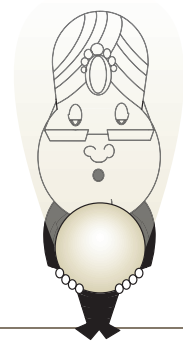


THE INSTITUTE
FOR ADVANCED
PRACTICES IN
ADVERTISING

NeoAdvertising Networks: The Future of Advertising is Here.



Business Overview

October 1, 2008

P. O. Box 93601
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NeoAdvertising Networks: The Future of Advertising is Here.

Business Plan

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Executive Summary

PROBLEM: Advertising is no longer meaningful to most people. We need to rebuild it from scratch in order to make it more engaging.

The advertising industry has remained virtually unchanged since the invention of television. A.G. Lafley, Chairman/CEO of Procter & Gamble has stated, "We need to reinvent the way we market to consumers. We need a new model. It does not exist." The NeoAdvertising Network platform will provide a workable solution for the problems that are plaguing this \$800 billion global industry.

SOLUTION: LEAN Advertising Networks are a meaningful and memorable alternative to "advertising as usual."

NeoAdvertising is not a destination, it is a journey. NeoAdNets will address critical questions essential in re-defining the role of advertising in today's world: customer value, wasted marketing activity, and more meaningful advertising. NeoAdvertising Networks will allow marketing decision makers to refine their product messaging for the insights that will be the key to sustainable competitive advantage, continuous improvement and accountable ROI.

BUSINESS MODEL: NeoAdvertising Networks provide engaging and relevant content to provide advertisers with an interactive relationship with the audience.

We have created a process of brand messaging that is engineered to improve upon itself continuously. There is no point at which an NeoAdNet ad is considered finished; there is only a point at which the message begins to lose its relevance.

COMPETITION: NeoAdNets are Highly Unique because there is nothing like them yet.

LEAN Advertising Networks are an RIA web solution that integrates sophisticated planning, content management, CRM, analytics and market management applications. We believe we will be able to maintain a leadership position once we have established market penetration.

PRODUCT: Advertisers have shown interest simplifying the process of making marketing accountable. We have their solution.

We are anticipating sales from four basic revenue areas: software licensing, network development services, managed content development services and data subscription services. Our projected first year sales revenue is approximately \$2.3 million on expenses of \$1.9 million.

TEAM: Our people are passionate about the product and smart enough to make it compelling to marketers.

Harry Webber has 20 years of experience on Madison Avenue, and is in the Clio Hall of Fame for creating some of the longest running advertising in history. Angela Glenn's work has inspired an entire generation of design professionals.

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Business Overview

PROBLEM:

Advertising is no longer meaningful to most people. We need to rebuild it from scratch in order to make it more engaging.

The advertising industry has remained virtually unchanged since the invention of television. As a result, the product of this industry—meaningful communication with the audience for any given brand—has deteriorated year after year after year. At the present time, authorities as highly placed as A. G. Lafley, Chairman and CEO of Procter & Gamble have stated,

.....
"WE NEED TO REINVENT THE WAY WE MARKET TO CONSUMERS. WE NEED A NEW MODEL. IT DOES NOT EXIST. NO ONE ELSE HAS ONE YET. BUT WE NEED TO GET GOING. NOW."
.....

As a result of these conditions in the marketplace, Omnicom, one of the largest advertising agency networks has stated, "Data and analytics are now critical to a healthy digital marketing practice. A maturing digital marketing industry is demanding not only more accountability, but more valid and accurate ways to be accountable. In doing so, the industry is exposed to the nuances of digital tracking technologies, and left needing guidance as to how measurement technology can best be applied to clients' unique business needs. At the same time, new digital opportunities continue to appear, both online and offline, increasing the availability and complexity of campaign measurement solutions."

Following this increased need for improved measurement, marketers are advancing their digital strategies, supporting those strategies with deep-level media, messaging, and customer and site analysis. These analyses require a knowledge of four areas: creative content development, marketing, technology, and data analysis. The NeoAdvertising Network's development group lives at the intersection of these four subjects. This platform will provide a workable solution for the problems that are plaguing this \$800 billion global industry.

SOLUTION:

NeoAdvertising Networks are both meaningful and memorable, unlike traditional advertising.

NeoAdvertising seeks to bring the concept of continuous improvement into the marketing arena. NeoAdvertising is not a destination, it is a journey. The road that journey travels on can be referred to as the NeoAdvertising Network. All those lines and dots and nodes and circuits and junctions and dead-ends that bring the Neoadvertiser closer and closer to a better and better way of understanding—and anticipating the unmet wants, needs and desires of their intended audiences—define the scope of the network.

As this journey to define the NeoAdvertising Network progresses, it will reveal the answers to those questions that are critical in re-defining the role of advertising in today's world:

- What is the value of a customer?
- What does it take to compel them to buy?
- Is the marketing activity effective or wasted?
- What can be done to eliminate the waste and make the advertising more meaningful to the audience?
- What can be done for the advertising to provide a return on investment?

Marketing decision makers need answers, not questions.

NeoAdvertising Networks will ultimately provide the systematic innovation, quantification, orchestration, and documentation required to determine those answers from a global scale to a sidewalk reality.

- What are the customer's preferences?
- What are the relationships the customers want to establish (and don't want to establish) with a given brand?
- What subjects do the customers and the larger audience find relevant, meaningful and engaging?

NeoAdvertising Networks will allow marketing decision makers to anticipate the constant change necessary to refine their product messaging, marketing and development . These insights will be the marketers key to sustainable competitive advantage and continuous improvement.

Typically, the chasm between gathering data and gaining insight is vast. But now with the advent of NeoAdvertising Networks, bridges are beginning to be built. In a survey released by CustomerSat in May of 2007, those sales and marketing executives polled admitted to

having less understanding of why their customers remained loyal to their respective brands than they knew five years ago. Yet they have infinitely more customer information at their disposal. More data, yet less understanding. More facts, yet less insight. Without that insight they admit that all the data in their CRM systems is useless.

What's more, a full 71 percent of all of the sales and marketing decision makers that made up the CustomerSat survey reported that they lacked a comprehensive process for identifying which customers were lost to their competitors or which were simply inactive. And of that 71 percent, a full 68 percent admitted that they had no process or methodology in place that would afford them the means to predict how their customers would act before switching to their competitors. In other words, they were totally out of touch with their most at-risk customers without a clue as to how to stop the bleeding.

The predictive analytics inherent in the NeoAdvertising Network platform are arriving just in time. Now marketing and advertising management will be able to deploy four core strategies that address current and future business challenges, and continue the journey toward creating their own NeoAdvertising Network. These the four strategies are focused upon sustaining competitive advantage. They are:

1. Managing the improvement of audience value perception through continuous audience dialogue
2. Achieving continuous innovation through applied customer insight
3. Leveraging relentless creativity to grow and maintain meaningful, engaging and relevant audience relationships across multiple channels of communication
4. Achieving documented results through real-time analytics

BUSINESS MODEL:**NeoAdvertising Networks provide branded content on Family Well-being, Financial Security, Personal Growth and Fun & Escape in a variety of media that collect feedback to provide advertisers with an interactive relationship with the audience.**

Starting with the principals of continuous improvement as our architecture, we created a process of advertising that would have the ability to reengineer itself over and over and over again. The first stages of that development are currently underway.

This is what a NeoAdvertising Network application might look like in the real world. If we take a typical mid-sized package goods company that decides to run a pilot program to determine if a NeoAdvertising Network makes sense for them, they would run it in tandem with their current marketing efforts. But, as they would with the test marketing of any new product, they would set aside a geographic area, say Pittsburgh, to put under their microscope.

This process would cost the advertiser \$70K per month (plus the cost of setting up their audience groups) and provide them with 25 seats from which to monitor the progress of the NeoAdNet for six months to one year.

The first steps would be to establish a working benchmark for the Pittsburgh DMA (designated marketing area) which is ranked 24th largest in the U.S. by population (2,881,200). The methodology for this would be to identify all of the companies customers in Pittsburgh through the firm's CRM database. From that list the company would select a sample of 5,000 respondents in zip codes that are representative of at least five socio-economic population segments. They would make contact with those respondents and incentivise them to be participants in a three month study group. Our hope would be to establish a panel of at least 1,500 respondents. That would provide the pilot with a control group of current customers.

Concurrent with that effort would be the recruiting of a second panel of 1,500 competitive product users. Both panels would be sent a questionnaire with a copy of the company's current advertising to establish the benchmarks for awareness, persuasion and memorability. In addition to these respondents, a point-of-sale promotion to engage "concerned consumers" would be launched to recruit more active respondents to be factored into the process as it moves forward.

The Product Evolves with the Process

The genesis of the application of a NeoAdvertising Network in this hypothetical pilot project in the Pittsburgh test market would be one of connectivity. Obviously the functionality of the product will be defined by how much useful information can be gained and analyzed. The first to be wired in are the respondents. This would be accomplished by a user-friendly personal "home page" on the company's website. This home page would be the principle interface for a brand community made up of all the panel members and transparent to all of the members.

Unlike traditional research methodologies that tend to isolate respondents, the NeoAdvertising Network will seek to engage them in a community setting where they can express and exchange ideas and opinions that can be monitored and utilized to gauge the involvement levels of each member of the panel.

The next area of connectivity is the media quadrant, which will endeavor to simulate the respondent's exposure to messaging in every phase of media, from highly localized email and point of purchase all the way up to web video and spot television. Some media exposures will be "real world," based upon determining the panel's current media viewing habits, and others will be simulated, placed in web programming that is based upon topics identified as being of interest to the respondents. In each case the objective will be to encounter the respondent and gain insight as to their levels of meaningfulness, engagement and relevance to the ads in question. Once those results are tabulated the ads will be altered (improved) to reflect the results and exposed to a second group of respondents for their input.

Real-Time Analytics Take Information and Give Insight

With each response the NeoAdvertising Network seeks to align customers with their commentaries to establish relative behavior patterns. Once those patterns have been established, the respondents are organized into profile tracks. From that point on, the overall response spectrums are monitored for insights and points of acceptance or rejection.

These behavioral responses are then fed along with the messaging they relate to back to management for review and ultimately to creative for retooling. This process is continuous, with the understanding that there is no point at which an ad is considered finished; there is only a point at which the message begins to lose its relevance. The "heavy lifting" of data sorting and response monitoring is performed by a team of subcontractors and cross-referenced for accuracy. Little is left for chance or misinterpretation.

The Outcome is Ever Changing

The developers of the NeoAdvertising Network believe that change in today's marketplace is the only constant. The NeoAdvertising Network seeks to prepare marketing decision makers for the emergence of an adaptive mode of operation in which both value proposition and messaging can anticipate change and advantage it. The realities of a world in which Adaptive Branding becomes the norm will eliminate once and for all the proposition that one approach fits all. In fact, the entire proposition of unified communication may be headed for the same place as the buggy whip and the lava lamp—quaint, but no longer relevant.

UNDERLYING MAGIC:

We believe this business model can be successful because a current prototype is already generating both sales and feedback.

Steps have already been taken to migrate our theories into a workable proof of concept. To create a microcosm of the NeoAdvertising Network(NAN) operating environment we launched two websites. The first website was Branswers.com, a Q&A site that leveraged content based upon the areas of Family Well-being, Financial Security, Personal Growth and Fun and Escape. We meta tagged the site to pick up web traffic from search engines fielding popular inquiries such as the following, plus many more:

Search query: "How to retire with a million dollars in the bank"

NAN category: Financial Security

Search query: "How to deal with teen alcohol abuse"

NAN category: Family Well-being

Search query: "How to travel for free"

NAN category: Fun and Escape

Search query: "How to develop good ideas and make them work"

NAN category: Personal Growth

Next, we launched a sponsor website with e-commerce capabilities at Fantazzmia.com. This website sold a series of children's bedtime products such as story books and sleep-aid products. We then included answers to the topics posted on Branswers.com from the "employees" of Fantazzmia.com to determine if the sponsorship of the Branswers.com site by the Fantazzmia brand would generate traffic and sales.

As a control factor to this concept test, we launched a third domain, MyFirstMortgage.com to judge whether standard banner ads would drive more or less traffic to the Fantazzmia.com site than the content-involved promotion on the Branswers.com site.

So far the traffic to Fantazzmia.com is significantly more than the traffic from MyFirstMortgage.com. This gives us reason to believe that the Branswers/Fantazzmia LEAN advertising model is considerably more effective than the MyFirstMortgage/Fantazzmia traditional advertising model.

Currently, Branswers/Fantazzmia sales are outpacing MyFirstMortgage/Fantazzmia sales on a 5:1 basis. A questionnaire on the Fantazzmia/Branswers landing page of the Fantazzmia.com domain has been returned on a 7:1 ratio over the exact same questionnaire on the MyFirstMortgage/Fantazzmia landing page of the Fantazzmia.com domain.

Our next step will be to create the engagement mechanisms that help us migrate Fantazzmia customers to members of our prototype Fantazzmia NeoAdvertising Network.

COMPETITION:

NeoAdvertising Networks have high value because they are more engaging than traditional advertising. They are highly unique because there is nothing like them yet.

A NeoAdvertising Network is not concerned with what it takes to get a customer, but rather what it takes to understand the audience of potential customers and then measure their perception of value as regards a given product or service. Obviously these metrics will change from company to company and audience to audience. However the components of engagement, product interest, intent to purchase, purchase frequency, customer satisfaction and retention can be considered a constant.

The market for NeoAdvertising Network products and services, including network application development software and network application development services is highly competitive, fragmented, and rapidly changing. Barriers to entry in such markets remain relatively low. The markets are significantly affected by new product introductions and other market activities of industry participants.

With the introduction of new technologies and market entrants, we expect competition to persist and intensify in the future. However, because we are positioning NeoAdvertising Networks as an RIA web solution (middleware) that enables the ease of integration and deployment of more sophisticated planning, content management, CRM, ERP, analytics and market management applications, we believe we will be able to maintain a leadership position once we have established market penetration.

We also believe that we will be able to compete adequately with the other single function applications and distinguish ourselves from the coming wave of dashboard competitors in a number of ways. We believe that our single function competitors will continue generally offer their web application development software without directly providing integration application development services. In addition our competitors that offer their web application development software in single point of entry type products as compared to the unified framework approach of the NeoAdvertising Network platform will have their hands full competing in their own respective categories.

The ability of NeoAdvertising Network to continue to develop applications on multiple platforms and the existence of our continuous improvement strategy will reinforce the scalable and integrateable factors that distinguish us from our competition. We also believe that the fact that the NeoAdvertising Network has been designed for ease of use without substantial technical skills will ultimately lower the cost of ownership of each of the integrated single function solutions provided by most of our competitors.

PRODUCT:

Advertisers have shown interest simplifying the process of making marketing accountable. We have their solution.

We are anticipating sales from four basic revenue areas: software licensing, web development services, managed content development services, and data subscription services.

Network Development Services

We are anticipating our growth to come from a number of industries and customers. We believe that our business with customers in Financial Services, Consumer Package Goods, High Technology and Travel and Leisure will increase in future years, primarily due to changes in the needs of the customer and our overall growth in market adaptation and awareness.

From a business perspective, we believe we will experience broad penetration of our services into multiple industries. Although our strongest presence is projected to be in the above areas, the potential to expand beyond those markets is significant. We anticipate most of our revenue will be generated by integrating existing single function solutions into the NeoAdvertising Network middleware platform in pilot program and test market alternative applications.

Sponsor-Produced Content Development Services

Content in the areas of Family Well-Being, Personal Growth, Financial Security and Fun & Escape are the backbone of the NeoAdNet Solution. We project revenue from sponsor-produced content development services to be our second largest contributor to income during our first year. We anticipate that as much as 90% of this revenue will be generated from content utilized in test market applications and pilot programs used by marketers to compare NeoAdvertising Network audience engagement with that of their traditional advertising efforts.

Software Licensing

NeoAdvertising Network is Middleware 2.0. More than the latest marketing speak, NeoAdNet considers this scenario: A marketer uses existing single function solutions to enable decision support. Those solutions are tightly integrated with the marketer's advanced need for extracting, displaying and analyzing in-market data and metrics, which feeds corporate decisions.

Every night, an automation tool like NeoAdNet 1.0 can create and generate a detailed report on exactly what went right, what went wrong, and why. In a given DMA, this will allow for iteration times that are a fraction of what they are today. All of these business intelligence tools will work in sync with NeoAdNet 1.0 as a next generation decision support engine for market evaluation. NeoAdNet1.0 is modular, so marketers only use what they need, and they work seamlessly with other commercial and homegrown technology, which makes them highly cost effective when it comes to TCO and ROI.

However, we believe it will take us at least the first year to market test the proper elements to make up this modular application product suite. Given this lead time we do not project any revenue from software licensing until Q4 of our first year.

At that point we will be pricing software components at \$5K per CPU. If we can make the marketing decision maker's life easier and we can reduce the cost of going to market overall, NeoAdvertising Network will go a long way.

Data Subscription Services

NeoAdvertising Network will also act as a reseller of "scrubbed" or blind participant data collected during the course of operations. Clients will be able to buy a report by purchasing a one-time snapshot of current data, subscribe to a report or be able to refresh a report from current data or buy a corporate subscription, giving users at their organization access to all content in the NeoAdNe store. We anticipate bringing NeoAdNet Data Subscription Services online during Q4 of our first year.

TEAM:

Our people are passionate about the product and smart enough to make it compelling to marketers.

Based on the NeoAdNet 1.0 product development process, technological feasibility is established upon completion of a working model. Costs to be incurred between completion of a working model and the point at which the product is ready for general release will be capitalized. During our first fiscal year, a research and development center in Bangalore, India will be established by the company through SoftLead or Bridgeline to manage the company's technology development requirements.

Other than project management and oversight, the principle activities of the company will be the marketing and adaption of the NeoAdvertising Network solution by mid-sized to enterprise level corporate marketing departments. At the current time the management team consists of the following members:

Harry Webber

Managing Partner, Demand Creation

Harry Webber joined Young & Rubicam, NY in 1979, where he was responsible for creating such memorable television campaigns as *A Mind is a Terrible Thing to Waste*, *I'm Stuck on Band-Aid Brand*, and *Dr. Pepper, America's Most Misunderstood Soft Drink*.

For the next 25 years on Madison Avenue, Harry Webber has been credited with creative responsibility for *Chow, Chow, Chow*, *Thanks, I Needed That*, *Quality is Job 1*, and many other mass-marketed television and print efforts for such well-known advertising agencies as Leo Burnett, Case & Krone, McCann-Ericsson, Avrett, Free & Ginzberg and Wells, Rich, Greene.

In 1985, Mr. Webber saw the writing on the wall for the practice of mass marketing. Moving West to Los Angeles, he founded Smart Communications, Inc., the first marketing firm to devote itself to the development of selective or segmented marketing in America.

His clients have included McDonald's, Kentucky Fried Chicken, Hardee's, Denny's, Coca-Cola, The Walt Disney Co., Columbia/TriStar, United Paramount Network, Turner Home Entertainment, FX Networks, The California Lottery, California Department of Health Services, Tenent Healthcare Corp., Sun Microsystems and DirecTV.

His landmark book, *Divide & Conquer*, is the first book to be published on the practice of selective marketing in America. Harry Webber's work is in the Clio Hall of Fame, The Museum of Advertising, Madison Avenue's Advertising Walk of Fame, the permanent collection of the Museum of Contemporary Art and the Smithsonian. He has been featured in the books *Mirror Makers* and *Positioning* as well as the *Wall Street Journal*, *The Los Angeles Times*, CBS, NBC, CNN, *AdWeek*, *Adrants*, *Adbumb*, and *Advertising Age*. The *New York Times* credited his *Coke Classic: A Cool American* campaign with pioneering the now-hot trend of user-generated content over the web. Harry Webber's online column, *MadisonAveNew.com*, is read by some 10,000 advertising and marketing professionals worldwide each week.

In 2004 Mr. Webber organized The Institute for Advanced Practices In Advertising, an ad industry public policy think tank with noted Design Director Angela Glenn in 2005. At IAPIA, Harry Webber and his team stretched the boundaries of traditional advertising and new media to create an alternate and more meaningful way of engaging consumers through the practice of Adaptive Branding and the development of the NeoAdvertising Network concept.

Angela Glenn

Managing Partner, Product Design

Considered one of the most prolific design practitioners of her time, Angela Glenn's work has motivated sales for American Isuzu, Pioneer Electronics and entertainment powerhouses like HBO, Miramax and 20th Century Fox. But her true reputation has been built as an architect of impossibly large tasks with unbelievably short timelines. As a member of creative management at DNA Studio, Ms. Glenn became known for her leadership qualities, team-building skills and attention to craft.

Her work as an Instructor of Visual Communication Design at California State University at Long Beach has been credited with inspiring an entire generation of award-winning designers, art directors and visual arts trendsetters.

In 2003, after a three-year term at The Designory, where she led a creative team through print collateral, interactive, point-of-purchase, environmental, e-direct and motion media programs for American Isuzu, Ms. Glenn founded Glenn Design. One of her first clients was Frank Family Vineyards, the personal project of former Walt Disney President Rich Frank, followed quickly by the San Diego Culinary Institute, voted the number one culinary school in California by Chef2Chef.com.

Never one to be satisfied with the status quo, Angela Glenn took a bold step forward as one of the highly credentialed co-founders of The Institute for Advanced Practices in Advertising. At the Institute she has been charged with establishing the Center for New Product Design and Evolution. Her work for the Institute led to the formation of The Gasp Company to deploy her theories and strategies to real-world applications.

Positions Yet to be Filled

The company is currently in negotiations with one of Mr. Webber's technology associates at Sun Microsystems, Inc. for the position of **Technology Partner** to oversee the software development process for NeoAdvertising Network.

We are also in the process of evaluating candidates for the position of **Managing Partner, Business Operations** to handle the day-to-day management tasks required to keep the company in compliance with the goals and objectives set forth in the business plan.

CONCLUSION:

We will lower barriers to adoption by making NeoAdNet 1.0 easy to use and employ relentless evangelism to wear down resistance to trial.

Expenses for technology and development may increase during our first fiscal year. The increased spending is anticipated as we develop our new on-demand software product framework. In addition to the development the NeoAdNet1.0 Framework, we also intend to spend funds on the development of the various software modules that will allow us to be integratable with existing products in the areas of content management, web analytics, CRM, ERP and enterprise level software development.

We anticipate spending significant amounts in evaluation as we continue to develop and launch the remaining modules during the fiscal year. The majority of our spending will be in our India location. We believe that the quality of the developers coupled with the cost factors, will allow us to spend considerably less than if this product is developed solely in the U.S. We believe that the cost can be more than five times less by using offshore development and engineering personnel.

We believe the web application development market in North America is growing yet it is fragmented. We believe established yet small web application development companies have the ability to market, sell and install our NeoAdNet1.0 Framework and network application management software in their local metropolitan markets. In addition, we believe these companies also have a customer base and a niche presence in the local markets in which they operate. We believe there is an opportunity for us to partner with multiple companies that specialize in network application development and are based in other large North American cities. We believe that by acquiring certain of these geographic specific companies and applying our business practices and efficiencies, we can accelerate our time to market in areas other than those in which we currently operate. Professional standing and accomplishment, as well as personal excitement about the potential of the NeoAdvertising Network concept, will be our criteria for determining the best possible partners going forward.

About the IAPIA

The Age of Advertising is coming to a close. As we enter the Post Advertising Era, new skills will become critical in mastering new technologies. The successful deployment of these new skills will become of critical importance in the global marketing of products and services.

Renowned marketing practitioners, technologists, strategists and researchers contribute their efforts to the Institute from universities, government agencies, research institutes, and private industry to collaborate in attempts to redefine the mechanisms that underlie the infrastructure of economic growth in the world of today and tomorrow.

The Institute for Advanced Practices in Advertising is devoted to creating a new kind of advertising community, one emphasizing multi-disciplinary collaboration in the pursuit of understanding the emerging issues that arise in the interaction of economic and social systems.

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ADVERTISING PRACTICES HAVE REMAINED VIRTUALLY UNCHANGED SINCE THE INVENTION OF TELEVISION.

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The Institute for Advanced Practices in Advertising has been established to define those methodologies that will motivate the consumer's decision to purchase, even as the persuasion powers of traditional advertising are in decline. Once defined, these methodologies must be taught and ultimately put into practice, universally. This is the work of the Institute.