million in 18 months; directed strategic planning, operations, cash flows, and patent attainments.
- Devised marketing/licensing strategies and communicated with all lenders, investors, and corporate constituents.
- Developed, patented and tested 3 new technologies for launch via licensing and/or strategic joint venture.

Personally raised \$5,385,000 within 18 months using a 'loan with conversion options' strategy. Separate corporations are being established to receive each technology. Each of these entities will be taken public at the appropriate time. The technologies include: (#1.) A communications technology dubbed "E-Spin" believed to be able to square the number of channels on the frequency spectrum—from tens of thousands (4×10^4) to over a billion (1.6×10^9); (#2.) A revolutionary small and lightweight electric motor utilizing Ferro-ceramic magnets and unique multi-layered copper-etched circuit boards for stators; and, (#3.) Omni-directional audio speaker systems providing superior spatial sound at significantly lower costs and reduced sizes.

NEW MEXICO STATE UNIVERSITY, Las Cruces, NM, College of Bus. Administration & Economics. 1992 - 1996 **College Associate Professor of Marketing** (Taught part-time while consulting with www.gilholloway.com).

- Taught two or three classes consistently each semester to upper division and MBA students while consulting.
- Nominated by Department of Marketing for the 1993 College Faculty Teaching Award.

HOLLOWAY SALES, INC. & HOLLOWAY DISTRIBUTING, Palos Verdes Estates & Merced, CA. 1971 – 1992 **Founder, CEO & National Accounts Sales Manager.**

Established an award-winning sales corporation and wholesale distributorship of sports equipment and apparel covering three prime states of California, Arizona and Nevada.

- Cited as #1 sales agents for Nike. Total responsibility for all sales, pro-athlete promotions, and in-store merchandising of shoes and apparel in CA, AZ and NV. Opened a new account base of 900+ retailers. Placed Nike and 12 other lines into mass merchandisers, department stores, sporting goods retailers, and retail shoe outlets.
- National accounts included Wal Mart, K-Mart, Target, Price/Costco, Foot Locker, Nordstrom's, Mervyn's, Robinson's May, J.C. Penny's, Broadway Stores, Smitty's, Athlete's Foot Corporate, Oshman's, Big 5, Safeway, Lucky Stores, Inc., etc.
- Led the nation in annual sales and rate of increase for eight consecutive years. Generated annual sales volumes exceeding \$37 million.
- Served on Nike's Advisory Board for eight years. Helped develop Nike's initial global deployment strategies and traveled to Europe to assist in opening six distributorships on the continent.
- Winners of the Spink Leadership Award, as America's premier marketing organization.
- Sales company fielded 10 sales people representing 12 to 15 lines on a commission basis. Office support staff numbered three.
- Wholesale Distributorship grew to feature a 19,000 square foot distribution center flooring multiple sportswear lines which were sold to mass merchants and retailers throughout the west. Staff at this facility numbered seven. Managed a total complement of 20 employees.
- Other lines represented included: Lee Sportswear & Tees; T-America, Inc.; Majestic Sportswear; Ridgeview Sports Socks; Saranac Sports Gloves; Cooper Hockey Equipment; Bauer Skates; Weider Fitness Products; Accusplit Stop Watches; and, Westwind Nylon Jackets amongst others.
- Sold corporation in 1992 after 21 highly successful years.

GOVERNMENT OF ONTARIO, CANADA, Los Angeles, CA. 1969 - 1971

Marketing Counselor

- Developed and implemented export marketing plans for Canadian manufacturers seeking distribution in 12 Western U.S. states.

XEROX CORPORATION, Los Angeles, CA. 1967 - 1969

Sales Representative

- Set branch sales records as trainee; managed 140 accounts in downtown Los Angeles.

Additional experience includes college internships with **IBM**, San Jose and **RICHARDSON MERRILL, INC.**, New York City. Finished #1 of 42 college interns in national summer sales program with Richardson Merrill in NY, CT, RI and MA.

RECENT COMMUNITY & LEADERSHIP ACTIVITIES

- Board of Directors and Membership Chairman, CEO Organization of San Diego, 1996 - 1998
- Board of Directors, OCTuS, Inc., a NASDAQ-listed company in San Diego
- Board of Directors, Citizens For Community Values of San Diego
- Keynote speaker, Men of Ministry Retreat, North Coast Calvary Chapel, Nov. 13 - 15, 1999
- Chairman, CEO's "Men of Character Conference", May 21-22, 1999
- Keynote speaker, Men's Fellowship Group, La Jolla Presbyterian Church, Jan. 19, 1999
- Keynote speaker, Men of Ministry Retreat, North Coast Calvary Chapel, Nov. 14, 1998

• Chairman, 1st Annual Fellowship of Christian Athletes (FCA) Golf Tournament, San Diego, April, 1998 • Keynote speaker, Mighty Men Conference, June, 1998, Pine Valley, CA • Keynote speaker, Men's conference, Pt. Loma Community Presbyterian Church, Feb. 14, '98 • Teacher, "The Shepherd's School" ministry of Calvary Chapel North Coast, Carlsbad, CA. Taught an adult course entitled, "Ethics & Integrity in the Workplace" Tuesday evenings in June – July, 1997 • Vice President and Director, Greater Las Cruces Chamber of Commerce 1994 - 1996. Chair, Community Relations Division • Member, "Vision 2000 Executive Council," Las Cruces, New Mexico • Director, Dona Ana County Work-force Action Council • Appointed by Governor Bruce King in 1994 to serve on the New Mexico Tactical Team for the School-To-Work Transition Program • Chairman, "Business of the Month Committee" for the Chamber of Commerce, 1993 through 1995 • Chairman, two committees, Las Cruces Rotary Club: Chaplain's, and Literacy • Adult Bible teacher, Calvary Baptist Church, Las Cruces, 1994 - 1996 • Member, Morgan Run Golf & Country Club

ADVISORY BOARD BIOS

MICHAEL GERBER

Michael Gerber is a world recognized entrepreneur, author, speaker, and revolutionary. Over two decades ago Michael Gerber's mega-best seller *The E-Myth: Why Most Businesses Don't Work and What To Do About It* started a revolution in thinking about what made businesses successful. *The E-Myth* effectively presents Michael Gerber's assertion that most businesses fail because business leaders are focused on fighting fires – not building a business. He points out the success is established when business leaders define effective processes and systems of operations within their company as if they were going to franchise the company. Over 20,000 companies have shown that this new focus on building effective systems and processes makes a dramatic difference in business success and provides freedom and joy for those who own the business.

From the success of the *E-Myth*, Mr. Gerber created the E-Myth Academy and Mastery Program for providing practical hands-on teaching to business leaders on how to build successful business processes. The *E-Myth* is now taught by 18 colleges including Harvard, UCLA, and Dartmouth.

Since the 1970s, Mr. Gerber has served as keynote speaker, re-telling his riveting story to a variety of corporations, organizations, professional associations, franchises, and independent business owners around the world. He has published a number of additional books which still make the top ten list of hottest selling books in the US.

Mr. Gerber has agreed to serve on Synogy's Advisory Board and work in a strategic relationship with Synogy to combine his 20 years experience with business process development and Synogy's vision to create Implementable Best Practice Processes. The E-Myth Academy's materials will provide a strong foundation for education of Synogy Partners and the E-Myth Academy will add Synogy's IBPPs to the suite of services that it markets to businesses.

TOMMY WALDROP

Mr. Waldrop has twenty-two years of experience in the Data Communications Industry and is recognized as a cutting-edge leader in applying data communications to the rapid growth of the Internet. In 1997 he was co-founder and Vice President of Network Architecture and Engineering for Allied Riser Corporation which raised \$283 million in its 1999 IPO. ARC (<http://www.arcbroadband.com>) provides very high speed, IP-based, "first-mile" communications services to small and medium-sized businesses in major metropolitan areas in the United States. ARC delivers services over fiber-optic networks that it designs, constructs, owns and operates inside commercial office buildings. Over this infrastructure, ARC offers ultra high-speed Internet access, enhanced conference calling services, and other broadband data services and applications. ARC's Internet access services provide a direct "always-

on” connection to the Internet at speeds more than six times faster than T-1 and DSL lines and up to 175 times faster than standard dial-up service.

Mr. Waldrop was also co-founder of MFS DATANET in 1991 and Director of Network Engineering and Sr. Director of National Technical Support as the company grew from development of a business plan to a premier national data communications service provider. Datanet was named by Data Communication magazine as a Hot Product in their January 1993 issue. Datanet deployed the first commercially available National and International Asynchronous Transfer Mode networks that played a significant role in the Internet network of UUNET.

Mr. Waldrop also served as the Chief Technology Officer of iExalt, a publicly traded Internet Service Provider. He currently is the owner of an Internet hosting company.

BOB OCHTERBECK

Mr. Ochterbeck currently serves as the Secretary/Treasurer and Vice President of Marketing & Finance for Ochterbeck Distributing Co., Inc., a 54-year-old second generation family-owned truck and auto accessory company with four locations in Houston, Texas. Mr. Ochterbeck has worked at Ochterbeck since 1968 and has performed every function within the company. Currently his major responsibilities are the marketing, advertising, and sales training for Ochterbeck Truck & Auto Accessories, the retail division of the corporation.

Mr. Ochterbeck also has ownership and management in Custom Reflections, Inc., an automotive mirror manufacturer, and A & D Marketing, a vehicle security manufacturer. Custom Reflections was a startup company in 1997, and produces a patented custom blind spot mirror known as Blind Spotz™. The Blind Spotz™ mirror won the coveted “Best New Product Award for Pickups, SUVs, and Vans” at the 1998 Specialty Equipment Market Association Show in Las Vegas, winning the award from over 800 entries from around the world, and is currently being marketed in major retailers across the country.

A & D Marketing produces the Hard-Steal Collar, a stainless steel collar that fits over the steering wheel column of specific vehicles to protect them from theft, and is sold nationally to specialized retailers.

Mr. Ochterbeck serves as a member of the City of Houston Mayor’s Automotive Board.

MIKE BISONE

Mr. Bisone most recently served as the corporate Vice President and interim Chief Financial Officer for iExalt, an Internet services company providing filtered internet access and electronic commerce. Mr. Bisone provided financial leadership to take iExalt public in September 1999 after nine months of operations. He also served as the Corporate SEC and Accounting Manager for Pride International, Inc. and as the assistant corporate Controller/Treasurer for Altra Energy Technologies, an Internet

software development company. He is currently providing contract consulting and CFO services for Harper & Pearson, CPA's.

Mr. Bisone brings recent IPO, SEC, mergers and acquisitions, and Internet experience that will be invaluable in building a successful financial business processes. Mr. Bisone serves on the Finance Committee of the Board of Directors of CBMC Houston, an international Christian organization. Mr. Bisone received a graduate degree in accounting and finance from the University of Houston and is a Certified Public Accountant.

RICH BOYER

Richard G. Boyer is a 1971 Magna Cum Laude graduate of California State University at Long Beach, California. Following tenure with a national accounting firm, he opened his own accounting practice in 1974. In 1978, he merged his accounting practice with Balser, Horowitz, Frank & Wakeling, an accounting corporation. Balser, Horowitz, Frank & Wakeling is an accounting firm originally formed in 1937 and enjoys a reputation for providing high quality, full service accounting both domestically and internationally. Mr. Boyer retired from Balser, Horowitz, Frank & Wakeling effective January 1, 1998 to pursue the development of Stephen Smith's technologies. Mr. Boyer is currently Chief Executive Officer of Smith Technology Development, LLC in San Diego, California.

During Mr. Boyer's tenure with Balser, Horowitz, Frank & Wakeling, he provided accounting, auditing, management advisory, banking, financial and estate planning, tax compliance, tax planning and tax representation services for profit and non-profit organizations both domestically and internationally.

Mr. Boyer is a director in various civic and humanitarian non-profit organizations. He has been a financial advisor for Youth With A Mission - Mercy Ships International since 1981. This organization provides relief and development services throughout the world. This organization has received national and international recognition for its work in Third World countries. This organization currently uses its four ocean liners to carry medical teams, medical supplies, building materials and other relief and development supplies to lesser-developed nations.

Mr. Boyer has been a director for Alpenland Ministries since 1978. This non-profit organization provides relief and development services in the former Yugoslavia. Additionally, Mr. Boyer has been a director for the Orange County Rescue Mission since 1976 and was Chairman of the Board from 1988 to 1998. This organization provides temporary housing, food and clothing for the homeless in Orange County, California and has earned numerous awards of recognition.

Mr. Boyer is the managing member and director for the Gensley Group Limited, LLC, a California limited liability company with its principal office in Costa Mesa, California with a correspondence office in London, England. Mr. Boyer heads this

organization's credit enhancement and international banking operations. This organization develops risk assuaged credit programs and provides offshore tax planning and corporate structuring for its clients.

Mr. Boyer is a member of the American Institute of Certified Public Accountants and the California Society of Certified Public Accountants. Mr. Boyer holds his certificate entitling him to practice as a Certified Public Accountant in the State of California. In 1986 Mr. Boyer successfully completed the curriculum requirement for a certificate in Advanced Personal Financial Planning as issued by the California Certified Public Accountant's Foundation for Education and Research.

ANDY DEKANEY

Andy Dekaney is a broad based business executive/entrepreneur who has provided senior level management, marketing, and strategic leadership to public and private corporations in both emerging and mature technologies. Mr. Dekaney is the President of iGent Solutions, Inc. a Full Service Application Provider (FSP) of turnkey e-business solutions for the middle market. He was President and founder, in the mid 1980's, of an early market entry company (Corporate Networks, Inc.) providing local area networks (Novell LANs) and PC communications equipment and services. Additionally, he has been President of a multinational, multi-million dollar, automated control systems company (Autocon Inc.), of a technology transfer company (Renew Development International, Inc.), and General Manager of an electronics contract assembly business (ElectroSpec).

He has grown several businesses via market expansion, establishing new distribution channels, product development, and strategic partnering. Also, he provided strategic direction and merger and acquisition leadership as the senior executive for Corporate Planning and Business Development at Camco, Inc., a public, multi-hundred million dollar, international corporation.

Mr. Dekaney began his professional career as a pioneer in digital imaging at Mead Technology Laboratories, where he developed leading edge techniques and software and also established the first public digital imaging service center. While at Mead Corporation, then a Fortune 150 conglomerate, he directed the Corporate Operations Research Department developing quantitative strategies for the corporation and subsidiaries.

NASA selected him as a "Fellow" in 1966. One of only fourteen in the United States to receive this financial sponsorship for graduate study, he completed a MS degree and doctoral studies in mathematics at The University of Cincinnati. Subsequent to receiving an MBA degree, he was appointed to the College of Business adjunct faculty at Wright State University, where he taught *Decision Theory*. Mr. Dekaney serves and has served on numerous corporate, community and non-profit Boards of Directors including fourteen years as an elected Trustee for the Spring Independent School District.

INCUBATOR COMPETITIVE OVERVIEW

DOT COM & TECHNOLOGY INCUBATORS

The following companies have focused very narrowly on the development of Internet related start-ups, either for their own portfolios or as independent incubators.

CMGI@VENTURES

CMGI (www.cmgi.com) of Andover, Massachusetts has been incubating its own portfolio of some 70 Internet start-ups since 1994. Its founder, David Wetherell was recently touted by Business Week as being “The Internet Evangelist.” CMGI, listed on the NASDAQ, represents the largest, most diverse network of Internet companies in the world including both CMGI operating companies and synergistic investments made through its venture capital affiliate, *CMGI@Ventures*. CMGI controls a major Internet portal, Alta Vista and capitalizes on the myriad opportunities the Internet presents. CMGI is a company constructed of companies in Advertising/Marketing, Content and Community, E-Commerce and Enabling Technologies. It’s a network of diverse yet interconnected companies all holding leadership positions in Internet related businesses. The CMGI business model encourages core growth of operating companies and investments; connecting companies to each other to share technologies, management insights and cross marketing.

CAMBRIDGE INCUBATOR, INC.

This company touts its “Active Incubation,” a business approach that supplies hands-on management and technical teams as well as access to prominent leaders. CI, located in Cambridge, Massachusetts, fields 4,397 employees and has a market capitalization of \$875.4 million. Revenue for www.cambridgeincubator.com was \$612 million for the past 12 months with net income reported at \$51.0 million. The first Internet incubator in the Boston area, CI recruits new hatchlings into its “Venture Campus” – a shared workplace and community of Internet entrepreneurs promoting collaboration. CI houses six member companies at present and incubates them for 6 – 12 months on average taking an equity position in each.

CAMBRIDGE TECHNOLOGY PARTNERS

This company provides management consulting and systems integration services to transform its clients into e-businesses. CTP (www.ctp.com) works in collaboration with Global 1000, high-velocity middle market companies and dot.com start-ups. They provide consulting in New Economy issues integrated with end-to-end services for e-commerce.



IDEAEDGE VENTURES

This new 1999 San Diego start-up (www.ideaedge.com) bills itself as an Internet venture management firm, incubator and accelerator. They state, “we transform exciting, revolutionary ideas into world-class businesses. We are creating a new generation of Internet companies with a combination of outstanding people and a target strategic focus.”

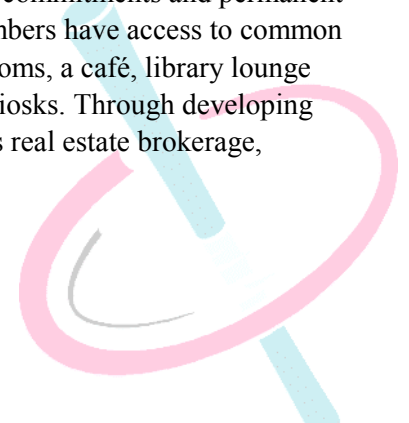
What is the “edge” that makes ideaEDGE Ventures a premier Internet venture incubator in San Diego? First, ideaEDGE Ventures’ executive leadership team balances entrepreneurial and operational experience across all key functions. Their management team of senior executives have experience in technology, product development, operations, finance and marketing. Secondly, they claim to have assembled a truly world-class set of advisors and strategic partners, with some of the most respected names in the computer and communications industries. Thirdly, ideaEDGE’s “Ideation Process” is an innovative mechanism for identifying new venture opportunities. They claim that “there is no substitute for truly innovative ideas.” Lastly, ideaEDGE claims that their focus is on the next generation of Internet companies, not just the next “dogfood.com.” They are focusing on the next wave of Internet value creation.

SCIENT

An “e-Business Systems Innovator” out of Santa Clara, California leading a new category of professional services firms focused solely on building e-business systems. Their mission is stated as, “focusing on scalable, innovative eBusinesses that create massive economic results in less than six months.” Scient’s Web site is www.scient.com.

TECHSPACE LLC

TechSpace (www.techspace.com) provides office space and a wide range of services to start-up and small technology, new media and creative companies. With technology centers/incubators in New York, San Francisco, Boston and Toronto, TechSpace bills itself as a “corporate hive...a melting pot for New Media and Technology.” TechSpace is a network of technologically advanced, full service office environments that enable technology and new media entrepreneurs to launch new ventures with a distinct advantage over their competitors who attempt to go it alone. Within a TechSpace site, companies can contract for office space that is fully furnished, staffed, wired and equipped. Individual offices, group offices and office suites are available on a month-to-month basis allowing companies to remain free of long term commitments and permanent staff as they evaluate their long-range requirements. All members have access to common areas, which include staffed reception, hi-tech conference rooms, a café, library lounge areas, staffed mailroom, and self-service copier/fax/printer kiosks. Through developing subsidiaries and strategic alliances, business services such as real estate brokerage, technology consulting, and venture capital can be provided.



ECOMPANIES

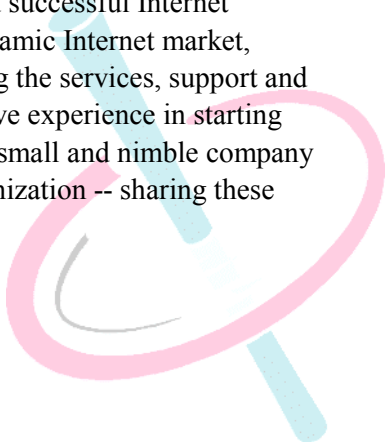
The eCompanies incubator (www.ecompanies.com) was created to rapidly launch Internet start-ups that will grow into profitable, lasting franchises. The incubator provides the critical services start-ups need in seven disciplines: strategy, finance, recruiting, creative, technology, business development and marketing. eCompanies has hired blue-chip executives in each discipline, so entrepreneurs can tap not just the founder's expertise, but also a whole team of Internet veterans who've done it before. eCompanies is located in Santa Monica, CA.

DEVINE INTERVENTURES

A Chicago based "Internet Zaibatsu," Devine Interventures (www.divineinterventures.com) gives promising Internet start-ups and corporate spin outs exactly what they need to build successful B2B Internet companies. They provide a nurturing environment, capital and services that let Internet entrepreneurs focus their energies on their core businesses. The Internet Zaibatsu is a synergistic community of Internet companies that works together to create mutual opportunities. Led by the former CEO of Platinum Technology, Andrew "Flip" Filipowski, DIV has invested more than \$300 million in 52 companies as of April 2000 per SEC filings. Michael Jordan is actively engaged with DIV as a consultant and promoter for which he is being granted options for 1 million shares.

IDEALAB!

Idealab!, a privately held company, creates, launches and operates Internet businesses. Founded in March 1996 by entrepreneur Bill Gross, idealab! currently has approximately 50 businesses in various stages of development. idealab! is headquartered in the historic Old Town area of Pasadena, California and has additional offices in Silicon Valley, New York, Boston and London in facilities designed to foster an open, collaborative process of communication and information sharing. In addition to capital, idealab! provides a full range of resources to infuse start-up companies with the development strategies and financial support needed to rapidly introduce innovative products and services. Resources include office space and the accompanying network infrastructure, consulting and services relating to development and technology, graphic design, marketing, competitive research, legal, accounting and business development support and services. In addition, idealab! provides advice on strategy, branding and corporate structure. Idealab! public companies include GoTo.com., eToys, City search, NetZero and Tickets.com. idealab!'s mission is to develop individual ideas into highly focused and successful Internet businesses. Idealab! leaders believe that to succeed in the dynamic Internet market, companies must achieve a rapid speed of execution by tapping the services, support and knowledge of individuals and organizations that have extensive experience in starting Internet companies. idealab! combines the best elements of a small and nimble company with the financial strength and wisdom of a much larger organization -- sharing these benefits with its operating companies.



HOUSTON TECHNOLOGY CENTER

The Houston Technology Center (www.houstontechcenter.org) has a stated goal of “leading Houston into the 21st century by creating a fertile environment for entrepreneurial activity.” HTC hopes to leverage Houston’s leading research and development capabilities with a supportive and nurturing business community--ultimately positioning Houston as a world-class leader in the technology-focused global economy. HTC’s mission is to accelerate the growth of emerging technology companies through its Provider Network and hosting of local events. HTC will provide support, services, facilities and educational and networking opportunities for emerging technology companies in the greater Houston area. HTC hopes to communicate Houston’s commercial technology successes, capabilities and activities both within and outside of the greater Houston area. HTC claims to be leading efforts to improve communications and strengthen the business network among the local technology community. HTC also intends to educate entrepreneurs, students and the community on technology, entrepreneurship and Houston’s role in the 21st century economy. HTC will also spearhead technical training programs to better educate Houston’s workforce of today and tomorrow. HTC is a collaborative effort of Houston’s private, public and academic sectors.

INTEND CHANGE

Intend Change, a Santa Clara, California company, unites the mission-critical components of management consulting, strategic capital and executive recruiting to equip its ventures with the elements necessary for success in the Internet Economy. They call their format a “complete venture construction system.” Intend Change (www.intendchange.com) helps existing companies reinvent themselves to be competitive in the rapidly evolving marketplace. Their intent is to launch new enterprises that aim to capitalize on the Internet’s limitless, global potential. Sounding like ideaEDGE, they say it all starts with an idea. Intend Change looks for breakthrough ideas and revolutionary ways to assume leadership in untapped markets. The company only selects about ten breakthrough projects each year, each of which they believe has the potential to become a market leader. Their ventures typically have capital requirements of \$10 - \$100 million. Once they decide to join forces with a founding team, they hit the ground running. Fast. First they’ll collaborate on the business strategy. Then they help raise the strategic capital, assist in recruiting executives, and finally launch the new venture. After launch, they generally take a seat on the board and an equity stake in the success of the business. Along the way, they hope to develop long-lasting friendships with their founding executive teams. Current ventures worked on include Electron Economy, InveSmart, HyCurve, and HardCloud.

THINKTANK

ThinkTank (www.thinktank.com) was founded in October 1999 by Scott Blum, and is based in Aliso Valley, CA. It is an integrated seed capital fund company that serves as an incubator for Internet start-ups. The company provides start-up Internet businesses with

equity investment capital, facilities, complete administrative and financial infrastructure, as well as hands-on strategic and tactical assistance. ThinkTank's portfolio of operating companies includes buynow.com, zaibatsu.com, buymedical.com, ejets.com, sell.com, ix.com, fax.com and flashcards.com.

GOVERNMENT & UNIVERSITY INCUBATORS

Incubators in this category draw heavily on the resources of the university. These resources include university facilities, equipment, faculty and students. The source of these ideas comes primarily from graduate students. The key flaw in this configuration is the lack of business experience among the employees and management.

AUSTIN TECHNOLOGY INCUBATOR

The Austin Technology Incubator's mission is to provide business resources and professional services that assist its technology startups to compete in the global marketplace. ATI's Internet address is www.ic2-ati.org. This organization claims to bring together valuable business, government and academic resources to catalyze business development in the technology industry. ATI was founded in 1989 by Dr. George Kozmetsky and directed by Ms. Laura J. Kilcrease.

BUSINESS CONSULTANTS

BIG 5 CONSULTING / ACCOUNTING FIRMS

According to Forrester Research's Charles Rutstein, an analyst, "consulting firms such as Andersen Consulting and Bain & Co. have created incubators in part to let their consultants explore new business ideas without losing them entirely from the firm." Andersen Consulting has committed \$1 billion to developing companies through its AC Ventures, and plans to link the fund to its compensation system, letting employees share in the startup-backing gains, designed to mirror the stock-options potential for people who stay with the firm.

Bain's incubator group, Bainlabs, takes equity in lieu of cash fees. According to Rutstein, "this business-incubation model has promise because it can deliver strategic returns to the partner company – such as new technology or business partnerships – even if the idea doesn't lead to a capital gains payoff such as an IPO." He further states, "they're not merely in the business of financial returns."

