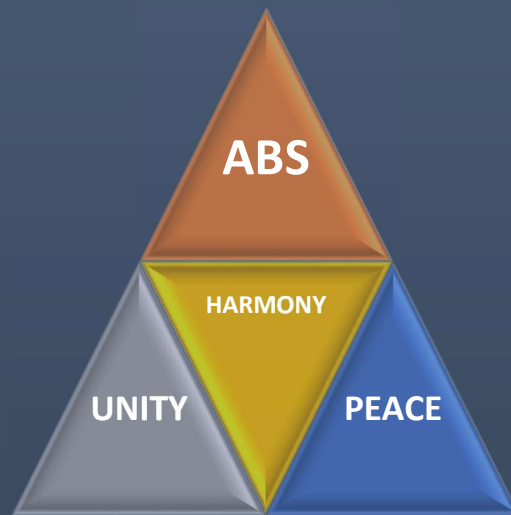


May 30, 2024

# America's Blood Supply Business Plan

“Bringing Unity in the Community”



AMERICA'S BLOOD SUPPLY BUSINESS PLAN

CREATED BY ZERO GRAVITY & GRAND 5 HOLDINGS LLC

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# 1.0 EXECUTIVE SUMMARY

## 1.1 Introduction

American's Blood Supply™ (ABS) is a start-up business venture consisting of both for and non-profit entities whose primary aim is to collect, screen, store and distribute human blood and other blood byproducts such as red blood cells, platelets and plasma to hospitals, blood centers, biotechnology companies, and other research institutions. Our vision is to become one of the preferred choices for individuals and organizations when it comes to the demand for blood donation in the whole of the United States of America. Our main goal is to ensure that all those requiring a blood transfusion in support of a critical medical necessity, such as organ transplantation, are not left in need.

We plan to have our initial start in the state of Oklahoma specifically targeting the incarcerated population as the donation source consisting of, on average, 30K potential donation participants. We consider this to be an untapped resource and given our strategic partnerships with both the Department of Corrections (DOC) as well as State Legislation will prove to be instrumental in our success including integration as well as future growth plans. Our DOC integration involves a program participation element including earn credits in various forms to be incorporated into Oklahoma State Statute; specifically Title 57 O.S. §138. We are also incorporating a novel feedback approach between the donor (potentially DOC client) and end customer who receives the blood further enhancing this community element and our unique vision giving both parties a sense of involvement, purpose and connection to one another.

The state of Oklahoma currently has a x% of blood supply shortages not currently being met by competitor blood banks such as Red Cross providing us a unique business opportunity to leverage for entry to market. Lastly, we also want to provide a revitalizing experience that is superior to our competitors focusing on patient care and comfort during the donation process. This will include such things as comfortable seating areas and accommodations such as beverages, music and aromatherapies as the donation process can be generally taxing on the patient as according to recent studies and feedback patient participation has been declining by x% year over year due to such factors. Finally, in combing all of these business elements gives us a niche in this established market as well as a superior and novel competitive edge we will use to both grow during our initial phases as well as well into the future.

## 1.2 Market and Future

According to the WHO, there are approximately 13,300 blood donation centers in 169 countries who report collecting a total of **\$106M** donations annually. With the average cost per pint of blood being \$300-\$500 this equates to a total global market of **\$31.8-53B** in potential revenues. In the U.S. and State of Oklahoma there are approximately 2,400 and x centers, 9,500 and x members of the AABB and a total of **\$10M & 2M** donations made respectively. Considering these national and state numbers gives us future projected revenues in the range of **\$200-500M** within the U.S. and **\$40-100M** in the state of Oklahoma respectively both assuming a conservative 10% market capture and \$300-500 value for pint of blood. This further supports the extraordinary potential to grow this company into a *multi-billion-dollar* business not just in the state of Oklahoma, but one with International prospective reaches.

## 1.3 Investment Opportunity

We are currently seeking 300K investment capital to start our business for an exchange of a 28% ownership position resulting in an initial evaluation of **\$1M**. The 300K capital will be used to start our business including cost of first bus, medical equipment, legal filing, grant applications etc. to begin blood donations as detailed in the Fund Allocations section 5.3 as follows. We consider the market evaluation to be fair as our initial projected revenues are in the **\$5-10M** range within the first year of operation assuming a conservative 15% initial market capture of the total DOC population. This is also comparative to current competitor revenues of \$1.1M, \$1.2M & \$350K (averaging \$1.15M) for American Red Cross, America's Blood Centers & LifeBankUSA respectively in the state of Oklahoma. Furthermore, these revenue projections calculate to a conservative 5.6% total market capture in the state of Oklahoma again only targeting DOC population. This is considered to be a realistic market capture potential within the first year of operations which requires a 35% capture of total DOC population. Finally, these projections also support a relatively speedy 1.5yr ROI expectation for our investment partners.

## 2.0 COMPANY DESCRIPTION

### 2.1 Vision

The vision for American's Blood Supply™ (ABS) is centered in becoming one of the preferred choices for individuals and organizations when it comes to the demand for blood donation in the whole of the United States of America. Our main goal is to ensure that all those requiring a blood transfusion in support of a critical medical necessity, such as organ transplantation, are not left in need. Accordingly, we are taking a firm stand to address the current shortage of blood needs specifically in the state of Oklahoma of x% according to xyz. We have an aggressive while also realistically optimistic goal of addressing this shortage within the first year of operation considering, according to our projections, we will be providing x pints of blood each month of operation which is a 2.7X overage in comparison to the shortage. This in turn should have an overall substantial impact on the xyz patients who are currently in a holding pattern of xyz as they wait for blood to become available to address their medical needs. Furthermore, although our initial start will be in the State of Oklahoma targeting DOC, we do not plan to stop there and will continue our expansion into various other states growing into an organization with international presence.

Initially, though, we will be specifically targeting the Oklahoma DOC inmate population as being the prime blood donation source while these individuals are still incarcerated giving us a firm presence in this market as well as a steady perpetual revenue source of xyz according to our Financial Analysis section 4.0 as we continue to expand. This will also provide the inmates an opportunity to directly give back to the patients requiring blood donations which will be used to address these critical medical needs.

Inmates are often considered to be those that are forgotten about being thought of as left in the shadows as this period is one potentially consumed with feelings of guilt and shame. With this opportunity, though, we are inspired to instill new hope that this will give the inmates a fresh personal perspective and renewed sense of one's ability to give back and contribute to society in a positive and productive manner while still being incarcerated. This in turn will contribute to building self-esteem & confidence giving purpose thus improving sobriety proportions as well as lowering the recidivism rates which are currently on the rise at x% in the state of Oklahoma per xyz. This positions ABS to be an instrument of positive change in relation to the overall experience of incarceration. In fact, according to study xyz such comparative programs as SAT are shown to lower recidivism rates by x% and we are optimistic our program will only strengthen this general progressive trend with a projection of x% recidivism reduction according to our Market Research section 3.0. As such we will also be offering an earned credits opportunity which will be incorporated into current state statute as per our partnership agreements with DOC and state legislation. Further details are in the legal section 2.3.

We are also incorporating a novel feedback approach between the donor (DOC client) and end customer who receives the blood further enhancing the community element of our unique vision giving both parties a sense of involvement, purpose and connection to one another and their respective communities. This will be strictly confidential, will be to no obligation between donor and receiving patient and only upon execution of a mutual contractual agreement between both parties. The communication can also be designed to be a one-time opportunity or one in which can be maintained throughout the incarceration period, as again, mutually determined and agreed to by both parties. Further details regarding legal implications are explained in the Legal section 2.4 as follows.

Finally, as part of our vision we plan to start our business using large recreational buses which are properly fitted to include all of the capabilities to donate blood directly on site at the prison institutions creating a revolutionary "mobile" approach to the blood donation industry. Each bus will maintain the same integrity and vision operationally but could be designed slightly different to fit the variable cliental at each prison institution such as women's vs. men's facilities or community level vs. max security levels. Staffing variations are also considered. An example of such variations might be a women centric workforce for women's prisons and vis-versa for the male facilities.

## 2.2 Principle Members & Organizational Structure

The principle members bring a wide range of skills and expertise including various previous start-up experience both in for & non-profit entities, management, leadership, medical & technical expertise, fund raising (grants), education leadership & development as well as investment advisory skills.

We also have partnerships with both Department of Corrections and State Legislation as well as current industry leaders/owners of other blood banks xyz and medical material suppliers xyz to help build and grow the business and offer a cost competitive advantage to lower operational expenses. In other words, we are including those who have already been successful in this industry as part of our team either working directly with us or through a partnership opportunity (contract agreement) to help ensure success. As such, the principle members including main responsibilities / focus areas are as follows with individual resumes provided as requested:

- Earlene Washburn with company xyz ® – CEO & Public Relations Representative:
  - Main responsibilities will include helping to form and maintain strategic partnerships such as, but not limited to, DOC, State Legislation & internship program. This role will also include seeking and acquiring funding specifically focused on State available grant moneys. Also further acting as the company’s main spokesperson helping to make strategic decisions which could impact the company’s vision and direction thus ensuring adherence to the company’s core values and overall direction.
- Danny Hurst with Grand 5 Holdings ® – Managing Partner & Co-Founder:
  - Main responsibilities will include managing (1) Operations, (2), Logistics & Distribution and (3) Medical Staffing & Human Resources. All of these entities will be included in a single for-profit shell company.
- Matthew Landsberger with Zero Gravity ® – Managing Partner and Co- Founder:
  - Main responsibilities will include managing (1) Operations & Supply Chain, (2) Research & Development and (3) Biohazard & Legal. It should be noted that (1) Operations is considered a shared responsibility with Danny Hurst due to the breadth of scope of these activities. All of these entities will be included in a single for-profit shell company.
- Jim Glover with company xyz ® – Chief Investor & Business Advisor:
  - Main responsibilities will include providing strategic business advice and high level architectural guidance from a financial and organizational perspective. This role is meant to have main interest in ABS currently valued at 28% (300K). Thus, this is considered to be a Chief Investor position as a result of ownership position and required responsibilities.

Refer also to Graph 1 for a visual outline of this organizational structure. Furthermore, an outline of our general staffing requirements with typical roles & responsibilities are as follows. It should be noted that the subsequent roles listed here will all be hired as direct employees. This is because these roles are considered to be key aspects of the operations and will be needed/required on a daily basis.

- Chief Phlebotomist – We are planning to have this role as a direct employee of ABS not to exceed 1 person to support our initial startup period within the first year of operations. This is will be reconsidered once we exceed 3 buses in full operation. This person will be responsible for running day to day operations as well as managing and overseeing all of the buses in relation to adherence to the Standard Operating Procedures (SOP) in regards to the blood donation process and policies.

- Lab Technician / Junior Phlebotomist – We are planning to have this role as a direct employee of ABS not to exceed 1 person per 3 buses.
- Lead Nurse / Nurse’s Aide – We are planning to have this as a dual/split role. The lead nurse will be outsourced and the nurse’s aides will be direct employees of ABS not to exceed 1 person per 3 buses and 2 persons per every 1 bus respectively. In other words, we will have at least 2 Nurses Aides per bus and at least 1 Nurse in a lead role per every 3 buses. The nurse aides will be directly responsible for the blood donation process and the lead Nurse will be responsible for managing and overseeing day to day activities of several Nurse’s aides not exceeding a total of 3 buses and/or 6 Nurse’s aides per previous explanation. The Lead Nurse will be required to be a Registered Nurse with at least 10yrs of experience while the Nurse’s Aide role will be more designed as a college internship opportunity.
- Customer Service Officer / Receptionist – We are planning to have this role as a direct employee of ABS not to exceed 1 person per bus. This person will be directly responsible for handling all of the upfront administrative work such as filling out the necessary paperwork such as the initial questionnaire and ensuring the person is qualified, prescreened and ready to donate blood. In other words, they will prepare the client for the blood donation process which will be done by the Nurses Aid. This person will also help to coordinate the 10-15min after care process once the person has completed the donation so that the Nursing staff can focus primarily on the donation process reducing overhead and increasing efficiencies thus throughput. We target to spend no more than 20 minutes per client with a total of 48 clients processed per day per bus as per our Summary & Profit Margins section 4.3.

In summary per the preceding explanation of our organizational structure of direct employees, we will have a total of 11 per 3 buses with an associated projected overhead cost of x per month and y per year also further detailed in the Staffing Expenses section 4.1.

It should be noted that the following roles will all be outsourced and not hired as a direct employee. This is an attempt to save money (lower overhead expenses) since these resources will only be required on an as needed basis. As a result of using these outsource companies/entities/employees saves us an estimated \$2,300 a month in projected overhead per section 4.0 Financial Analysis. We will have an open contract with each applicable company xyz which will allow us to have the resource available on demand without the potential of any waiting periods thus delays with roles and responsibilities stated in the agreement with designated resources allocated to support ABS.

- Administration & Human Resources – This role will include the generally responsibilities of the hiring process and managing employee benefits such as, but not limited to, 401(K), medical, dental, Paid Time Off (PTO), W-2s etc.
- Marketing and Sales Executive / Business Developer – This role will include the generally responsibilities of managing the company’s marketing strategies and budget to be in alignment with our current and future growth plans.
- Accountant / CPA – This role will include the generally responsibilities of managing the company’s finances and ensuring that all tax law is adhered to as part of general best practices per the IRS both at the State and Federal levels. This includes filing annual reports and compliance with all tax and regulatory requirements. We will also require quarterly (once every 3 months) earnings/financial statements be provided to all of our investors and associated partners.

- Cleaners – This role will include the generally responsibilities of keeping all of the facilities clean including the buses and office space. The cleanliness of the buses will need to be in accordance with medical, OSHA & FDA standards xyz. These requirements are included in the contractual agreement.
- Lawyer – This role will include the generally responsibilities of handling all legal matters such as contracts, business agreements, non-compete clauses, Trademark & other IP related matters, Operating Agreements, LLC filings etc. Essentially we plan to have an attorney on retainer to handle any and all legal matters as they pertain to the business and its associated operations.

Furthermore, we will create both cooperate holding and subsidiary Limited Liability Companies (LLC) as distinct legal entities for the purposes of creating taxation, regulation and liability individual advantages. Essentially this structure allows us to have strategic operating advantages both legally and operationally to run more cost effective, efficient and successful as compared to our competitors. A breakdown of the company organizational structure is shown in Graph 1. Per the proposed structure, we will have both for and non-profit entities. For the non-profit entities we will be applying for a 501(c)(3) tax exemption at the Federal level. The other option is to apply for an exemption with our LLC, requiring the LLC taxed as a corporation with a request to the Federal Government to treat our blood bank as a nonprofit or tax-exempt organization.

### **2.3 Operational Structure**

As stated in the Vison section 2.1 we are creating a revolutionary “mobile” approach to the blood donation industry by having buses which will serve as the facility by which the blood is donated and stored prior to distribution to our preferred end customers such as, but not limited to, the XYZ. Each bus will be outfitted with xyz the proper medical equipment which is what is needed to

We will have a Standard Operating Procedure (SOP) in place which defines the exact process, steps and requirements needed to properly, safely and successfully donate blood. A detailed explanation of our SOP is shown in Table x as appendix A for reference. It should be noted that this operational procedure is in accordance with current medical, legal and FDA requirements for a blood bank. We will also ensure that our buses meet Operational State Facility Inspection requirements per xyz for the State of Oklahoma. All of our refrigeration units which will be used to store the blood meet standards xyz and can hold a maximum of x pints (units) of blood for a period not to exceed x hrs from the time of the donation at a temperature of x-x degrees Fahrenheit.

Logistically we plan to have a hotshot come get the blood on demand at the end of each day at the nearest location from the penial institution never to exceed a maximum of 24hrs from time blood was donated to the time it is sold to our customer.

Our operating agreements are shown as appendix B for reference.

We have successfully applied for the following Licenses which are also required in order to operate a blood bank as shown in appendix C:

- Business License
- Clinical Laboratory and/or Blood Bank Permit
- Health and Safety Permit
- Blood Bank License for “Emergency Transfusion Only” services
- Zonal and Signage Permits
- Operational State Facility Inspections for your blood bank (lab)

We have also been awarded the following certifications which are also required in order to operate a blood bank as shown in appendix D:

- Specialist in Blood Bank Technology (SBB Certification)
- Medical Laboratory Scientist (MLS)/Clinical Laboratory Scientist (CLS) or Medical Technologist (MT) Certification
- The MLT (ASCP) Certification

## **2.4 Legal**

American's Blood Supply ® is a pending subsidiary Limited Liability Company (LLC) of holding company xyz ® also pending with both to be incorporated in Delaware with registration to do business in the state of Oklahoma. Yes we want to trademark

- DBA
- EIN
- Business and liability insurance
- Federal Tax Payer's ID
- State Permit and Building Approval
- Certificate of Incorporation
- Business Plan
- Employment Agreement (offer letters)
- Operating Agreement for LLCs
- Insurance Policy
- Online Terms of Use
- Online Privacy Policy Document
- Contract Document
- Company Bylaws
- Memorandum of Understanding (MoU)

Depending upon the legal aspects associated with integrating.

## **2.5 Medical Considerations**

There are many medical considerations taken into account such as the Federal Drug and Administration (FDA) regulatory requirements for blood donation centers both with state and federal impacts.

Yes, there are county and state regulations for blood banks, the U.S. Food and Drug Administration (FDA) is responsible for overseeing and regulating the U.S. blood supply. FDA enforces standards for blood collection and distribution. It is important to note that when it comes to the regulation of blood banks, CBER develops and enforces quality standards, inspects blood establishments, and monitors reports of errors, accidents, and adverse clinical events. FDA requires blood centers to maintain lists of unsuitable donors to prevent the use of collections from them.

# **3.0 MARKET RESEARCH**

## **3.1 Market Analysis**

To date the current "blood donation" market is a \$5M dollar industry in the OKC metro area, \$10M within the state of Oklahoma and \$500M in the U.S. with total sales in excess of 70B for the entire global blood donation market.



According to xyz the market is x. Also refer to competitor market analysis section as follows for further details.

The Target Market for our blood bank will be:

- A. Those being treated for cancer
- B. Accident victims
- C. Those undergoing surgeries
- D. Those that are being treated for inherited blood disorders.
- E. Health Management Organizations (HMOs)
- F. Hospitals
- G. Blood Centers
- H. Biotechnology Companies
- I. Research Institutes

### **3.2 Competitor Analysis & Revenues**

Our competitor analysis included an evaluation of other companies which are considered established blood banks to help substantiate our projected revenue. A summary of competitor blood bank revenues are shown in Graph x and itemized list of the data in Table x below. According to the data using x different companies, the average yearly revenue is projected to be \$x, which correlates to our estimates of x for our first bus in the market research section. The revenue numbers range from \$x for x to \$x for x. Considering the large range it was deemed appropriate to calculate sample 95% confidence intervals (\$x to \$x) based on the average of \$x. This range is quite high and if x revenue numbers are considered an outlier and excluded from the calculations the average drops to \$392,649. However, this number is still within the range of our 95% confidence interval.

Accordingly, the high range is also attributed to the fact that each company has xyz. x is the leader at 31,256 (as of 2019) locations nationwide while y the lowest at 120. Each business model is considered to be substantially different as well as the donation products offered which have variable profit margins such as plasma vs. red platelets. All of these variables combine contributing to the wide range of revenue numbers calculated. However, despite the range in the data, x revenue expectations are considered appropriate in that it is approximately in the middle (mean) of the competitor data. Furthermore, revenue expectations will be discussed more in the “Profit Margin and Expenses” section as follows. Some of the major competitors include:

1. American Red Cross (ARC)
2. America’s Blood Centers (ABC)
3. Vitalant
4. Community Blood Service Of Illinois
5. Gulf Coast Regional Blood Center
6. Life South Community Blood Centers
7. Carter Blood Care
8. Bloodworks Northwest
9. Alphacord
10. LifeBankUSA
11. Cryocyte
12. HealthBanks Biotech USA

### **3.3 Advertising**

We have budgeted \$1,000 per month for advertising which is reflected and detailed in the “expenses and profit margins” section. We are also planning on hiring a “marketing firm” to help with our advertisement

strategy at least for the first few quarters of operation or until a solid customer base is established. We also calculated we needed x customers per day to meet our 1.35M revenue targets per the “expenses and profit margin” section and this will be taken into account with the advertisement strategy we utilize.

Our basic marketing strategy consists of the following and the funds will be allocated accordingly per recommendations made by said marketing firm in order to grow the company’s customer base:

(1) word of mouth (grassroots) (2) e-commerce & social media (Facebook, Instagram, company website (email) [AmericasBloodSupply.com](http://AmericasBloodSupply.com), YouTube, twitter and *Google*) (3) radio (4) coupons/discounts (5) other company collaborations and partnerships (6) mobile phone APP (7) hire a marketing firm (8) direct customer feedback

## 4.0 FINANCIAL ANALYSIS

### 4.1 Staffing Expenses

1. Chief Phlebotomist/Chief Executive Officer – \$65,000 Per Year
2. Admin and HR Manager – \$48,000 Per Year
3. Lab Technicians/Phlebotomist – \$45,000 Per Year
4. Nurses/Nurse’s Aides – \$40,000 Per Year
5. Marketing and Sales Executive (Business Developer) – \$38,000 Per Year
6. Accountant (Cashier) – \$38,000 Per Year
7. Customer Service Officer (Receptionist) – \$26,100 Per Year
8. Cleaners – \$24,000 Per Year

- Ability to successfully draw blood from patients with minimal or no complications.
- Empathy and interpersonal skills for working with patients.
- Detail-oriented and committed to ensuring patient confidentiality.
- Excellent motor skills and the ability to stand for long periods of time
- Customer services skills
- Interpersonal skill
- Business management skills
- Work experience in the healthcare industry
- Experience in managing people
- Experience in business administration
- Experience in handling working in a clinical lab

A summary of all of the expenses is shown in Graph 4 and Table 3. The expenses were analyzed to determine profit margin expectations for the owners which also determines revenue requirements for a “break-even” point. Based on the analysis, the total operating expenses are expected to be \$34,406 per month or \$412,870 per year. Assuming 500K gross revenue per the competitor analysis leaves a net profit of \$75,130 (15.0%) per year. It should be noted that payments to the investors is considered an “expense” in this case. These operational expenses were compared to the local competitors and found to be comparable with Clarity Coffee being the highest at xyz and Elemental Coffee at xyz being the lowest (this is only an example).

### 4.2 Operational Expenses

1. The Fee for registering the organization in the United States – \$725.
2. The budget for legal fees, insurance, permits, and license – \$5,000
3. The cost of leasing a facility – 100,000
4. The amount needed to renovate the Facility (electrical, furnishings, plumbing, painting, and

5. landscaping) – \$10,000.
6. The Cost for the purchase of furniture and equipment (Flat Screen TVs, computers, printers, and cabins et al) – \$10,000
7. Other start-up expenses including stationery – \$1000
8. Phone and utility deposits – \$3,500
9. The cost for the purchase of clinical lab equipment – \$150,000.
10. Cost for payment of salaries for the first 3 months of operations – \$50,000
11. Additional Expenditure (Business cards, Signage, Adverts, and Promotions et al) – \$5,000
12. The cost of launching an official website – \$600
13. Miscellaneous – \$2,500

Ongoing expenses in the form of consumables consist of the following:

blood storage packs, gloves, face masks, hand sanitizer, sterilizers, alcohol, or iodine to cleanse the area, a tourniquet, tubes, tube holder, needles, tape, gauze, and a fridge for storing blood.

Also computers or laptops, internet facility, telephone, fax machine, and office furniture (chairs, tables, and shelves)

Utility bills (internet subscriptions, phone bills, signage and software renewal fees et al)

1. Salaries of employees
2. Maintenance
3. Insurance
4. Marketing and promotion costs

The highest expenses in descending order are the employee costs (1), investors (2) rent (3) and raw materials (4) at \$164,352, \$115,000, \$48,000 and \$42,318 per year or \$12,800, \$9,583, \$4,000 and \$3,526 per month respectively. The employee and raw material costs were also broken down in more detail as shown in Tables 3.A and 3.B respectively. A more detailed description of these main expenses are as follows:

1. Employee Costs: We plan to have a total of 4 employees and 1 store manager making \$15 and \$20 per hour or \$28,000 and \$38,400 per year respectively.

The number of employees was also based on the number of sales.

2. Investors: A breakdown of the investor payments (expenses) has already been discussed in the investment structure section as well as graphs 7-9 which also include our 5yr growth plans. Also refer to “ROI Projections” section for further details as follows.
3. Rent: We will need to get actual rent quotes based on the location selected. It should be noted, however, that this amount was compared to an equivalent hypothetical loan amount assuming we were to purchase a building under a mortgage agreement. According to the amortization calculations as shown in Table 2, we would be able to buy a building for \$667,100 at a 6% interest rate with a 30yr. term and it would carry a principle plus interest mortgage payment of \$4,000, which is equivalent to the assumed rent cost. We used this calculation to help us target this estimated “rent” payment for our expenses projections and also used to determine most economical solution of rent vs. own. At this time, we are leaving both rent and own options open for consideration based on the location(s) that is selected.

4. Medical Supplies: The annual medical cost of \$42,318 was calculated assuming...

A summary of the medical supply material costs can be seen in Table 3.B. All of the numbers were calculated using xyz customers per day which was based on the average...

In summary, the calculations included...

### 4.3 Summary & Profit Margins

Based on the expenses calculated and expected revenues we calculate our profit margins to be...

## 5.0 FUNDING & INVESTMENT OPPORTUNITIES

### 5.1 Funding Strategies

As stated Beanz – N – Greenz ® is seeking a 150K total investment opportunity for a 23% ownership position to fund our first store project resulting in an initial evaluation of \$576,923. Refer to “Fund Allocations” section as follows and Graph 1 for more details on how this capital is planned to be utilized. It should also be noted that we will be seeking startup capital from many sources other than individual investors. Generally speaking, those sources include but are not limited to:

1. Go fund me
2. Grants xyz
3. Personal/Corporate/Business Bank Loan
4. Small Business Investment Companies
5. Venture Capital Firms
6. Minority Enterprise Small Business Investment Companies
7. SBA Financial Programs:
  - A. Guaranteed Loans Program
  - B. Immediate Participation Loans Program
  - C. Local Development Companies Program
8. Foreign Investors:
  - A. Japanese Venture Capitalists
  - B. Cherokee Nation (Dubai)

### 5.2 Investment Structure

This structure as outline is considered a personal investment opportunity per item 1 above. The investor(s) will be paid based on the company’s net revenue, which is targeted to be \$x per the competitor analysis. Using a \$x net revenue and 28% investment position totals a yearly amount of \$x to be paid to the investors based on the proposed structure per the “Market Research” section. This amount will be paid in four periods (quarters) which equals a total of \$x per quarter payments. Each payment will be made at the end of the respective quarter. It should also be noted that there is no limit on the number of investors while we are targeting to have no more than 2. The investors overall qualifications, not just financial, will be taken into consideration as well prior industry experience to determining eligibility. Some of these qualifications could be general business knowledge, industry connections as well as specific experience with the blood donation industry. This investor would be considered more of a strategic partner.

The following is a summary of the various investment offering strategies A & B respectively:

- A. Lump Sum: We will offer a lump sum opportunity to a single investor of 150K in exchange for a 23% ownership of the first store as previously discussed.

- B. Phases: We will offer investment phases based on the progress of our first store project to help minimize investment risk with respect to project progress. Example of ownership opportunities with increasing dilution and decreasing risk would be seed round (1) \$50K for 10%, round (2) \$50K for 8% and finally round (3) \$50K for 5% yielding total projected cost of \$150K and dilution investment of 23%. All of these offerings are subject to change based on investor proposals. A single investor could purchase all 3 seed phases, 1 investor per phase or partial phase opportunities can also be considered although not ideal.

Based on this structure and projected gross revenue of \$506,497 per year, yields a projected ROI of 8.3% (\$4,1667) within the 13<sup>th</sup> month for round (1), 7.1% (\$3,333) within the 15<sup>th</sup> month for round (2) both to be paid at the end of the 1<sup>st</sup> quarter of the second year and 4.2% (\$2,083) within the 25<sup>th</sup> month (2.1 yrs.) for round (3) to be paid at the end of the 1<sup>st</sup> quarter of the second year of operation at our first store. Refer to Graph 6 investor ROI chart for further details. Based on these estimates, all investors are projected to be paid back by the end of the 2<sup>nd</sup> year's 1<sup>st</sup> quarter. It should be noted, however, that it could take up to 2yrs of operation to be at a ~500K revenue in which case the return numbers must be taken as speculative estimates only and are subject to change based on performance.

The main objective of seed round (1) is to allow us to complete renovations, round (2) the purchase of all of the equipment and (3) order the products (raw materials) and finalize all of the legal paperwork. In summary, completion of these activities would allow us to open the store for business.

### 5.3 Fund Allocations

The bulk of the money \$x (40%) will be used to buy the buses as well as for the equipment costs \$33,000 (22%), \$32,810 (20%) buffer for emergencies and to cover up to one month of operational expenses \$31,710 (21.9%) and first 2 months of medical supplies \$9,053 (6.0%). A summary of each line item is as follows as well as shown in Graph 1 below:

1. Buses: For the buses we received x quotes...
2. Medical Supplies: We will need to generate a more detailed itemized.
3. First Month of Operational Expenses: This may not be needed and is intended to be used as a "20% buffer" in the event that the first month of operation is not profitable. This money will ultimately be added to the company savings account to be used for emergencies only.
4. 2 Months of Additional Medical Supply Costs: This was also considered to be "buffer" money but is intended to be used to get the business going since we will have to place bulk large quantity orders for all of our raw materials. Refer to "Profit Margin and Expenses" section for further details regarding raw material costs and projections.
5. Overages: It should also be noted that the \$2,737 (1.8%) "overages" item will be used to start a company savings account only to be used in the event of an emergency combining this money with the "Frist Month of Expenses" money.
6. Attorney Fees: We plan to have an attorney on retainer starting at the 5K range budgeting up to 12.5K initially to help us generate our company operating agreements, investor contracts, non-compete agreements, restaurant licenses and file trademarks. This number is likely to increase based on company needs as well as when we get to phases 3 and 4 during medicinal cannabis integration. We plan to get quotes from attorneys to determine more exact cost prior to execution.

### 5.4 ROI Calculations

Our ROI is calculated to be...

## 6.0 INNOVATION

### 6.1 Intellectual Property

We are currently in the process of trademarking the company logo (as shown here) as well as the company name “American’s Blood Supply <sup>TM</sup>”.

### 6.2 Research and Development

American’s Blood Supply <sup>TM</sup> is planning on performing research and development for...

## 7.0 SIGNATURE PAGE

X

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Matthew Landsberqer  
Co-Founder and Investment Partner

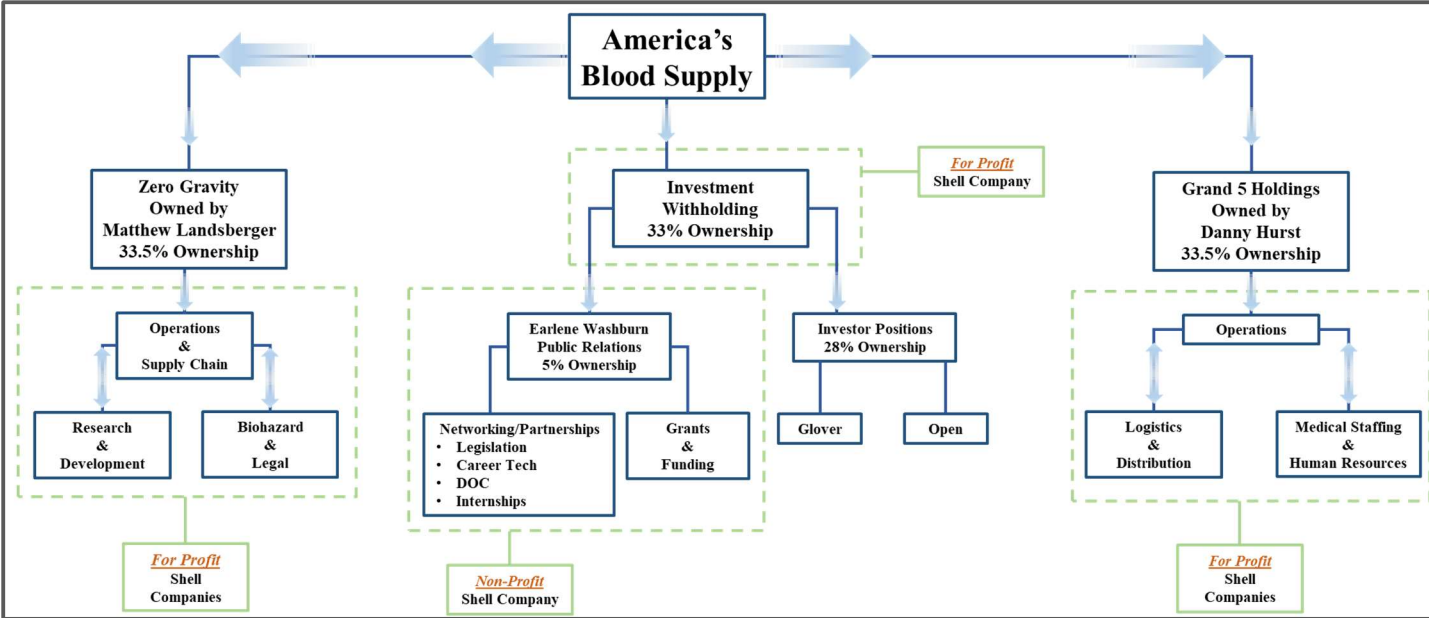
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Danny Hurst  
Co-Founder and Operator

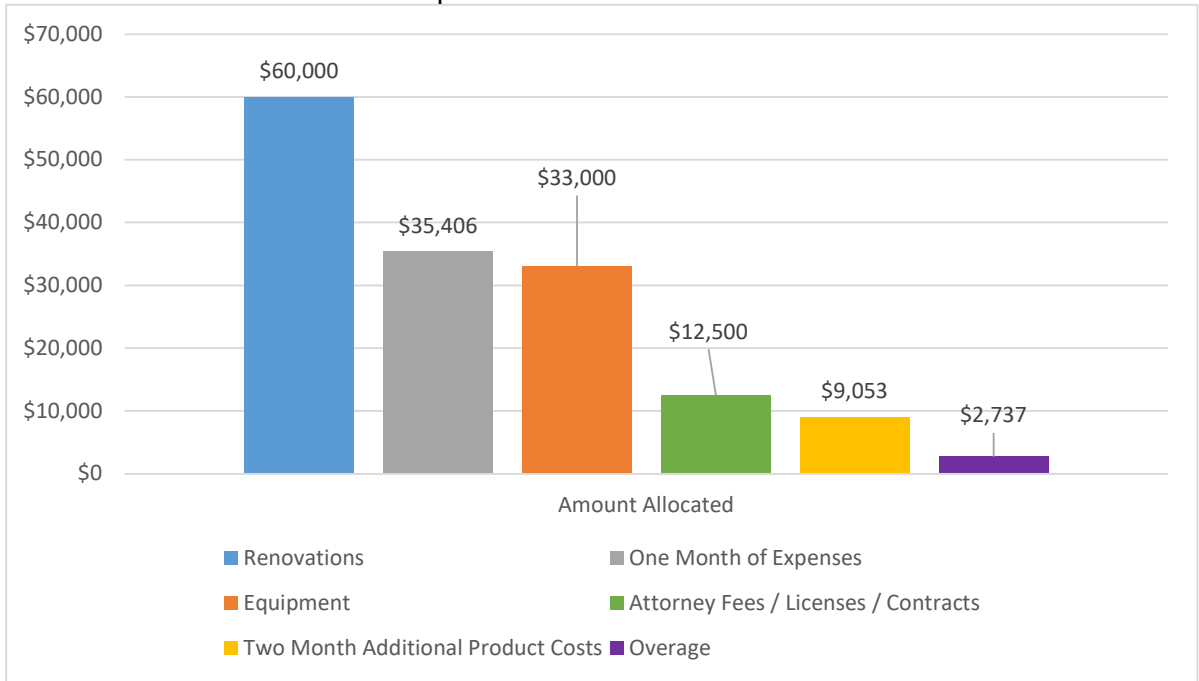
## 8.0 GRAPHS AND TABLES

Graph 1: Organizational Structure

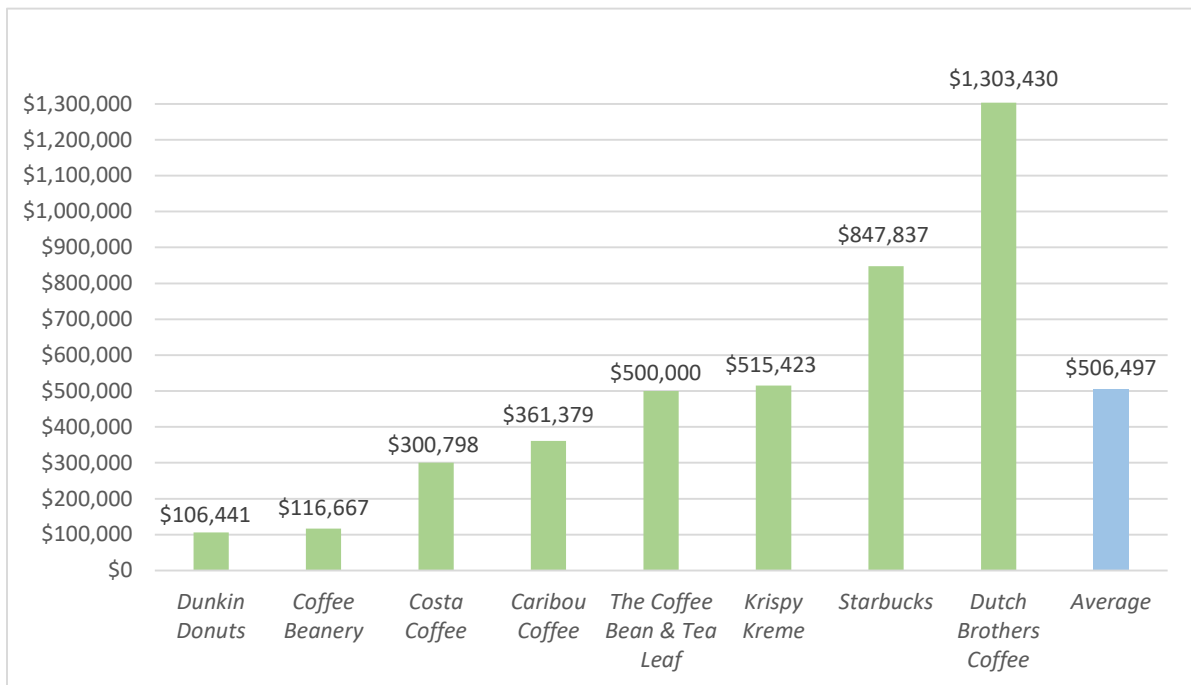




Graph 1: Investment Allocations



Graph 2: Sales per Store Data



Graph 3: Number of Stores Owned by Competitor Franchise Operator

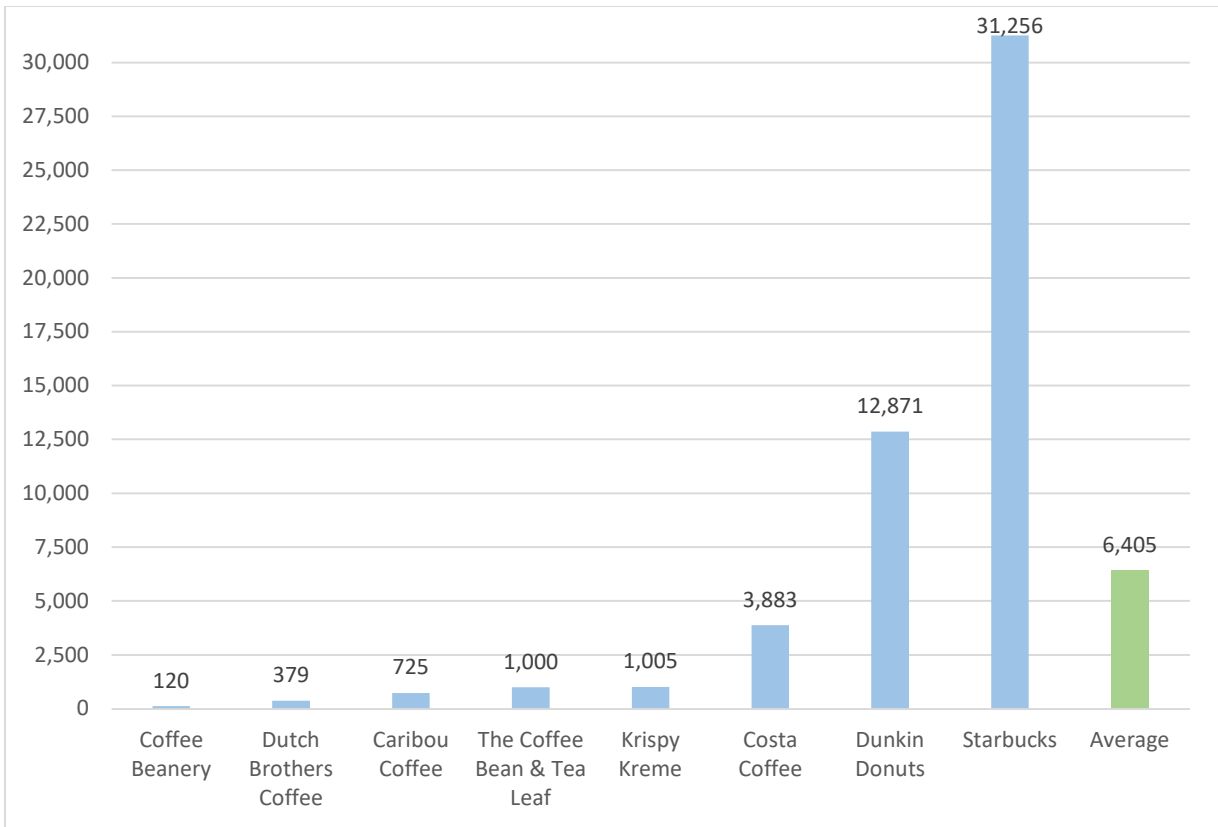


Table 1: Raw Revenue Data

Franchise Operator	Number of Stores	Yearly Sales (Revenue)	Sales Per Store
Coffee Beanery	120	\$14,000,000	\$116,667
Dutch Brothers Coffee	379	\$494,000,000	\$1,303,430
Caribou Coffee	725	\$262,000,000	\$361,379
The Coffee Bean & Tea Leaf	1,000	\$500,000,000	\$500,000
Krispy Kreme	1,005	\$518,000,000	\$515,423
Costa Coffee	3,883	\$1,168,000,000	\$300,798
Dunkin Donuts	12,871	\$1,370,000,000	\$106,441
Starbucks	31,256	\$26,500,000,000	\$847,837
Average	6,405	3,853,250,000	506,497

Table 2: Mortgage Estimates

Mortgage for Beanz and Greenz		
Principal	Interest	Term (Years)
\$667,100	6.0%	30
Monthly Payment	Cost Per Year	Total Amount Paid over Life of Loan
\$4,000	\$47,995	\$1,439,857

Graph 4: Expenses per Year Summary

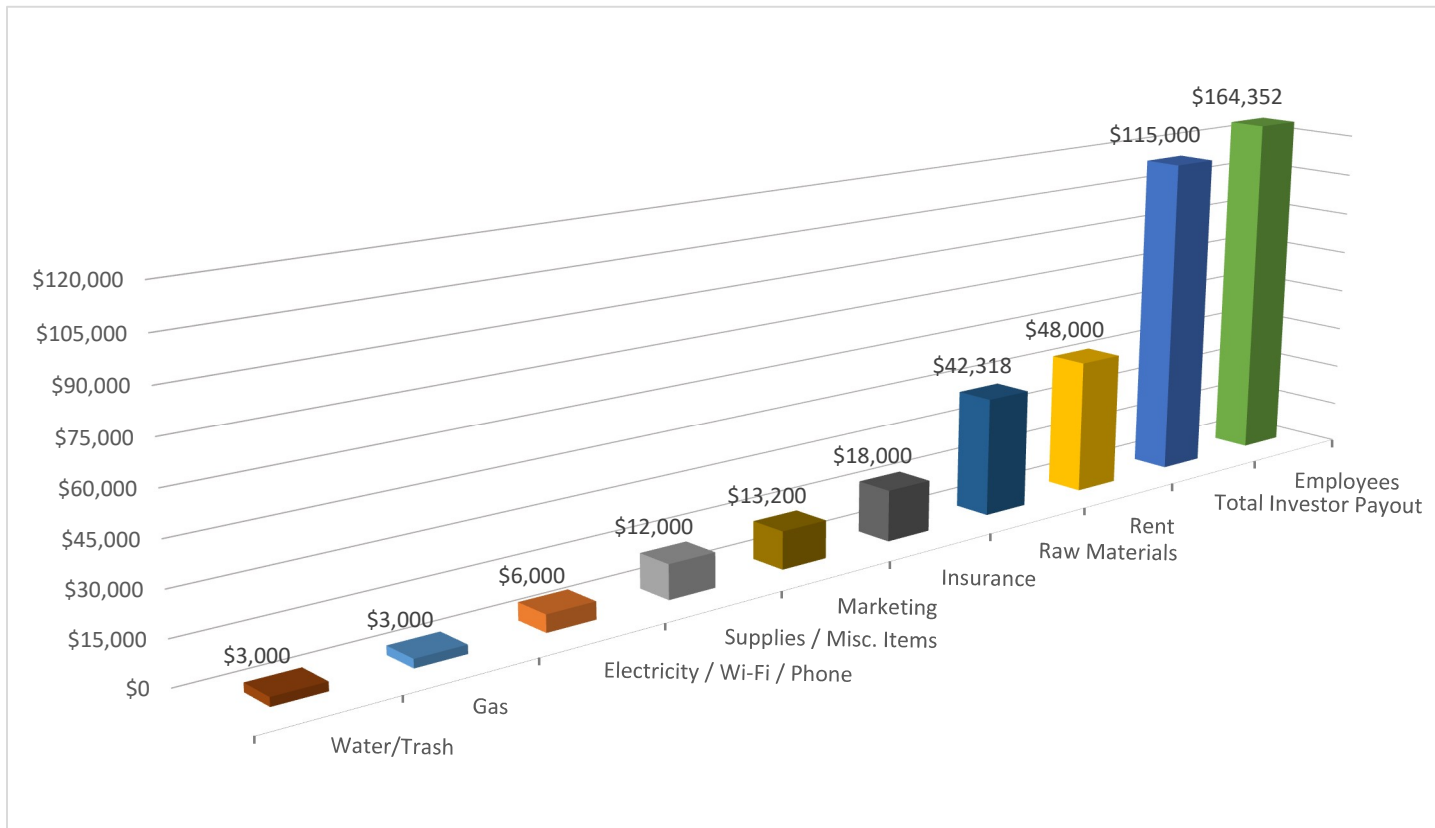


Table 3: Expenses and Profits Data

Line Item	Cost Per Month	Expenses Per Year	Input Data
Gas	\$250	\$3,000	Yearly Revenue
Water/Trash	\$250	\$3,000	\$500,000
Electricity / Wi-Fi / Phone	\$500	\$6,000	Customers Per Day Based on \$3 cup of coffee sold to hit Revenue
Supplies / Misc. Items	\$1,000	\$12,000	457
Insurance	\$1,500	\$18,000	Customers Per Minute Based on \$3 cup of coffee sold to hit Revenue
Marketing	\$1,100	\$13,200	0.951
Rent	\$4,000	\$48,000	Mark-Up Percent Based on Revenue
Total Investor Payout	\$9,583	\$115,000	117.7%
Employees	\$13,696	\$164,352	Profit / %
Raw Materials	\$3,526	\$42,318	\$75,130
Totals	\$35,406	\$424,870	15.0%

Table 3.A: Detailed Employee Expenses

Employee Count	Employee Dollar per hour	Cost Per Month	Yearly Salary
4	\$15	\$9,600	\$28,800
Manager	\$20	\$3,200	\$38,400

Starbucks	\$13.41	\$2,146	\$25,747
Competitor Difference	\$1.59	\$254	\$3,053

Table 3.B: Detailed Raw Material Expenses

Coffee Cost					
Coffee Cost Per Ton	Cost per Pound	Ounces of Coffee Produced per Pound of Coffee	Coffee Cost Per Ounce	Coffee Cost Per 16 Ounce "Cup"	Coffee Cup Ounce Input
\$3,270	\$1.48	878.4	\$0.00169	\$0.027	16
Ounces of Coffee Produced per Ton of Coffee	16 Ounce Cups of Coffee Produced per Ton of Coffee	16 Ounces of Coffee Sold Per Day	16 Ounces of Coffee Sold Per Year	Total Cost In Coffee Per Month to Hit Revenue Target Based on 457 Customers per Day	
1,936,540.8	121,033.8	4,034.5		\$370.10	

Sugar Cost					
Sugar Cost per 50 Pounds	Cost per Pound	Cost Per Ounce	Cost Per Teaspoon	Cost per Cup of Coffee using 3 Teaspoons	Number of Teaspoons per Cup of Coffee
\$100	\$2.00	\$0.125	\$0.021	\$0.064	3
Teaspoons per Pound	Teaspoons per 100\$	Cups	Cups Per Day	Total Cost In Sugar Per Month to	

				Hit Revenue Target Based on 457 Customers per Day
94.1	4,705.9	1,568.6	52	\$873.29

<b>Creamer and Cup Cost</b>					
Creamer Cost per 60 ounces	Cost per Ounce	Cost Per Cup using 1/2 ounce	Cup Cost	0.50 Ounce per Cup of Coffee	Number of Ounces per Cup of Coffee
\$8	\$0.13	\$0.067	\$0.050	\$0.067	0.50
Ounces per 8\$	Cups per 8\$	Misc. Items such as Chocolate/Whipped Cream (extra \$0.05 per cup)	Total Cost In Cups Per Month to Hit Revenue Target Based on 457 Customers per Day	Total Cost In Creamer Per Month to Hit Revenue Target Based on 457 Customers per Day	
60.0	120.0	\$684.93	\$684.93	\$913.24	

Graph 5: Raw Material Cost Summary per Year

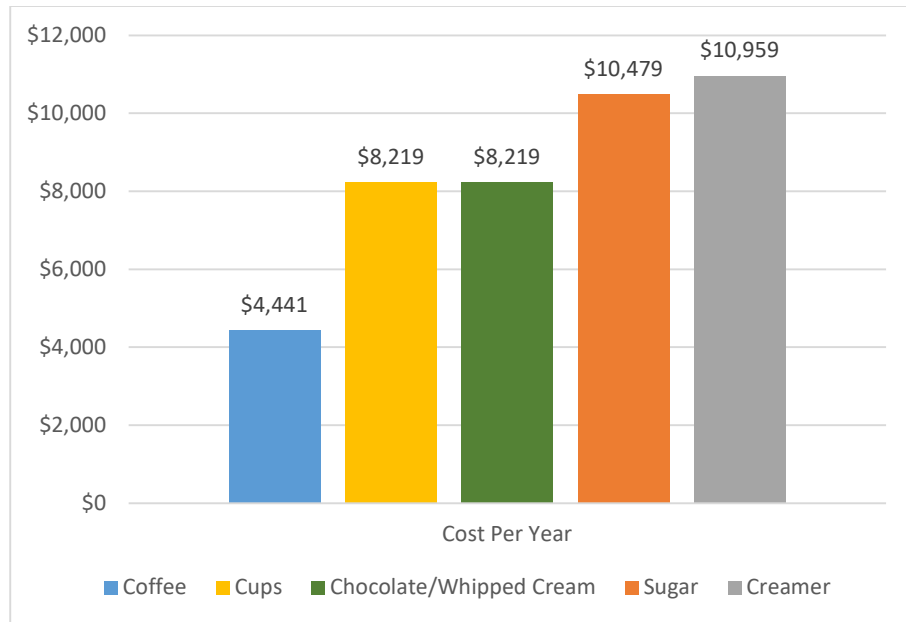


Table 3.C: Summary Raw Material Expenses

Summary Data		
Raw Material	Cost Per Month	Cost Per Year
Coffee	\$370	\$4,441
Sugar	\$873	\$10,479
Creamer	\$913	\$10,959
Cups	\$685	\$8,219
Chocolate/Whipped Cream	\$685	\$8,219
Total	\$3,526	\$42,318

Graph 6: Average Starbucks Coffee Prices (menu)

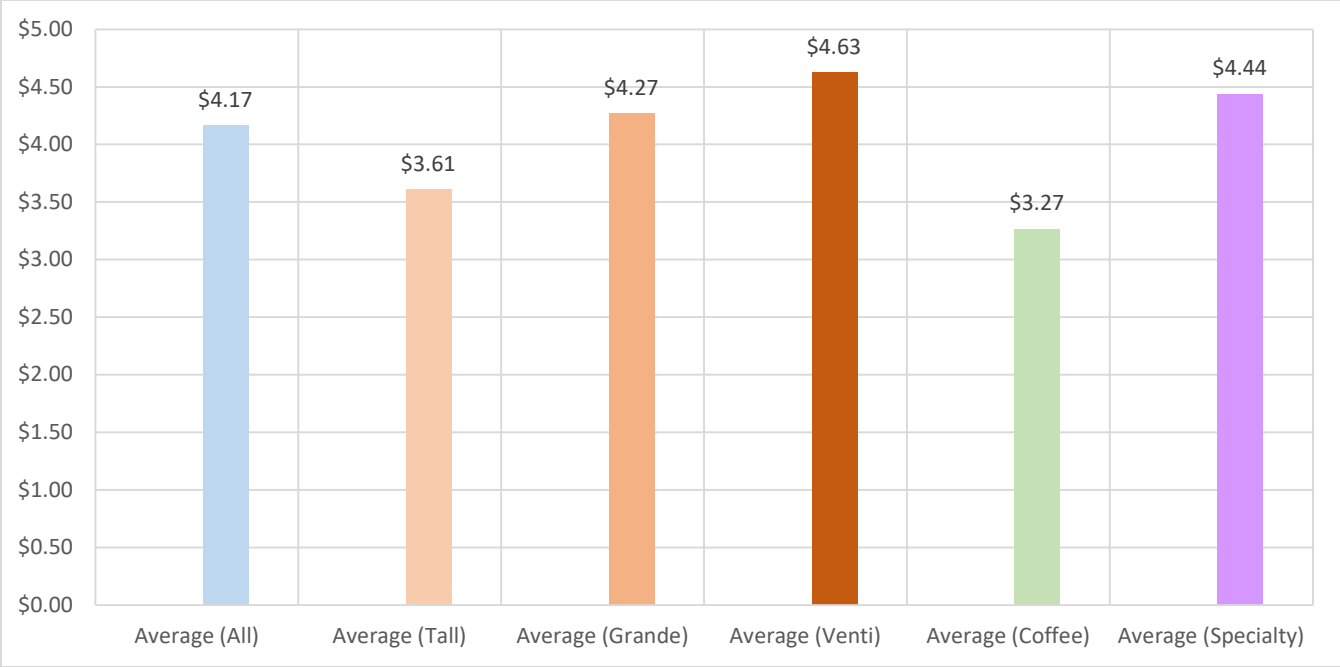
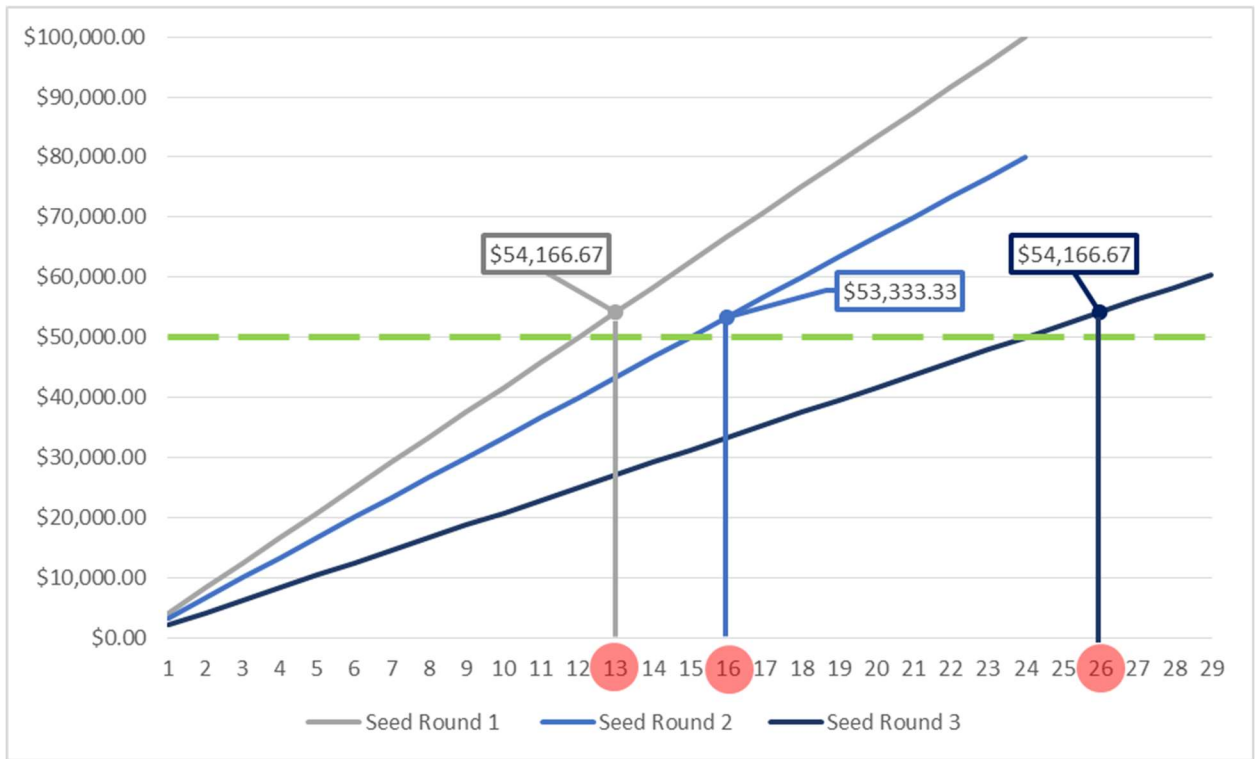


Table 4: Starbucks Size Descriptions

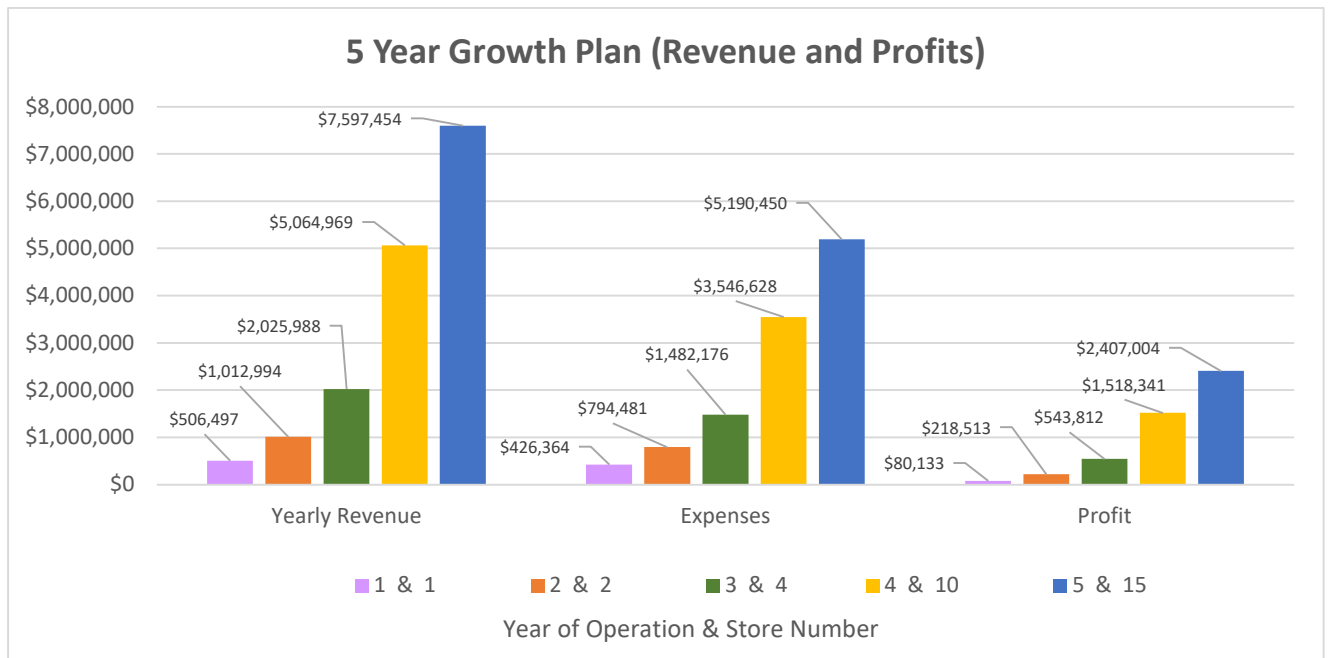
Name	Measurement	Notes
Short	8 US fl oz (240 ml)	Smaller of the two original sizes
Tall	12 US fl oz (350 ml)	Larger of the two original sizes
Grande	16 US fl oz (470 ml)	Italian for "large"
Venti	20 US fl oz (590 ml) - Hot	Italian for "twenty"
	26 US fl oz (770 mL) - Iced	
Trenta	30 US fl oz (890 ml)	Italian for "thirty"



Graph 7: Investor ROI Projections at First Store



Graph 8: 5yr Growth Plan Projections (Revenue / Expenses / Profit)



Graph 9: Investor ROI Including 5yr Growth Plan Projections

