

eAngels Equity





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**Asset Management
Venture Services
Relationship Network**

The Network

eAngels is a diversified asset management, financial advisory services and relationship network, which brings together the opportunity for entrepreneurs and investors to come together to launch, invest in, and grow viable business concepts into industry-leading organizations. eAngels was created to establish a network that combines senior management experience, proven syndication and capital formation ability, financial advisory and support services, and an extensive association of high-level business contacts to enable emerging-growth companies to reach their strategic and financial goals.

The mission of eAngels is to become the leading facilitator of high quality deal flow for investors, by addressing the vital role that private equity now plays as a highly concentrated capital source. eAngels was established to fill the historically unmet need of investors and emerging-growth companies by:

- Providing qualified investors with access to investment opportunities with exceptional potential for rapid growth and capital appreciation, and;
- Providing select emerging-growth companies with access to capital and the resources necessary to realize the value propositions that these emerging-growth companies have undertaken.



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The Opportunity

Until now, most investors have not enjoyed the ability to review a large and varied pool of regional, national, and global alternative investment opportunities, through an integrated and comprehensive asset management network. Nor have investors been able to readily pool their capital and experience with a broad group of qualified investment opportunities. By reviewing and screening dozens of investment opportunities to identify the few that hold the most promise, eAngels enables its investor members to consider a larger collection of pre-qualified investment opportunities that exhibit extraordinary growth potential.

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eAngels also fills the unmet needs of emerging-growth companies which have had limited access to sources of investment capital and cost-effective providers of key business services. In addition to providing entrepreneurs with the means to obtain capital, eAngels provides a suite of financial and advisory services, known as “Venture Services,” which are specifically designed to assist eAngels client companies in the evolution of their business. As part of the eAngels relationship network, eAngels offers the experience and expertise of its members, as well as the service offerings from its strategic partners from within the business community.

Network Benefits

eAngels offers a growing list of benefits to its investors, members and clients. eAngels aims to provide significant value to its network by providing a source of high quality investment opportunities, access to a proven source of capital formation and syndication capabilities, and through assisting emerging-growth companies with capital and relationship network services. The eAngels value proposition encompasses the following:



- **Investor Benefits.** A cost-effective way to become part of an extensive network of investors and strategic partners, with unparalleled access to high-quality investment opportunities. In exchange for an annual membership fee, members of our investor network have access to select the eAngels investment opportunities they wish to pursue.
- **Client Benefits.** eAngels Venture Services provide emerging-growth companies with an efficient and effective means of raising capital from value-added investors, and the critical support services such as strategic guidance, business development, and the necessary resources which sustain that process. eAngels works in partnership with each client to target the investors that are most appropriate for their investment opportunity. The eAngels network extends beyond investors to include business partners, analysts, and industry authorities.
- **Member Benefits.** Members derive benefits from participation in our active network of asset management professionals, entrepreneurs, and business contacts. To stimulate the synergy of our network, eAngels will conduct an ongoing series of conferences called Angel Sessions. These conferences are aimed at providing a venue for entrepreneurs, client companies and our member investors to network.
- **Strategic Partner Benefits.** eAngels has created a select network of Strategic Partners and Corporate Sponsors in the business community to provide support services to emerging-growth companies. Collectively, these partners and sponsors offer the critical components necessary to help companies achieve, and manage growth. Service Providers and Corporate Sponsors that comprise our network are those firms that offer expertise in the following categories:
 - Intellectual Property & Legal Support
 - Banking & Debt Finance
 - Accounting
 - Marketing/Advertising/Public Relations
 - Information Technology Consulting
 - Strategic Consulting

All of our Service Providers, and Corporate Sponsors, pay an annual fee based on level of prospective participation to participate in our program.



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Structure

eAngels operating segments are organized into an Asset Management, Venture Services, and Relationship Network division. This structure reflects the key market segments where eAngels sees the greatest market opportunities for growth, synergy, and return-on-investment for its partners, investors, and clients. In an effort to maximize the efforts of our network, eAngels segments its affiliation into three distinct operating classifications:

- **eAngels Markets Group.** eAngels Markets Group is the asset management division of eAngels. The asset management division will offer various investment vehicles, which invest in publicly and privately traded financial instruments that suit the Company's objective to be a source of high quality investment opportunities for its membership network, and which provide opportunities for rapid growth and capital appreciation from its investments. The eAngels Market Group principal business activities will be engaged in the areas of proprietary Hedge Fund, Trading Fund, Venture Capital, and Sector Fund asset management services.
- **eAngels Advisors.** eAngels Advisors is the financial advisory and consulting division of eAngels, which specializes in providing corporate finance, syndication, recruiting, and other related activities, which are referred to as "Venture Services." The advisory division will provide strategic guidance and support to eAngels client companies regarding market positioning, business-model development, and competitive market trends. The Company also intends on providing its client companies with access to a broad network of professional service providers and products, which are professionally screened and sought-out as part of our sponsorship network. Furthermore, eAngels, through its suite of Venture Services, provides companies with the critical skills necessary to build their companies by offering innovative educational events, counseling, and consulting through the eAngels network of contacts. Additionally, eAngels will continue to assist its client companies recruit key executive and technical talent.

- **eAngels International.** eAngels International is the global network arm of eAngels. Along with individual investors, who access membership on an annual fee basis, our admitted members, who are not required to pay a membership fee, are founders, CEO's, venture capitalists and business leaders who have funded and built successful companies. Through this part of our membership network, eAngels mentors, assists, and interacts with the entrepreneurs and businesses that the Company has invested in, or is representing, whereby eAngels will provide advisory board services, high-level contacts, and assistance with team building, strategic planning and fundraising.

eAngels was developed to uncover strategic, entrepreneurial investment opportunities that suit our objective for rapid growth and capital appreciation from its investments. As such, eAngels will extend its network of member investors, professional service providers, and other industry experts to promote innovation and collaboration among our client companies. The Company believes that, as its community grows, the eAngels network will increasingly benefit from knowledge sharing, business contacts, and the formation of strategic and business alliances.

Process

1. Generating Deal Flow

eAngels is organized to identify high-quality investment opportunities and generate the deal flow that is critical to the success of the eAngels investment network. eAngels generates deal-flow through the following channels:

- Proprietary Investment Funds
- Outside Syndication
- Investment Joint Ventures
- eAngels Investor Network

The eAngels Markets Group aggressively networks within the business and investment communities, including venture capital, angel funds and other private equity and investor groups throughout the United States, and internationally, to identify the most promising investment opportunities available. Investment opportunities are also presented to the network by eAngels' partners in the business community, which include blue-chip law firms, financial institutions and accounting firms.

2. Evaluating Opportunities

eAngels evaluates prospective investments rigorously, with a focus on projected internal rates of return and the potential for high rates of growth. The eAngels Markets Group evaluates prospective investments against eAngels' investment criteria. Following early-round evaluations, face-to-face meetings with owners and key managers of the later-round candidate companies take place.

3. Angel Sessions

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Each conference features leading investment opportunities from every eAngels asset management category, client companies and entrepreneurs, and professional advisors, who speak on topics aimed at helping entrepreneurs, learn how to finance, market, and manage their companies. Moreover, these interactions help investors assess the value of potential investment opportunities and benefit from the experience and expertise of other members of our investor community.

4. Venture Services

eAngels, within its Venture Services division, offers a number of value-added services that provide significant value to companies within our client and portfolio network. These include:

- Capital Formation & Syndication
- Strategic Guidance
- Business Development
- Board Representation & Mentoring

5. Relationship Network

The role of eAngels does not end with the closing of a financing. Funded companies have access to eAngels' network of investors and strategic partners, whereby eAngels analyzes the extent and scope of additional services that a funded company may be interested in on an ongoing basis. Interested investors are encouraged to serve as mentors to entrepreneurs, when appropriate. In addition, eAngels offers assistance in securing future financings when appropriate, either directly or through referrals to venture capital and other institutional sources of capital.

Investment Philosophy

eAngels has developed an investment philosophy that is characterized by:

- **Quality of Management.** eAngels targets investment opportunities with proven entrepreneurial management. These managers typically have demonstrated leadership skills to guide a strong financial performer and market leader, along with a highly motivated team looking to retain a significant interest in, as well as run, the business.
- **Business Model.** eAngels will target investment opportunities that have identified a market niche within its industry that would allow it to be competitive and have the potential to achieve above average profit margins. eAngels is keen on investment opportunities, which reside in large and growing industries, capable of serving as drivers of consolidation within their respective industries.
- **Sustained Earnings Growth.** eAngels invests in companies and projects that are positioned for sustained earnings momentum through secular growth, consolidation or other fundamental growth opportunities. eAngels believes that the key to creating value is through long-term earnings growth rather than through the utilization of excessive leverage.
- **Product or Service.** eAngels targets emerging-growth opportunities that understand the critical importance of the successful and timely development and delivery of proprietary and/or differentiated products or services that are capable of effecting technological innovations or business transformations that create significant value for the customers.

After carefully selecting potential investment opportunities, eAngels seeks to enhance their competitive position by providing them with significant managerial assistance in business development, additional financing, and value added services either through the eAngels venture services portfolio, or through our network of strategic partners and sponsors. We will seek to provide returns to our network members through long-term appreciation in the value of our portfolio companies and through distributions of capital gains on our investments. In addition, if a Portfolio Company is sold, merged or goes public, we may distribute cash or stock in either the Portfolio Company or the acquiring company.

FOR MORE INFORMATION CONTACT:

eAngels Equity, Inc.
Phone: (310)-305-8353
Fax: (310)-578-7030
www.eAngels.com