

EXECUTIVE SUMMARY

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AND



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The Social Network[®] Magazine

1. Executive Summary

We are seeking a financial partner to fund the start-up of *The Social Network Magazine*[®], the first nationwide magazine to address the unique needs of social networkers. *The Social Network Magazine*[®] will be in print format, digital format and will include an interactive website. As of this writing, it is the only magazine devoted exclusively to social networking and is the most complete resource for all things related to social networks.

The Social Network Magazine[®] will be a consumer publication and website that will be provided to 10,000 paid subscribers and 20,000 newsstand readers with 9 issues for the first year and monthly thereafter. Revenue will be generated by advertising sales in print and on the internet, as well as subscription and newsstand sales. There will be further revenue opportunities as the brand is established and as described further in the plan.

Market Analysis

While several magazines feature articles about social networking, no one print magazine, with digital version and interactive website, deals exclusively with the news, updates and trends of social networking. At this juncture, there is no authoritative, *one-stop resource*, like *The Social Network Magazine*[®], where one can find the most accessible, helpful and relevant information in one place with a singular focus. As social networks grow and evolve, come and go, change or stay the same, *The Social Network Magazine*[®] will become the all-inclusive, accessible, one-stop source.

Marketing and Sales Activities

Sales to national advertisers will be handled centrally by a combination of corporate sales staff and outside magazine representatives, headed by an experienced and highly qualified National Sales Manager. Advertising for the website will be generated by per page ad sales, moving to cost per thousand (CPM), based on page views, when we generate favorable site statistics. Subscriptions to the magazine and premium web content for subscribing readers will start at \$21.95 per year.

Revenues from ad sales are projected to be \$150,000 per issue during our first several issues and \$1,350,000 at the end of the first year of publication, once the brand is established. Revenues for subscription and newsstand sales are projected to be near \$1,200,000.

Operations

The Social Network Magazine[®] will coordinate in-house and outsourced talent in order to deliver a world-class publication and internet presence to our audience. Based on a core staff with expertise in publication sales, editorial, circulation, design, and delivery functions, as well as internet and social media savvy, we will coordinate all departments to create a seamless multimedia publication in which all content creates an engaging whole.

Corporate Headquarters

The company will be headquartered in Las Vegas, NV. Of the total number of employees, 60% will be in the creative areas of editorial and graphic design. Finance, sales and marketing will account for the remaining 40%.

Not all employees will be required to be on site and we expect to find virtual talent across the country. Similarly, our field sales force will be based in their respective regional markets.

Funding Requirements

The Social Network Magazine[®] is seeking an initial capitalization of \$850,000 representing one-third of the first year's operating expenses in order to ramp up the launch. Our educated projections show *The Social Network Magazine*[®] approaching the breakeven point within 12 months and becoming profitable 16 to 18 months after launch and cash positive within 24 months. By the end of the third year of sales, *The Social Network Magazine*[®] has the potential to accumulate cash revenues over \$1 million. Thereafter, *The Social Network Magazine*[®] will generate a 20% profit before taxes. The initial capitalization can be repaid within 30 months of the launch.

Risks

The risks involved with *The Social Network Magazine*[®] revolve primarily around the ability of circulation and advertising sales to perform at prescribed budgets and deadlines. We have developed plans and strategies for mitigating these risks, outlined in our business plan.