



predictREI
Your future for **Instant** Real Estate **FORTUNES!**

**Delivering radically quick and easy solutions to
Real Estate Investors**

Business Plan **Confidential**

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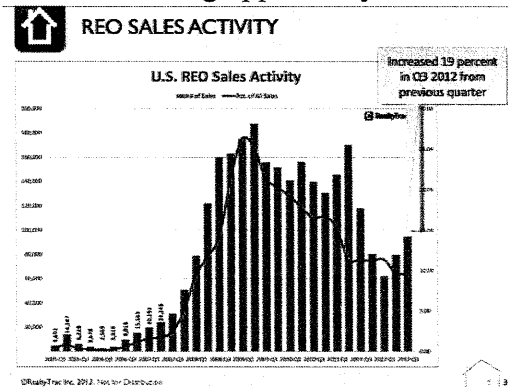
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EXECUTIVE SUMMARY

The housing bubble that dropped the U.S. economy to its knees created an opportunity for residential real estate investors for, potentially, the largest wealth-building opportunity in recent history. Millions of entrepreneurial real estate investors are securing investment properties for their portfolios; but do so recklessly! This has created an opportunity for us to develop a software solution in this \$3.4 Billion growing market! However, real estate investors often miss opportunities because they must wait up to a week for comparable properties data and closing data. This can cost investors from \$5,000 to \$100,000 or more in a missed deal. predictREI places the tools in the hands of the investors to instantly gain access to this critical information along with seven auto-generated exit strategies (a first of its kind – we instantly show the highest ROI exit strategy) and auto-generated forms and pro formas. We will be able to execute this plan with a great management team, intellectual property, and superior knowledge.



We are raising \$500,000 to launch the completed software by September 2013, aggressively market to the U.S., develop multiple operating platform versions of the software (including SaaS), and develop complementary products and services. What real estate investors need is predictREI!

Company

predictREI Systems will be incorporated as a Nevada limited liability company, headquartered in the Tulsa, Oklahoma metro area. Along with thousands of hours in development time by the founder since 2009, the software was developed using \$20,000 of the founder's money while being used and tested by him. To verify market need, predictREI Systems conducted a national survey that clearly indicates real estate investors desire affordable full-featured investment analysis software. predictREI software is a multimillion dollar opportunity that will satisfy a **nationwide 36% market gap** ignored by competitors. The software is currently **ready for a paid beta-test launch** in April 2013. Additional products and services will be added to complement predictREI software.

Competencies and Management Team

The idea for predictREI originated with founder and CEO, Jerry A Powers. Powers has over 25 years of home building, IT, real estate, and real estate investment background with a deep understanding of the industry. Additionally, his experience as a manager, combined with formal education in marketing provides the final pieces to successfully bring predictREI to the market. The team will be enhanced with recruitment of top-level software developers and sales staff.

Problem / Opportunity

Due to the size of the real estate investor industry and the flood of new real estate investors to the market daily, investors must move quickly to secure the best deals. However, most real estate investors must wait on Realtors and closing company staff to provide critical information to analyze a single property that might not be a deal. Sometimes a deal is lost because the investor did not act quickly; costing them from \$5,000 to \$100,000 or more in lost profit.

Solution

predictREI Systems has developed innovative software that dramatically reduces the time to analyze investment property potential while simultaneously calculating seven potential exit

strategies and auto-generating all necessary contracts, forms, and pro formas. Through remarkably greater speed, accuracy, and inclusion of detail closing costs, **predictREI will generate \$5,000 to \$100,000 in additional profits per year for the real estate investor.**

Market Potential and Competition

predictREI Systems targets residential real estate investors, real estate agents, and property managers. According to a national survey conducted by BiggerPockets.com and Memphis Invest, as of September 2012, there were 7 million active real estate investors in the U.S. Furthermore, according to a national survey that predictREI conducted in November 2012, **only 64% of the entire real estate investor market utilizes formal investment analysis software in a \$154 billion dollar residential market, and a \$3.4 billion dollar real estate investor software market.** With 36% of the real estate investor market not being served, predictREI will capture a large share without the need to grab market share from the competition.

According to a national survey that predictREI Systems conducted in November 2012, our largest competitor is Microsoft Excel spreadsheet (38%), followed by four premium-priced software solutions (18%), and inexpensive-minimal-features software (8%). The remaining 36% do not use any investment analysis software. Our nearest investment analysis software competitors offer an online-only solution; a vocal negative for a large group of their users.

Sales Approach

predictREI software will be sold through a strategic combination of internet and direct sales. We will leverage our Web 2.0 ecommerce website, ads in social media, Google AdWords, four leading real estate magazines, webinars, and trade shows to direct inbound traffic to our website. We will utilize regional sales reps to drive direct sales through presentations at area real estate investor association meetings and webinars. We will employ a penetration pricing model that establishes brand awareness. The product will be offered in feature modules beginning with one module for \$97, seven modules for \$597, or the complete package of 14 modules for \$997. The stand-alone product will be offered for a one-time fee with optional annual support. A SaaS version will be developed that will offer recurring monthly income.

Required Funding

Currently, predictREI Systems is seeking \$500,000 in an equity investment in exchange for 40.00% equity in the company.

	Year 1	Year 2	Year 3	Year 4	Year 5
Units Sold	1,000	6,250	15,625	31,250	62,500
Total Revenue	483,000	3,018,750	7,546,875	15,093,750	30,187,500
Gross Profit	430,360	2,752,273	6,982,129	14,097,864	28,322,953
Total SG&A Expenses	715,390	1,510,481	2,857,076	4,640,706	7,601,438
EBITDA	(289,830)	1,249,458	4,146,637	9,495,742	20,788,682

Exit Strategy and Use of Funds

predictREI anticipates an M&A opportunity from any of a number of former real estate investors turned information marketer at the end of year 5, preferably with the founder maintaining his CEO position and shares. The investor will receive a return of \$10,000,000 (20x investment, 82% IRR). The investment will be utilized in the following manner: Sales & Marketing 49% or \$247,354, Research & Development 22% or \$112,439, and General & Administrative 28% or \$140,207.

COMPANY OVERVIEW AND BACKGROUND

Objectives

predictREI Systems' objective is to become the real estate investing industry's software, service, and educational leader by consistently exceeding our customers' expectations; providing them with "mistake-proof" solutions for maximizing profit potential for every investment property. We will provide comprehensive and intuitive systems that answer the needs and eliminate the pains of real estate investors who put their trust in us as we build a synergetic relationship with them.

Business Model

predictREI Software will be sold in three configurations; single module for \$97, user-selected bundle of seven modules for \$597, and an all-inclusive package for \$997. While the stand-alone software will be a one-time purchase, annual support and upgrade subscriptions will be sold alongside the software. predictREI software will be offered initially as Windows PC stand-alone solution in answer to vocal complaints concerning the internet-only option for our largest competitor. This will be directly followed up by a SaaS version to provide further recurring revenue, followed by versions for Macs, iPads, iPhones app (or series of apps), and Android app (or series of apps). Sales will be accomplished primarily through internet sales combined with direct selling efforts of our sales reps at area Real Estate Investor Association (REIA) meetings and webinars. Each REIA meeting attracts up to hundreds of real estate investors, while webinars attract at least 100 viewers. Webinars offer the opportunity to replay recorded events numerous times, thereby leveraging the technology and boosting sales.

predictREI's unique value proposition is in "delivering radically quick and easy solutions to Real Estate Investors". This promise is fulfilled with our software that automates all complex financial calculations, auto-generate user-specified sales contract, automatically retrieve subject property data, automatically retrieve property comparables, automatically generate professional investment and marketing reports suitable for sharing with buyers, sellers, colleagues, partners, or to lenders, provide an interactive auction tool, rehab estimating tool, contacts CRM tool, and an auto-generate the HUD-1 Settlement Statements. The HUD-1 Settlement Statement generator is especially valuable for real estate investors. Typical real estate investing training instructs the students to calculate 6% closing costs each for purchase and selling. In reality, the closing costs can be as little as 2% - a 4% over-budget that can cost an investor from \$5,000 to \$100,000 or more per typical lost deal because the investor passed on the deal due to an unacceptable profit margin. Additionally, investors are not being trained on properly determining the value of the subject property. This proper method for property valuation is built into the software, thus eliminating the possibility of passing on a good deal or taking on a bad deal – losing money in both instances.

Summary of Activity to Date

The concept of predictREI software was born over four years ago when the founder of predictREI Systems became dissatisfied with software solutions available for his real estate investing activities. Upon exceeding the capabilities of his custom built Microsoft Excel spreadsheet, dissatisfied with other affordable systems also based on Microsoft Excel, and unwilling to pay the high price of premium software within the industry, the founder created his own fully featured and user-friendly software solution. Therefore, predictREI Systems was founded to provide affordable, complete, and intuitive solutions for fellow real estate investors. The founder has invested \$20,000 and thousands of hours to develop and test the software in real world situations over the past four years. Additionally, a simple-random national survey of real

estate investors was conducted in November 2012 by predictREI Systems to determine need and features desired – all with favorable results.

Current State of Development

predictREI Systems will operate as a limited liability company incorporated in the State of Nevada. The business will be based out of the Tulsa, Oklahoma metropolitan area to serve real estate investors across the United States. predictREI is currently launching a paid beta test from our Web 2.0 website at www.predictREI.com and our social networking channels.

Location and Facilities

Operations during the first year will be coordinated from the founder's home office in Kiefer, Oklahoma, followed by a move to a larger facility in year two. Additionally, predictREI Systems will have 30 satellite sales offices by year five located in strategic locations across the nation.

PRODUCTS AND TECHNOLOGY

predictREI Systems will offer a software solution designed for analyzing the investment potential of residential real estate properties. The software will be initially offered as a Windows PC stand-alone version. The software will be offered in three package options – single module, “design-your-own” package, and all modules package. An offering of three distinct packages allows predictREI Systems to appeal to all segments of the real estate investor market regardless of available funds for software investment.

predictREI software can be thought of as three phases of real estate investment analysis – evaluation, “what can we do with this property”, and auto-form creation. For the evaluation phase, the real estate investor will be presented with a data entry screen to enter basic property information such as the address, number of bedrooms, bathrooms, square footage, and lot square footage. From this point, the real estate investor will enter the asking price. After the asking price is entered, the user will auto-retrieve up to 25 comparable properties data for auto-calculating the value of the subject property being analyzed. Additionally, the Zillow “Zestimate” is automatically retrieved. The evaluation phase is completed. If the property needs to be rehabbed or “fixed”, the user can utilize the built-in repair estimator to determine the costs, use the default cost per square foot rehab estimate, or enter a custom dollar amount.

The “what can we do with this property” phase involves auto-calculation of seven exit strategies including Equity Deal, Wholesale Assign, Wholesale Double Close, Rehab, Rental, Short Sale Quick Turn, and Sandwich Lease Option. The detailed costs for each exit strategy can be viewed to determine if the property is a viable deal and which method yields the highest ROI. The user will quickly see which of the exit strategies are viable, if any, by viewing the “Viable Deal” box that lists each exit strategy with a green “Yes” for a viable deal, a yellow “No” for a marginal deal, a red “No” for no possibility of that exit strategy, or an “N/A” for an exit strategy because it does not apply to this particular property. This feature is completely unique for predictREI – no other competitor has any feature remotely close to this. Additionally, this feature adds the benefit of giving the investor options on how to make money on any property.

The third stage includes viewing the auto-generated contract (user choice of contracts available), the auto-generated HUD-1 Settlement Statement of closing costs, auto-generated pro formas for each exit strategy for sharing with a lender or partner, and auto-generated marketing flyers. Therefore, the software has taken the investor from evaluation to the ability to market the property within minutes.

The calculations, exit strategies, and all auto-generated forms are completed using information provided by the user within the Default Settings. This powers the auto-calculations