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The Information shall remain the property of Norwood Brown Associates and shall be returned to Norwood Brown Associates promptly at its request together with all copies made thereof.

Recipient acknowledges that no remedy of law may be adequate to compensate Norwood Brown Associates for a violation of this Agreement and Recipient hereby agrees that in addition to any legal or other rights that may be available in the event of a breach hereunder, Norwood Brown Associates may seek equitable relief to enforce this Agreement in any Court of competent jurisdiction.

Date

Signature

This is a business plan and does not imply an offering of securities.

Norwood Brown Associates

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1. Executive Summary

Norwood Brown Associates is a San Francisco bay area public relations and marketing consulting firm specializing in the health-care industry. After 15 years of successful service to its clients, Norwood Brown is ready to expand on a national scale. In order to accomplish this goal, the firm will require working capital support to finance its projected growth.

1.1 Business Opportunity

Norwood Brown Associates is a 15-year-old public relations and marketing consulting firm serving health-care clients in the San Francisco bay area. After several years of steady growth as a regional services provider, the firm is now poised to break out into the national scene. In pursuit of this strategy, the firm has expended a substantial proportion of its capital reserves in opening new offices, increasing staff, and acquiring necessary equipment and technology.

1.2 Product/Service Description

Norwood Brown offers integrated public relations and marketing consulting services to its clients, who consist of large hospitals, clinics, and health maintenance organizations. While the majority of the services that Norwood Brown offers are available from other companies, the firm believes its execution is superior. This is evidenced by the fact that the majority of its clients have been active with the firm for more than five years, some have been active more than 10 years, and one client has been with the firm since its founding.

1.3 Current Business Position

Norwood Brown has already begun to expand on a national scale. New offices have been opened, additional staff has been hired, and the firm's technology/equipment base has been expanded. This strategy has been successful so far, and the firm has acquired several national accounts whose billings are much larger than the average client Norwood Brown has worked with in the past. These larger clients, many of whom are also slower in cycling invoices than other clients, are causing increases in accounts payable and accounts receivable. As a result, the firm is now seeking additional funds to provide working capital during this period of expansion.

1.4 Financial Potential

Norwood Brown expects to generate approximately \$6 million in revenues in 2001, based on the assumption of additional offices and additional client revenues. After the first year of expansion, revenues are expected to continue to increase in Norwood Brown's new markets.

1.5 The Request

Bank financing in the amount of \$500,000 is being sought. The objective is to establish a line of credit in that amount, with a majority of the line expected to be paid out immediately. Principal payments on the line are expected to be made soon thereafter, in Year 1. These funds will be used for operations to help Norwood Brown fund its planned expansion.

2. Company Background

Ms. Alice Norwood founded Norwood Brown Associates in 1984 in San Francisco, California. Originally started as a one-person homebased business, the firm has grown to its current staff of 109 employees. This section will elaborate further on the firm's history, as well as defining its business objectives and mission statement.

2.1 Business Description

Norwood Brown provides integrated public relations and marketing services to large hospitals, clinics, and health maintenance organizations. Originally intended to serve the San Francisco bay area, Norwood Brown is in the process of expanding its business territory to include clients throughout the United States. Norwood Brown Associates is a California Limited Liability Corporation.

2.2 Company History

The firm was originally started as a one-person homebased business in 1984, and has evolved in to Norwood Brown Associates, a California LLC with over 100 employees. The firm has experienced tremendous growth in its 15 years of existence, and has proven to generate consistent profits along the way. Norwood Brown has earned the reputation as a leader in public relations and marketing consulting services in the San Francisco bay area, and the firm is ready to expand its customer territory.

2.3 Current Position and Business Objectives

Norwood Brown has successfully earned several national health-care consulting accounts, and the firm is ready to expand further. The firm's mission statement is as follows:

"Norwood Brown Associates will provide its health-care clients with services intended to assist in the creation of positive, accepting public images in their respective markets. By doing this, its customers should experience increased financial performance. The firm is committed to assisting a wide network of hospitals, clinics, and health maintenance organizations with the best consulting services available."

2.4 Ownership

Norwood Brown Associates is owned 100 percent by Ms. Alice Norword, a well-known leader in marketing and public relations in the San Francisco bay area. The firm is a Limited Liability Corporation registered with the State of California.

3. Services

Norwood Brown is in the business of providing marketing and public relations services to health-care organizations. The firm's goals are to improve both their client's public images as well as their bottom lines. Norwood Brown continually strives to earn the reputation as the premier provider of quality consulting services.

3.1 Service Descriptions

The firm's services consist of planning marketing strategy, writing and editing marketing materials and press releases, conducting publicity and media placement campaigns, media training for key executives, and related services. The firm arranges for production of videotapes and printed materials, conducts on-premises briefings and seminars, and participates in high-level strategy sessions with its clients' executives.



3.2 Competitive Comparison

Norwood Brown competes with numerous other companies for customers. Many of these competitors provide similar services. However, Norwood Brown believes that its reputation for quality service, and its long-established relationships with existing clients, will allow it to maintain and expand its current level of sales despite the increasingly competitive environment.

3.3 Service Delivery

Norwood Brown Associates delivers its consulting services primarily via personal sales calls. Consultants meet with clients, and then typically perform most of their work off-site. Meetings are usually held on an ongoing basis during the consulting process, in order to brief clients on progress and receive feedback on work performed to date.

3.4 Research and Development

For Norwood Brown to compete effectively in new geographic markets, it must establish and maintain a physical presence in those markets. To that end, the firm has opened new offices in several cities over the past year, each of which serves as a hub for its region of the United States. New offices include Miami, Chicago, New York, and Los Angeles.

4. The Industry, Competition and Market

The health-care industry is experiencing an increased requirement for marketing and public relations services, and Norwood Brown is ready to capitalize on these needs. The firm's strong commitment to providing quality service should serve to differentiate itself from its competitors. This section will review the Norwood Brown target industry, competitors, and market demographic data.

4.1 Industry Definition

Norwood Brown provides integrated public relations and marketing services to large hospitals, clinics, and health maintenance organizations. This industry is undergoing monumental shifts as changes in payer policies, declining bed utilization rates, and increasingly expensive new medical technology combine to make marketing much more important than it has been previously.

4.2 Primary Competitors

The marketing and public relations industry is undergoing a period of consolidation as numerous global advertising and marketing firms establish large, United States-based public relations divisions. These same competitors are targeting health care, for much the same reasons as Norwood Brown.

If current trends play out as expected, the business of providing marketing and public relations services to large health care clients will become increasingly consolidated among a few sizable firms. As a result, Norwood Brown feels that to compete for new, desirable large clients in the health-care field, the company must develop a national presence.

4.3 Market Size

The Norwood Brown strategy of doing business on a national level involves targeting health-care facilities in metropolitan areas from coast to coast. For the company to compete effectively in new geographic markets, it must establish and maintain a physical presence in those markets. The company has, in the past year, opened new offices in several cities, each of which serves as a hub for its region of the United States. New offices include Miami, Chicago, New York, and Los Angeles. The firm's consultants will be required to travel from the regional hubs to outlying cities, in order to personally visit current and potential clients on a regular basis.

4.4 Market Growth

The health-care industry is undergoing monumental shifts as changes in payer policies, declining bed utilization rates, and increasingly expensive new medical technology combine to make marketing much more important than it has been previously. As a result, Norwood Brown feels there will be an increased demand for their services. Establishing a market presence on a national basis within the next two years should assist Norwood Brown in taking advantage of this demand.

4.5 Customer Profile

A Norwood Brown typical client is a large health-care facility in a metropolitan area, including

hospitals, clinics, and health maintenance organizations. The average client is billed approximately \$30,000 annually. Because marketing and public relations is becoming a vital aspect of the health-care industry, Norwood Brown feels that it can successfully build relationships with clients on a national scale. The establishment of regional hubs in major cities in the United States should allow the firm to reach its targeted clients. As Norwood Brown continues to grow, smaller health-care facilities may be targeted.

5. Marketing Plan

One of the keys to the Norwood Brown marketing plan is the firm's excellent reputation in the industry. Norwood Brown has some very prominent, well-known clients that have been with the firm for years, and the company plans on capitalizing on those relationships to capture clients on a national basis.

5.1 Competitive Advantage

Norwood Brown obtains clients almost exclusively through word-of-mouth. Because of the large size of its typical client--average clients are billed approximately \$30,000 annually--and the longstanding conservatism of health-care institutions in matters of marketing, it is believed that personal referrals, informal testimonials, and a generally sterling reputation among hospital administrators and professionals in the health-care marketing field continue to be the best marketing tools available.

5.2 Pricing

Norwood Brown is recognized in its current market, the San Francisco bay area, as the premier provider of health-care consulting services. While Norwood Brown delivers premium services, the firm charges fees that are competitive with the industry. Because of the numerous other competitors in the marketing and public relations industry across the United States, Norwood Brown will continue to price its services at a level that is industry competitive. This should give the firm an advantage, as Norwood Brown focuses exclusively on health-care consulting services, while the majority of its competitors are not as focused.

5.3 Distribution Channels

One of the key elements of the firm's marketing campaign consists of personal sales calls by the principal and other personnel. These sales calls are scheduled with hospital administrators, hospital marketing directors, HMO chief executives, and marketing vice presidents and similar individuals. The initial intent of these sales calls is to introduce our firm to potential clients and to begin a dialogue. We anticipate these sales calls, the increased frequency of which is indicated in the growing travel budget, will yield significant numbers of new clients and increased billings over time.

5.4 Promotional Plan

Norwood Brown has a formal program for generating and disseminating positive word-of-mouth, informal testimonials, and referrals in the marketplace. This program is difficult to track for effectiveness. However, the company believes its program is effective and is continuing and expanding its use.

In addition to capitalizing on word-of-mouth referrals and testimonials, as well as establishing a physical presence in the new cities, Norwood Brown is mounting a modest advertising campaign. The effort includes placing advertisements in the printed programs for meetings of local health-care marketing organizations, advertising groups, and the like. The firm has

purchased outdoor advertising space on one or more billboards in each of the cities for a term of approximately one year to build initial name recognition among its target group.

5.5 Feedback

As previously stated, Norwood Brown will rely heavily on client testimonials and referrals to obtain new customers. As a result, obtaining feedback from existing clients is essential for the firm's marketing plan. Informal interviews will be given as personal sales calls are made, and formal surveys will be mailed to clients to identify possible testimonials. As part of the firm's overall philosophy of providing the best consulting services available, ongoing communication will be standard procedure.

6. Operating Plan

Norwood Brown Associates is based out of its home office in San Francisco, California. Last year, the firm opened four additional regional hub offices in New York, Chicago, Miami, and Los Angeles. The primary assets needed to be successful in these markets are professional consultants and the firm's integrated computer network. This section will review the company's facilities and personnel.

6.1 Location

Norwood Brown operates out of a headquarters at 14479 Jackson Street in San Francisco, California. Additional offices are located in New York, Miami, Chicago and Los Angeles. Until 1999, the firm's only office was in San Francisco. Additional offices were opened as part of the long-range, national expansion plan.

Below is a photograph of the Norwood Brown corporate headquarters:



6.2 Facility

The company's headquarters in San Francisco consists of approximately 8,000 square feet of

leased space in a modern office building. Headquarters staff numbers approximately 80 persons. In each of the new cities, the firm has begun with small facilities and small staffs. Offices average approximately 600 square feet and staffs average five persons. This was done to control operational and staffing expenses, while providing a marketing foothold in the new markets. Each of the new offices has adjoining space suitable for expansion. Norwood Brown has acquired formal options to lease adjoining space in New York, Miami and Los Angeles, and has an informal understanding with its landlord in Chicago.

6.3 Operating Equipment

One of the firm's key operational resources is the integrated communications and computing network that links all personnel in its headquarters, as well as those in the remote offices. This network allows the company to quickly and effectively compose, edit, reproduce, and disseminate client marketing materials. The investment in technology provides the company with a significant edge over competitors in terms of increased quality and reduced turnaround time to complete assignments.

The firm's physical assets primarily consist of the computers, modems, cabling, and other equipment required to construct this network. Other assets consist of furniture, equipment, and fixtures in its headquarters office. Most fixtures and furnishings in the new offices are leased rather than purchased.

6.4 Personnel Plan

Norwood Brown believes its best chance for remaining competitive in this industry environment is to grow and establish a national presence. To this end, it has pursued geographic expansion, opening new offices on the East and West coasts, as well as in the Midwest and Southeast. In addition, it has increased employee head count by approximately 25 percent, or 16 persons, to staff these offices. Management believes the recently conducted expansion will accomplish this objective. In total, Norwood Brown employs 109 staff at the current time.

7. Management, Organization and Ownership

The owners and management of Norwood Brown are well experienced in the field of health-care consulting services. Ms. Alice Norwood and her management staff bring over 40 years of combined work experience to the firm. In addition, Norwood Brown carefully screens applicants for consulting positions, to insure that only the best employees are hired.

7.1 Management/Principals

Alice Norwood - Chairman, CEO and President

Norwood Brown is led by Ms. Norwood, a resident of San Rafael, California, and one of the best-known figures in the field of public relations and marketing in the Bay Area. Ms. Norwood founded the firm as a homebased business in 1984 in San Francisco. Over the next 15 years, she grew the firm to its present size of 109 employees. She is a graduate of San Jose State University.

Charles Allen - Vice President, Marketing

Mr. Allen is the firm's chief marketing officer and handles many of the marketing duties that are beyond the scope of the president's duties. He and his staff are responsible for developing Norwood Brown marketing strategy, preparing marketing plans, and executing the marketing plan. Mr. Allen has been with Norwood Brown for seven years. He is a graduate of the University of Colorado.

Cheryl Plant - Vice President, Technology

Ms. Plant is the Norwood Brown chief information officer. She is responsible for developing technology strategies; selecting hardware, software and vendors; staffing the information office; and preparing a budget for information technology expenditures. Her role has become more important as information management becomes essential to providing the firm's services and as remote offices are incorporated into the firm's technology network. Ms. Plant joined the firm last year from Intel Corporation, where she served as assistant director of information services for a major division. She is a graduate of Carnegie Mellon University.

7.2 Organizational Structure

What will likely become the cornerstone of Norwood Brown's successful national expansion is the firm's integrated network of computers, linking all of the regional offices together. Efficiently sharing information and human resources to increase quality and turnaround time should give Norwood Brown an advantage over its competitors.

Ms. Norwood and her management staff will continue to be based out of the San Francisco office, with a majority of the communications being made over the network. Consultants will have the freedom to travel on customer calls, as regional office administration will be kept at a

minimum.

Each functional area of Norwood Brown will have a supervisor. Weekly meetings will be held to discuss projects, plans, and deadlines. Each section head will report directly to Ms. Norwood.

7.3 Ownership and Boards

Ms. Alice Norwood owns 100% of Norwood Brown Associates. She was president of Northern California Media Relations Professionals, a delegate from the Public Relations Society of America to a global conference in London, England, in 1996, and has taught classes in the marketing curriculum at San Jose State University as an adjunct professor since 1994.

Consultants are required to take part in regular management meetings held via satellite. Each respective territory is reviewed on a regular basis, to insure the best quality services are provided in each market.

8. Goals and Strategies

After several years of steady growth as a San Francisco bay area consulting services provider, Norwood Brown is ready to break out into the national scene. The firm has opened regional offices in four major metropolitan cities in the United States, and has begun to offer its services in these markets. This section will review the overall goals of Norwood Brown, and identify some of the keys to its success.

8.1 Business Goals

Norwood Browns goals include providing the best health-care consulting services available to a wide network of hospitals, clinics, and health maintenance organizations. The firm's strategy of expanding into the national market has led to projected revenues of approximately \$6.0 million in 2001, \$8.3 million in 2002, and \$11.1 in 2003.

Corresponding profits are expected to grow as well, which will assist the firm in achieving another of its goals - financial performance. Net income projections are \$375,000, \$787,000, and \$1,315,000 for 2001, 2002, and 2003, respectively.

The owner and management staff of Norwood Brown are confident that the firm can achieve these primary goals, by both employing top-notch consultants and closely following the firm's mission statement.

8.2 Keys to Success

A few key significant items have been identified that will bolster Norwood Brown's success. Capitalizing on the firm's reputation in the San Francisco Bay Area market, through testimonials, referrals, and word-of-mouth efforts is very important in the industry the firm is targeting. This marketing strategy, combined with personal sales calls and a modest advertising campaign, needs to be effective in order to secure the large consulting contracts the firm desires.

Norwood Brown Associates will also rely heavily on its technology network. By linking the home office in San Francisco with the regional hubs, the firm will have the ability to share information and resources. This will enable Norwood Brown to maintain a high level of quality and deliver its services in a quick and effective manner. The communication network will also allow Ms. Norwood and her management team to efficiently administer the regional hub offices and consultant staff.

A key barrier to the firm's success is its competitors. The marketing and public relations industry is currently undergoing a period of consolidation. Many of the large consolidated consulting firms will be targeting the health-care industry as potential clients, due to the increased need for marketing and public relations services in the industry. Norwood Brown is confident that it can be a key player on a national scale due to its reputation for both quality services and dedication to the health-care industry.

9. Financial Assumptions

The financial projections found in the appendix are based on several assumptions. Norwood Brown's projections are based on the home office in San Francisco, plus the four regional hubs in 2001, and assume that two additional offices will be opened each in 2002 and 2003. In addition, the projections assume the approval of a \$500,000 line of credit currently under consideration.

Follows is a summary of the assumptions used to forecast the next 36 months of Norwood Browns planned operations.

9.1 Profit and Loss

Profit & Loss Statement			
<i>For year beginning January, 2001</i>			
	Year 1	Year 2	Year 3
Sales	6,000,000	8,380,000	11,125,000
Less cost of sales:			
Material	600,000	838,000	1,112,500
Labor/benefits/taxes	3,525,000	4,923,250	6,535,938
Total cost of sales	4,125,000	5,761,250	7,648,438
Gross profit	1,875,000	2,618,750	3,476,563
Operating expenses:			
Salaries & Wages	461,250	506,250	551,250
Sales Commissions	375,000	523,750	695,313
Rent	108,000	144,000	180,000
Maintenance	18,000	21,600	25,200
Equipment Rental	13,100	15,720	18,864
Insurance	13,200	18,000	21,600
Utilities	18,000	23,400	26,400
Office Supplies	37,650	41,416	45,557
Marketing/Advertising	98,250	117,900	141,480
Travel	183,400	220,080	264,096
Entertainment	77,980	105,275	142,118
Depreciation	13,380	13,380	13,380
Total operating expenses	1,417,210	1,750,771	2,125,257
Operating income	457,790	867,979	1,351,305
Interest expense	82,375	80,697	35,910
Net income	375,415	787,283	1,315,395

Sales - Includes existing consulting contracts currently in place, and assumes adding additional contracts each month. The average contract amounts to \$30,000 on an annual basis, with payments on those contracts received in various months throughout the year. The total number of clients is expected to grow from 183 in 2000 to 200 in 2001, 280 in 2002, and 371 in 2003.

Material Cost of Sales - Assumes a constant 10% of sales. Materials include the purchase of secondary market research, technology costs, and the hard assets related to the generation of reports and marketing/advertising materials.

Labor/benefits/taxes (Cost of Sales) - Assumes a constant 47% of sales. Most of the costs of

goods/services sold lie in this area, due to the labor-intensive nature of the consulting industry. These costs are consistent with historical data.

Salaries & Wages - The portion of wages that is not directly attributable to revenue generation. In other words, not consultant related costs. Five staff per office is assumed.

Sales Commissions - Assumed to be 5 percent of gross sales, plus a 25% cost of payroll taxes/benefits. A percentage of sales commissions are shared with support staff.

Rent - Assumes five offices in 2001, with two additional offices each year in 2002 and 2003.

Marketing/Advertising - Includes billboards, mailers, newsletters, etc., with 20% increases assumed each year as new offices are opened.

Travel - Assumed to be a considerable cost, due to large territories for consultants.

Entertainment - Assumed to be a corresponding expense with sales calls. A 20% annual growth in these expenses is anticipated, similar to marketing and advertising expenses.

9.2 Balance Sheet

Balance Sheet			
<i>For year beginning January, 2001</i>			
	Year 1	Year 2	Year 3
Assets:			
Current assets:			
Cash	10,000	10,000	471,621
Accounts receivable (net)	1,100,000	1,615,000	1,970,000
Total current assets	1,110,000	1,625,000	2,441,621
PPE (net)	53,519	40,139	26,760
Total assets	1,163,519	1,665,139	2,468,381
Liabilities and equity:			
Current liabilities:			
Line of credit	438,066	403,172	0
Notes payable	143,586	0	0
Current maturities	17,182	18,981	20,969
Total current liabilities	598,835	422,154	20,969
Long-term liabilities (net)	220,820	201,839	180,870
Total liabilities	819,655	623,992	201,839
Equity	343,864	1,041,147	2,266,542
Total liabilities and equity	1,163,519	1,665,139	2,468,381

Cash - Assumes a minimum cash balance of \$10,000, supplemented by the \$500,000 line of credit in 2001 and 2002.

Accounts Receivable (net) - Assumes a 60-day pay cycle, due to the substantial contract size. Also assumes no bad debt expenses, due to the nature of the firm's customers. This is consistent

with industry and historical data.

PPE (net) - Consists primarily of office equipment. Much of Norwood Brown's fixed assets are leased, including most of the firm's computer and technology equipment.

Line of Credit - Norwood Brown's proposed \$500,000 line of credit will be needed through 2002, and for the first seven months of 2003. Rate is assumed to be at 10.00%.

Notes Payable - Existing balloon payment of \$143,586 anticipated to be paid in full in October of 2002. Rate is 12.00% APR.

Long-Term Liabilities (net) - 10 years remaining on existing long-term note, with a \$3,350.76 monthly payment and a 10.00% APR.

9.3 Cash Plan

Cash Plan			
<i>For year beginning January, 2001</i>			
	Year 1	Year 2	Year 3
Cash receipts	4,900,000	7,865,000	10,770,000
Operating cash expenses:			
Cost of sales	4,125,000	5,761,250	7,648,438
Other expenses	1,403,830	1,737,391	2,111,878
Total operating cash exp.	5,528,830	7,498,641	9,760,315
Cash from operations	(628,830)	366,359	1,009,685
Debt activities:			
Principal payments	(15,554)	(160,768)	(18,981)
Interest payments	(82,375)	(80,697)	(35,910)
Total debt activities	(97,928)	(241,465)	(54,891)
Net cash after debt service	(726,758)	124,894	954,794
Distributions	(90,000)	(90,000)	(90,000)
Change in cash	(816,758)	34,894	864,794
Beginning cash	388,692	10,000	10,000
Cash before borrowing	(428,066)	44,894	874,794
Line of credit activity	438,066	(34,894)	(403,172)
Ending cash	10,000	10,000	471,621

Cash Receipts - Sales to customers will be made on Net 60 credit terms. The forecast assumes that cash will be received in the second month following the sale. No bad debts are anticipated.

Cost of Sales - Assumes material costs at a constant 10% of sales. Materials include the purchase of secondary market research, technology costs, and the hard assets related to the generation of reports and marketing/advertising materials. Also assumes labor costs (including benefits and taxes) at a constant 47% of sales. Most of the costs of goods/services sold lie in this area, due to the labor-intensive nature of the consulting industry.

Other Expenses - Includes all operating expenses listed on Norwood Brown's profit and loss report, not including depreciation expenses.

Principal Payments - Includes payments made on the current portion of long-term debt, as well as principal payments made on the notes payable.

Interest Payments - Includes all long-term and short-term debt, including the proposed line of credit. Includes the notes payable at 12.0% APR and the long-term debt at 10.0% APR, as well as the line of credit at an APR of 10.0%.

Distributions - Assumes a \$7,500 monthly distribution to the 100% owner, Ms. Alice Norwood. Ms. Norwood may increase the monthly distribution amount should projections hold true regarding revenues and profitability.

Line of Credit Activity - Shows the net amount borrowed on the line of credit in 2001 and 2002, and the net payments made on the principal balance of the line in 2002 and 2003.

Ending Cash - Assumes a \$10,000 minimum cash balance is set for the company. Should the balance fall below \$10,000, the line of credit will be drawn upon.

10. Appendix

This section contains the following information and supporting documentation:

- Projected Profit & Loss (2001, 2002, and 2003)
- Projected Balance Sheet (2001, 2002, and 2003)
- Projected Cash Plan (2001, 2002, and 2003)
- Personal Financial Statement - Alice Norwood
- Client Testimonials
- Current Norwood Brown's Services Brochure