

REOA VENTURE GROUP

Services

Over the years, Reoa Venture has completed numerous corporate development consulting assignments that have resulted in increased shareholder value. While most of these assignments are completed to position the client company to enter into a corporate financial transaction, many assignments assist client companies in solving a specific problem within the organization.

Reoa Venture has assisted companies with corporate strategic planning and has taken advantage of the firm's off-site and facilitated "Strategic Thinking" sessions. Reoa Venture has also assisted clients with completing business plans, sales and marketing plans, acted as new business developers and even assisted clients with new venture development and execution where we have participated with client companies as interim "start-up" managers.

Overview

In the history of every organization, there are times when critical choices must be made, choices that affect the firm's ability to grow, its profitability or even its survival. Our firm helps find creative solutions to these problems.

- We assist management in the preparation of realistic business and strategic plans.
- We analyze equity and debt structure and recommend practical fund raising options based on our analysis of financial projections.
- We assist management of distressed companies.
- We offer exceptional depth in mergers, acquisitions, divestitures, management and leveraged buyouts, recapitalizations and other strategic intellectual capital.
- We have significant expertise in rendering valuations and fairness opinions for both private and public companies.
- We offer a broad range of insurance consulting and risk analysis services.
- We offer comprehensive government relations and lobbying services.

Using the unique blend of talents of our managing directors and staff, we have completed engagements throughout the United States, and Canada. We welcome the opportunity to assist you in accomplishing your goals and objectives.

Business and Strategic Planning

We assist management in the preparation of realistic business and strategic plans.

- The business plan is a guide for the organization and the primary method of communicating with financing sources. Also, we develop monitoring tools to assure that management measures performance against plan and modifies the plan as conditions change. We participate in periodic reviews with management and Boards of Directors

Financing Strategy

We analyze equity and debt structure and recommend practical options based on our analysis of financial projections. We successfully blend a total financing strategy for each client, bringing together equity private placements and a combination of public offerings, private placements, conventional lending, and bridge loans, to achieve client objectives.

Distressed Company Advisory Services

At times, organizations face challenging situations and lenders need help resolving problem loans, especially during distressed economic periods. Both borrowers and creditors need expertise, which may not be available within either organization or may be limited in scope due to legal liability. We bring a team of experienced professionals who identify key areas requiring change. Together with management, we develop proactive plans to initiate rapid change to facilitate a turn-around. In addition, we work with lenders and other interested parties to structure solutions to the major issues facing the business. In some cases, we will assist in the merger or sale of the business as an appropriate option for the

company. Our approach is comprehensive and intense.

Mergers, Acquisitions and divestitures

Reoa Venture offers exceptional depth of experience in mergers, acquisitions, divestitures, management and leveraged buyouts, recapitalizations and other strategic corporate transactions. We have expertise in each stage of a transaction, including the identification of potential acquisitions, optimal "packaging" of a client for a transaction, preparation of a client for meetings, structuring of merger and sale transactions and negotiation of sale and purchase terms. Services include due diligence, valuation analysis of client and target companies, introductions to underwriters and sources of funding, as well as negotiation assistance throughout the process.

Fairness Opinions

Reoa Venture has significant expertise in rendering fairness opinions for both private and public companies. Our work generally includes a comprehensive operational and financial review. In addition, we utilize a number of sophisticated databases to access information for developing numerous analyzes, both quantitative and qualitative, to support our Opinions.

Valuations

Our services focus primarily on valuations of private and closely held small and mid market businesses. We develop valuations for:

- Potential sale or purchase of businesses
- Feasibility of ESOPs
- Sale and/or repurchase of shares of stock

We do not provide appraisals or valuations for personal properties etc.

Government Relations Services

Our Government Relations team manages introductions to and communications with government entities and helps clients develop strategies to bid and win federal, state and local contracts. Our clients depend on us for long-term advice and to identify marketing opportunities for government procurement contracts.

Mergers and Acquisitions

Helping business owners realize their objectives from the sale of a company is a complex process that requires specialized skill, knowledge, judgment and resources. Our M & A team have decades of middle-market M&A experience. The process starts with a detailed valuation of your company to determine how much the business is worth and to identify potential market opportunities. Once this step is complete and you decide to proceed with a potential sale, our team of M & A experts will begin the process to explore potential buyers for your company globally, and produce important and comprehensive marketing materials that conforms to SEC guidelines and regulations and a summary of your business. The task of developing a list of potential buyers then begins. The M & A team then begin the process of qualifying potential buyers and meeting with the prospect to determine the best structure and terms. The team will then help you evaluate offers from buyers and the represent your best interest in the transaction.

Management Buy-out

The buy-out will be evaluated, structured, and financed under the best possible terms for both parties. Our team is the best and experienced team of buyout specialists. We will arrange a conference call with you and our team to give you is level of interest the same day you call us.

A management buy-out (MBO) is when existing management buys an equity interest in a company, more ideally a controlling interest. The existing owners typically will sell most or all of their investment to the existing managers and co-investors. A procedure often used is to have a new holding company purchase the stock of the target company.

An ideal MBO, for both parties, takes place in family businesses where the owner wishes to retire. In this case the present owners may keep a small percentage stake in the company and even have a seat on the Board. MBO's take place when a company no longer to desires to run a division and sells it out to the management of the division. A spin-off MBO such as this can be very profitable in that new management will not have the overhead divisions inherit from the

core company.

An MBO can usually be closed more quickly than a sale to outsiders. An MBO can be more profitable because the buying management team knows the good and bad in the company and get right to the heart of problems.

Valuations of a company for an MBO are typically net asset valuation, discounted cash flows and a comparative analysis of industry price earning ratios. The key elements that will make an MBO successful are:

1. Seller is willing to sell and cooperative,
2. Selling agreement is signed,
3. Selling price is under the market for the industry, determined by an experienced team,
4. Buying team has hands-on experience in running the business,
5. Buyers can demonstrate the ability to make a substantial personal financial commitment,
6. Experienced MBO advisor's are retained to guide the buyers through the complex process,
7. Cash flow of the company will support the debt service with generous margins.

If your MBO target meets the above criteria, we have the experienced team to package it and the investors for your deal to make the buy-out a success.

Direct Public Offering Services (DPO)

Reoa Venture has a unique team approach and a specialization in Direct Public Offerings. We assist established enterprises and startups with business and financial advice on taking their company public. A pre-offering plan is highly suggested to be in place for the marketing and structure of a Direct Public offering. This is vital to a successful DPO.

Reoa Venture can strategically position and optimize a Direct Public Offering thus increasing a candidate's potential for success. Public awareness, valuation, pricing, and minimal shareholder dilution are critical factors that add up to a sound after-market trading forum for your companies' securities. Our team includes marketing experts, accountants, transfer agents, and financial printing.

Developing a Prospectus

The Securities Exchange Commission (SEC) requires that a Prospectus be filed with the appropriate forms. The prospectus is really a legal business plan which contains SEC required elements and formatting. The company may also create tombstone ads, brochures, and a Web site. The type of SEC registration determines the elements to be included. Sometimes audited financial statements are required and sometimes they are not. Reoa Venture seeks to understand your particular needs and maps a critical path for the most cost effective approach. Our team will produce the offering circular from an enhanced compilation of existing documentation or as an original source document. Reoa Venture helps you with all of elements that are critical components for a successful DPO.

Strategic Thinking

Over the years, Reoa Venture has completed numerous corporate development consulting assignments that have resulted in increased shareholder value. While most of these assignments are completed to position the client company to enter into a corporate financial transaction, many assignments assist client companies in solving a specific problem within the organization.

Reoa Venture has assisted companies with corporate strategic planning and have taken advantage of the firm's off-site and facilitated "Strategic Thinking" sessions. Reoa Venture has also assisted clients with completing business plans, sales and marketing plans, acted as new business developers and even assisted clients with new venture development and execution where we have participated with client companies as interim "start-up" managers.

Disclaimer:

This information does not constitute the offer to sell any securities, franchise or business opportunity. The specific terms of investment in this venture are subject to negotiation. Franchises and/or business opportunities are not available through this medium. Participation in the management or business operations of each outlet by the venture capitalists must be strictly prohibited.