



SureBooks LLC: Investment Overview

222 East Virginia Street, McKinney, TX 75069

Dennis Cagan, CEO (972) 632-1500 dennis@surebooks.com

Management:

CEO – Dennis Cagan
EVP Sales & Marketing – Max Toy
CTO – Steve Seymour
VP Ops/Client Services – Kathy Clabby
Dir. Product Management – Mark Hensley
Controller – Teresa Leshowitz
Business Development – Rich Golem

Board of Managers

Dennis Cagan
Billy Joe DuPree
Spencer Kopf
Tom Montgomery
Lea Ellermeier Nesbit
John Washington

Company Profile

Founded: 2007
Delaware Limited Liability Corporation
Employees: 16 (June 2010)
Industry: Internet SaaS/ Finance and Accounting Outsourcing

Market:

Potential Affiliates – any small-medium accounting practice
Potential Clients - 6 million small businesses with fewer than 500 employees in the U.S.

Strategic Partners

- Montgomery Coscia Greilich LLP
- Scheef & Stone L.L.P.
- Exponent Technologies, Inc.

Financial Information:

- Funding: Raised \$1.7MM in Q4 2009, seeking \$2.5MM in Q3 2010
- Accredited Investors Only
- Minimum Investment per Investor: \$25,000

Competitive Landscape:

- Packaged Software: e.g. QuickBooks and Peachtree
- Accountants: traditional methods
- Outsourced Personnel firms: including Offshore finance and accounting outsourcing firms
- In-house client company's accounting employees
- National Financial Service Providers: e.g. H&R Block, Jackson Hewitt, and Liberty Tax
- Traditional accounting practices
- The Company knows of no direct competitor offering the same range of services and offering platform.

Possible Liquidity Strategies:

Acquisition by a larger firm, quarterly distribution of profits/dividends to Members, or a public listing (IPO).

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Overview

SureBooks LLC empowers small and medium sized accounting and tax preparation firms, and Enrolled Agents – all termed SureBooks™ Certified Affiliates (Affiliates) to grow their businesses by using the SureBooks web-based software-as-a-service (SaaS) hosted application – a unique proprietary combination of technology, workflow management and services. SureBooks is designed for firms that are interested in growing their practices and achieving higher profitability, without adding staff. It provides a fast, high-quality, outsourcing service for most standard accounting tasks.

SureBooks is comprised of the SureBooks WebPortal, a web-based software platform that allows the Affiliate to manage multiple client relationships and communicate with the SureBooks team; SureBooks Bookkeeping, a high-quality bookkeeping service; SureBooks ClientFinder®, a powerful marketing and lead generation engine that identifies and delivers new clients to the Affiliate's door; and SureBooks document and work process management tools.

Problems Solved

Accounting professionals have limited capacity for growth. To add more clients, Accountants must add more overhead – technology, staff and infrastructure. The available small business bookkeeping solutions are ineffective because they rely on the client to do the data entry. Small business owners do not understand double entry accounting and as a result most of the Accountant's time is spent cleaning up bad data. Using SureBooks, the Accountant can "lift and drop" the entire process onto a team of professionals trained specifically for this purpose. The Accountant receives incremental revenue, can focus on higher value and more profitable work and has a much happier client.

Competitive Advantage

- Completed development and Intellectual Property - SureBooks integrated applications and SureBooks' proprietary process for bookkeeping input and low-cost services, combined with high-quality accounting, enables high-speed financial processing and comprehensive management of client and Affiliates. The application is running with paying customers.
- Channel - SureBooks works with the accountants, not the clients – this is a unique approach.
- Go-to-market Strategy - SureBooks unique ClientFinder module is highly scalable and automates Internet sales, marketing and lead generation service for Affiliates.

Go-To-Market Strategy

SureBooks is launching a comprehensive Internet marketing campaign targeted at potential Affiliates throughout the U.S., and the SureBooks sales team will close sales to these prospects. This strategy allows us to support our Affiliates by managing the entire sales process and closing new clients without our Affiliates having to embrace the costs of adding personnel or expanding their office space.

Business Model

SureBooks Signup fees, Training and education, and recurring monthly revenue based on SureBooks Processing fees, WebPortal subscription fees, SureBooks ClientFinder service fees.

Finance Highlights	2010	2011	2012	2013	2014
Gross Revenue	\$372,000	\$4,635,000	\$13,640,000	\$29,763,000	\$56,733,000
Net Revenue	\$302,000	\$3,573,000	\$10,286,000	\$22,449,000	\$42,825,000
Salaries & Benefits	\$1,237,000	\$1,670,000	\$3,006,000	\$5,110,000	\$7,771,000
Technology/Development	\$800,000	\$1,320,000	\$3,400,000	\$5,100,000	\$7,650,000
Sales, Marketing, T&E	\$220,000	\$385,000	\$1,155,000	\$2,888,000	\$4,332,000
General & Administrative	\$97,000	\$146,000	\$292,000	\$584,000	\$1,168,000
Services & Insurance	\$156,000	\$195,000	\$341,000	\$512,000	\$1,024,000
Other	\$150,000	\$188,000	\$376,000	\$752,000	\$1,504,000
	\$2,660,000	\$3,904,000	\$8,570,000	\$14,946,000	\$23,449,000
Pretax Income	<\$2,358,000>	<\$331,000>	\$1,716,000	\$7,503,000	\$19,376,000
Affiliates (accountants)	42	188	374	618	1,071
Client Companies	234	1,016	2,212	3,560	6,344
SureBooks Headcount	24	36	67	123	201

- All financial projections are subject to variation based on conditions including, but not limited to, funding, timing, market conditions, economic conditions, business tax cycles, competitive landscape, and the unpredictability of early-stage technology company performance.

PLEASE SEE THE COMPANY'S JUNE PRIVATE PLACEMENT MEMORANDUM FOR FULL DETAILS AND DISCLOSURES.