

Joining A/ Another Startup as a Founding Officer

SENG

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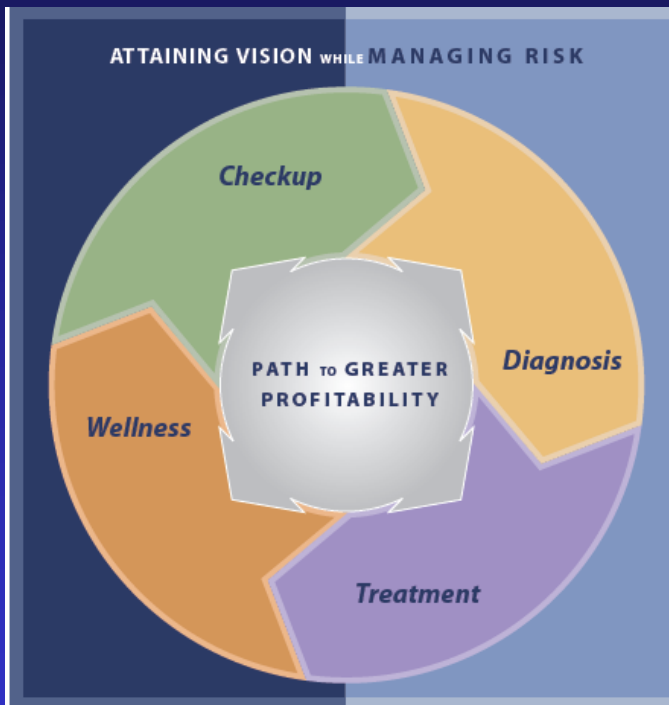
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What I am Going to Cover Today

- ◆ Who is Gary Patterson
- ◆ Firming up Stock For Time and Milestones
- ◆ Financial Mission 5 Questions
- ◆ Executive 5 questions to add value
- ◆ Summary for "My Friend Who Asked"

About FiscalDoctor



Checkup – identify immediate issues

Diagnosis – thorough review of financials and systems

Treatment – implementation of best practices

Wellness – maintain financial health

Cap Table Allocation of Equity

| Potential Cap Table | | | | | | | | | | | | | | | | | | |
|------------------------|------------------|----------|----------------|----------|------------------|----------|----------------|----------|------------------|----------------|----------------|----------------|------------------|----------------|------------------|------------------|------------------|----------------|
| | | | Core team | | | | (3) | | Subtotal % | | F & F cash | | Subtotal % | | Preferred stock | | Total % | |
| | Shares | Value | Prefunding | | vesting (2) | | Pool options | | Shares | owned | Shares | Value | Shares | owned | common portion | | Shares | owned |
| | | | Shares | Value | Shares | Value | Shares | Value | | | | | | | Shares | value | | |
| A | 1,900,000 | minimal | 88,672 | minimal | 150,000 | minimal | | | 2,138,672 | 52.55% | 339,167 | 250,000 | 2,477,839 | 54.52% | 0 | | 2,477,839 | 36.87% |
| B | | | 50,672 | minimal | 300,000 | minimal | | | 350,672 | 8.62% | 67,833 | 50,000 | 418,505 | 9.21% | 0 | | 418,505 | 6.23% |
| Core team | | | | | 550,000 | minimal | | | 550,000 | 13.51% | 67,833 | 50,000 | 617,833 | 13.59% | 0 | | 617,833 | 9.19% |
| Early team shares (1) | | | 70,000 | minimal | | | | | 70,000 | 1.72% | 0 | | 70,000 | 1.54% | 0 | | 70,000 | 1.04% |
| Early shares (1) | | | 260,656 | minimal | | | | | 260,656 | 6.40% | | | 260,656 | 5.74% | 0 | | 260,656 | 3.88% |
| Future hires (2) | | | | | | | 700,000 | | 700,000 | 17.20% | 0 | | 700,000 | 15.40% | 0 | | 700,000 | 10.42% |
| External investors - A | | | | | | | | | 0 | 0.00% | 0 | 0 | 0 | 0.00% | 0 | | 0 | 0.00% |
| External investors - B | | | | | | | | | 0 | 0.00% | 0 | | 0 | 0.00% | 2,175,027 | 3,350,000 | 2,175,027 | 32.37% |
| | | | | | | | | | 0 | 0.00% | 0 | | 0 | 0.00% | 0 | | 0 | 0.00% |
| Total | 1,900,000 | 0 | 470,000 | 0 | 1,000,000 | 0 | 700,000 | 0 | 4,070,000 | 100.00% | 474,833 | 350,000 | 4,544,833 | 100.00% | 2,175,027 | 3,350,000 | 6,719,861 | 100.00% |
| Shares | | | | | 3,370,000 | | | | 4,070,000 | | 4,544,833 | | | | 6,719,861 | | | |
| Price per share | | | | | | | | | 0.74 | | 0.74 | | | | 1.54 | | | |
| Company value | | | | | | | | | 3,000,000 | | 3,350,000 | | 7,000,000 | | 10,350,000 | | | |

- Shares are split into 2 groupings
- Core team vesting shares are based on pre money company value (4 year vest) minimal
- Follow up options are a pool set aside with strike price to be determined
- Friends and Family round is based on pre money valuation of 3,000,000
- External investors round preferred with guaranteed return - uses company pre money value on common 7,000,000
of shares of common equivalent to be allocated to preferred 2,175,027

Your Financial Mission For the Company

- ◆ Why is this a great opportunity?
- ◆ Why are we building this company?
- ◆ How do we fund next 2 quarters?
- ◆ Where are we financially/ product?
- ◆ What else do you want discussed?

Gary's Five Question Benchmark

- ◆ What are the three best opportunities we could create longer term and what do we need to do to best pursue those opportunities?
- ◆ What are the top three concerns you have about meeting the business model submitted?
- ◆ What actions can we take to minimize the risk of those concerns on the business model?
- ◆ What are the three top longer term risk area concerns of the Company today and how would the Company react if those concerns materialized?
- ◆ What are the three most crucial infrastructure issues we face over the next one or two years?

Summary I Would tell "My Friend"

- ◆ Consider Your risk profile
- ◆ Match values with those of the team
- ◆ Ask founder their best scenario
- ◆ How does CEO feel about the Board
- ◆ Ask yourself your motivation and best scenario

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Thank You

Gary Patterson

"So CEOs and Investors Sleep Better"

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