

Penny Auction Solutions, Inc.

- SNAPSHOT -



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Vision

Penny Auction Solutions will become the premier global choice and an industry leader in the Penny Auction market place by incorporating a rewarding shopping and entertainment experience for our Members.

Mission

To deploy a global presence of penny auction models that consists of a traditional model, an MLM (multi-level-marketing) model, and a mobile device platform either through internal development or acquisition of other penny auction websites.

Goals

	<u>Members</u>	<u>\$Ann Rev (Millions)</u>
EOY 1	100 K	8.7
EOY 2	300 K	28.0
EOY 3	500 K	42.0

Team

Micheal Holt, Founder and CEO, Entrepreneur for over 25 years. Owned financial planning and seminar marketing firm and an IT software training company. Served as a business consultant for 20 years. Fortune 500 experience.

Bob van Leyen, Acting CFO. Career spans both large and small public as well as private companies on an executive level, leveraging his knowledge and experience in finance, operations and general management on a global basis (Europe, Asia and USA).

Evan Karsch, Business Strategist. Entrepreneur for 10+ years. Graduate of American University in Washington DC. Studied information systems, finance, and real estate. Owns and operates a computer service firm and construction company.

Summary:

Penny Auctions combine the thrill of online shopping with gaming and intense bidding, to form a highly captivating and enriching experience. Penny Auctions are a "pay-to-play" model that is very entertaining and addictive because auctions happen in a matter of hours or minutes, instead of weeks or months. Members have an opportunity to win high-end and very popular consumer products for pennies on the dollar from their full retail value and earn additional perks..

Market Opportunity / Validation:

The market for penny auctions and related services is a multi-million dollar opportunity that reaches a vast array of potential prospects.

- The baby boomers and even younger generations are far more sophisticated consumers who seek out great deals on consumer products and enjoy the penny auction model to win merchandise.
- People who enjoy shopping online and spend money regularly on typical consumer merchandise.
- Although penny auctions appeal to a wide audience. They appear to be especially attractive to people who enjoy games, shopping and casinos.
- Enormous growth potential with immediate access to the domestic marketplace and the ability to quickly scale operations internationally.

Business Strategy:

- A strong component of our growth strategy is the mobile internet market. By the end of 2015 it is estimated that there will be over 1.5 billion mobile internet users. We plan to introduce a global mobile penny auction platform.
- Another potential area of growth is the development of a multi-level marketing model to attract a larger marketplace of new penny auction users.
- We will continue the development of the Penny Auction platform to further enhance our customer's experience and develop additional revenue streams. Examples include: paid memberships, frequent bidders club, special club auctions, beginner auctions, bid crediting strategies, and cash rewards.
- We plan to continue the exploration of our Casino connections with the potential to develop a cross-marketing strategy and to offer incentives to casino members to explore the penny auction platform..

Competitive Advantages:

The following list represents the majority of our pre and post-launch competitive advantages that will drive our business strategy projects.

- Planned Entry into Global Marketplace
- Planned Entry into Mobile Device Marketplace
- Development of an MLM Penny Auction Model
- Excellent P.R. Coverage Opportunities
- Highly Experienced Management & Operations Team
- Proven Web and IT Model
- Extensive and Target Driven Marketing Model

Revenue Model:

- Fees from members purchasing "bid packs" for the right to bid
- Fees collected from members for winning bid amounts on auctions
- Fees collected for shipping and handling of merchandise (select items)
- Fees from planned club membership programs
- Potential Joint Venture offers to marketing partners with revenue sharing
- Potential revenue from licensing our penny auction business model