



SAVEMILLIONS

Elevator Pitch

Americans are drowning in debt, bankruptcies are increasing at an alarming rate, and most people's plan for retirement is to win the lottery. Americans don't understand how money works, how long it takes to accumulate wealth, and why using credit cards is crippling their financial future. What would it be worth to you if I could demonstrate a way to make money by showing Americans how to "save millions"?

Funding Need

Initial Funding Sought:
\$500,000

Total Funding Required:
\$8,000,000 total for all
three funding rounds

Contact Info

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The Company

Ten years ago, our founder discovered that he didn't understand how money works, the true cost of debt, and how to accumulate wealth. He developed a passion for educating people and assisting them in developing and implementing financial plans. After years of working with clients at their homes, he realized that he needed a way to reach and assist even more Americans. The result of this passion is SaveMillions, founded to help every American define and achieve their financial life goals by offering affordable online planning resources and expert advice through the Internet.

SaveMillions is committed to accomplishing this ambitious goal by:

- Educating the public on the need for and value of financial planning
- Providing extensive information resources on all aspects of financial services
- Assisting clients with affordably-priced, online financial plans
- Providing action plans and follow-up services to ensure plan implementation
- Furnishing traditional and live, web-based access to financial experts

SaveMillions is a start-up company located in San Antonio, Texas. Our public website at www.savemillions.com provides education, step-by-step processes, tools and worksheets to assist anyone in developing basic plans. We are now seeking funding to develop the automated financial planning capabilities, recruit a management team, develop a marketing strategy, and seek the next round of funding to expand our capabilities and offer our subscription-based online services to millions of Americans.

Product

SaveMillions will offer a premier financial planning service to Internet consumers, financial service institutions, and business employers.

- Our website already contains educational and informative resources on all aspects of financial services, and will provide access to various financial products such as insurance, loans, and investments. These resources are provided to the public to emphasize the need for and benefits of financial planning, and help promote our future fee-based services.
- Our services will be affordable for the average consumer with a targeted annual price of \$99 for Internet consumers and substantial price savings for business employers and financial service firms.
- The membership fee will permit clients to define, develop, refine and save financial plans, and change their plans anytime throughout the year.
- Our planning tools will emphasize budgeting, debt and money management as a cornerstone to proper planning and goal achievement.
- Our software will incorporate visualization capabilities so that clients can "see" the affects of their choices as they consider various planning options.
- The website will employ collaborative tools to allow clients to speak with and be guided by financial experts as they develop their plan.
- Our services will include personalized action plans, and our experts will work with and follow-up with clients to ensure successful implementation.
- We will identify ways that members can save money on everyday expenses and apply these savings to accomplishing their personal financial goals.

Market overview

The need for financial planning is critical if Americans are to achieve their financial goals. The value of retirement portfolios has plummeted, savings rates are extremely low, and debt continues to escalate each year.

- Consumer debt, which includes credit cards and car loans, hit a record \$1.98 trillion in October 2003, which translates to some \$18,700 per U.S. household
- Personal bankruptcies have exceeded 1 million a year since 1996, and set a new record of 1.6 million for 2003
- The nation's savings rate dropped to just 2 percent of after-tax income in the first half of 2003
- Only 42% of Americans routinely set aside money for retirement

This situation threatens the very financial livelihood and future of millions of American families. The average consumer doesn't know how to manage their money, fails to understand the real cost of debt, is unaware of how long it takes to build wealth, and doesn't have a plan for improving their situation. The good news is that consumers are finally realizing the necessity of having a plan, but few people still avail themselves of this success strategy, either because they can't afford a plan (with typical prices of \$500 to \$2,000) or because they don't know where to get a plan. Increasingly, wired consumers are turning to the Internet to locate a financial provider and investigate financial products and services.

Only the Internet offers the means for delivering the necessary financial planning services to a large majority of the population and at an affordable price. Many financial services websites abound, but most are investment-oriented, focus on managing assets or selling products, and offer few real online planning services. True financial planning sites are still very few in number, and offer limited services. However, given the market potential, this is certain to change. As stated by WR Hambrecht, "**online financial advice represents a huge market opportunity and could very well be the next big wave in the eFinance space**". Investment and brokerage firms recognize the need to offer online planning services to their clients, thousands of businesses could benefit from offering such an incentive to their employees, and millions of potential Internet customers are seeking online assistance with their finances. The result is an explosive market potential for a comprehensive, affordable online financial planning service such as SaveMillions.

Marketing and Operations

Our central business strategy is to promote our services to Internet consumers, business employers and financial service companies:

- SaveMillions will utilize its public website to promote the members-only financial planning services which will be available to individuals and families via the Internet for \$99 per year.
- SaveMillions will aggressively market to financial service institutions as an added value for their customers and a basis for cross-selling other financial services and products.
- SaveMillions also will solicit business employers to provide our services as an invaluable employee benefit to dramatically aid their retention efforts.
- The pricing structure for businesses and financial institutions will be tiered based on numbers of participating customers, from \$69 (small business) to \$29 (Fortune 500 companies), with guaranteed participation minimums.

SaveMillions recognizes the importance of a well-planned, organized and orchestrated promotional strategy that maximizes return on investment. We realize the need to spend significantly on both online and traditional advertising campaigns, and have budgeted more than 25% of our annual expenses (\$2.4 million in 2007) to spread our message. We also understand the importance of press coverage and the power of good will. We are planning some strategic promotions such as offering our services for free to military, police and fire departments.

These marketing initiatives and our operations will take place in San Antonio. We hope to secure temporary office space during the next year for the development team that will focus on creating the web-based capabilities. Server space will be leased from an Internet provider. Once the initial planning capabilities are launched, after about six months, the COO will focus attention on recruiting the technical and senior management teams, forming partnerships, and securing additional funding while the development team continues to expand the services, including the collaborative capabilities.

Competition

There are literally thousands of companies in the so-called “financial services” arena. The majority of these companies are focused on selling specific products, such as insurance, or providing services in a specific area, such as retirement planning. Their websites offer simplistic calculators supporting product decisions, making these companies potential customers rather than competitors. There are a few companies, such as Financial Engines, mPower and TeamVest that offer sophisticated planning tools focused on single life events, such as retirement. These companies represent partners rather than competitors.

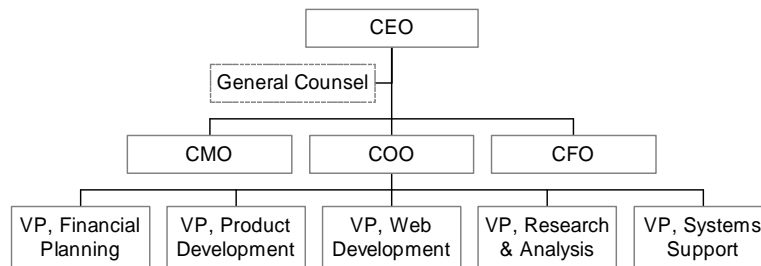
The realm of online financial planning is still in its infancy. During 1999 and 2000, three companies, DirectAdvice, AdviceAmerica, and AssetPlanner, began offering their services directly to Internet consumers.

- The leader, DirectAdvice, went through several funding rounds, switched its focus to financial service companies, and has since been acquired by Mellon Bank. Prior to acquisition, The Motley Fool (www.fool.com) began offering DirectAdvice capabilities as part of a bundled service for \$199 per year. It is still available through their website.
- AssetPlanner also changed direction and began offering its capabilities to financial advisors. It was acquired by Customer Dialogue Systems and then Accenture, and is no longer available to the public.
- AdviceAmerica is still privately-owned, and no longer offers its services directly to the public, but it is being made available as a service from some other financial institutions, such as NetBank.

A few others have launched in the past two years, and they all offer their services solely to advisor companies. The three primary companies are eMoneyAdvisor, netDecide, and PIE Technologies.

The results should be interpreted a number of ways. First, there is obvious demand from financial companies for online planning capabilities. Second, there is no financial planning company delivering its services directly to the masses. Third, of the available services, none integrate budgeting, debt and money management as part of their overall planning solution. Fourth, only The Motley Fool offers access to expert advice, and it is limited to four hours per year and is not accessible through the website. Fifth, none of these companies work closely with their clients to build relationships and ensure success. SaveMillions has carefully evaluated all of these companies and services, and is convinced it can deliver superior capabilities and service at an affordable price, one that Americans will gladly accept and use to change their financial futures.

Management



During the first year, the three-person development staff will be managed by Mr. Michael Dittmer, the President, founder and Chief Operations Officer (COO). Mr. Dittmer has over 20 years of software management experience, specializing in solving problems and making decisions, and is an expert at designing and developing software programs, including web-based solutions. He has spent the past four years developing and implementing a classified web-based portal for the Air Force. He also has spent the past two years developing the SaveMillions website and content. Mr. Dittmer also has five years prior experience as a *licensed* financial planner and possesses extensive knowledge and experience in financial plan preparation, as well as financial products.

Prior to award of a second funding round, SaveMillions will undertake a national campaign in concert with recommendations from the initial and prospective investors and the Board of Directors to recruit the three senior managers, the Chief Executive Officer (CEO), the Chief Financial Officer (CFO) and the Chief Marketing Officer (CMO), beginning with the CFO to help with negotiating the funding. Additionally, the technical managers (five vice presidents) will be recruited early so that they can hire their staffs as soon as the subsequent funding is secured.

Financials

The following table provides the projected summary income statement for the first five years in business, when an exit strategy is anticipated. The important items to note in this statement are as follows:

- The first year entails primarily development of the planning capabilities, although clients can sign up for initial services beginning in the seventh month at a reduced rate (\$19/year).
- A significant percentage of the annual operating expenses (24% - 34%) for years 2-5 is allocated to marketing
- Beyond year two, staffing growth is not anticipated except for additional financial planning experts to work with clients and build long-term relationships, and this will be complemented with a strategic alliance by the fifth year
- Profitability is achieved by the beginning of the fourth year based on very conservative estimates

	Year 1	Year 2	Year 3	Year 4	Year 5
Gross Sales	\$45,366	\$1,474,604	\$6,048,139	\$17,251,908	\$32,564,762
Operating Expenses:					
Total Sales and Marketing Expenses	\$0	\$1,773,900	\$3,175,530	\$3,501,063	\$3,862,329
Total G&A and Equipment Expenses	\$232,793	\$2,192,623	\$1,991,979	\$2,266,558	\$2,757,648
Total Development Expenses	\$310,566	\$1,741,795	\$1,964,462	\$2,148,031	\$2,358,023
Total Financial Planning Expenses	\$0	\$1,009,500	\$1,418,889	\$2,675,972	\$5,490,881
Total System Support Expenses	\$0	\$494,284	\$631,460	\$693,502	\$869,714
Total Operating Expenses	\$543,359	\$7,212,102	\$9,182,320	\$11,285,126	\$15,338,595
Profit before Taxes	(\$497,993)	(\$5,737,498)	(\$3,134,181)	\$5,966,782	\$17,226,167
Taxes Incurred	(\$124,498)	(\$1,434,375)	(\$783,545)	\$1,491,695	\$4,306,542
Net Profit	(\$373,495)	(\$4,303,123)	(\$2,350,636)	\$4,475,087	\$12,919,625

Investment Opportunity and Exit Strategy

We are planning on three rounds of financing, this first round to develop and launch initial planning capabilities, and two subsequent rounds to expand the services and staff, aggressively market the capabilities, and to sustain operations until profitability is achieved early in the fourth year. The proposed details of these three offerings are as follows:

- The first investor purchases an initial 50% share in SaveMillions by investing \$500,000 for 500,000 shares.
- The second investor purchases an initial 45.45% share by investing \$5 million in year two for 5,000,000 shares.
- The final investor purchases 8.33% of SaveMillions by investing \$2.5 million in year three for 1,000,000 shares

To protect our investors and reward their faith in our capabilities, there are a number of possible exit strategies:

- **Private sale of majority interest to a national concern.** Any national financial services company will benefit from adding our planning capability to its services rather than having to develop its own. If sales do not meet expectations, or if it becomes apparent that we may not receive additional funding, a private sale of the website resources and planning capabilities will be the most advantageous exit strategy to preserve the initial investment of \$500,000.
- **Public offering.** Our projected conservative performance will position SaveMillions for a public offering by the fifth year, if desirable. Profitability is anticipated early in the fourth year, allowing for a public offering during that year if the investors deem it reasonable. Based on a projected fifth-year valuation of \$193.8 million using the Venture Capital Method, respective investors will realize returns of \$8 million (74.43% IRR), \$80 million (100.47% IRR) and \$16 million (86.24% IRR).
- **Return on investment.** It is conceivable, especially if sales exceed the conservative projections, that investors could receive a more significant return through dividends rather than selling the company or going public.