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Business Plan Highlights:

- ◆ *Holistic transition services for women exiting state correctional systems*
- ◆ *Breaks the generational cycle of destruction that plagues these women*
- ◆ *Targets Missouri market of \$1.8 billion and U.S. market of \$57 billion*
- ◆ *Management team led by an expert, who will be assisted by top advisors*

TRUE FREEDOM EMPOWERMENT CENTER

*Family-Based Transition Services For
Women Exiting Correctional Facilities*

Seeks Grantor Contributions
In The Amount Of

\$2,450,000

April 1, 2005

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True Freedom Empowerment Center
4488 Howling Pass, UT 45882
Phone: (552) 345-5590 • ceo@trufreedom.com

Executive Summary

Over 1,139,000 women in the U.S. are under the care, custody or control of some form of correctional agency — 91% of these offenders are in the community, as probationers or parolees, and over 70% are parents of 1.6 million affected children. Tragically, many of these women are themselves the victim of reported abuse and suffer a recidivism rate of 52% — moreover, the children of these women are five times more likely than their peers to someday be incarcerated. True Freedom Empowerment Center intends to squarely address this perplexing challenge, by providing a fully integrated, holistic solution that focuses on self-discovery and the power of parenting to bring these women back to the mainstream. Located in Palladin, MO, this not-for-profit enterprise will offer an array of wellness, foster care, daycare, family reunification and comprehensive after-care services that are calculated to break the cycle of individual despair and destruction that plagues these women, their children and society. In 2005, the narrowly defined market for these services, in Missouri, is projected to be \$1.8 billion — however, the more broadly defined national market is over \$57 billion. Keys to success include establishing commercial capacity, optimizing operating processes, marketing company offerings, and promoting research and development. The management team is led by an industry expert, who will be supported by an array of advisors.

Company. True Freedom Empowerment Center will be the premier provider of transition services for women, who may be exiting state correctional facilities or may be on probation. This not-for-profit entity offers a unique, holistic approach for reintegrating these women with their families, and with society, at large.

Services. The company provides a safe, therapeutic environment, in which holistic wellness, family reunification and extensive aftercare can occur, thereby dramatically reducing the rate of recidivism that plagues 52% of offending women. Revenues are derived from contributions, program fees and investment income.

Market. In 2005, the rehabilitation market for these types of transitional services in Missouri is projected to be \$1.8 billion. However, True Freedom has selectively targeted a group of states, with an aggregate market of \$5.7 billion, and on a national scale the demand for these services is projected to be nearly \$57 billion.

Industry. Existing providers of transition services to women, who may be under the care or control of correctional facilities are limited to public agency programs that are underfunded and a handful of private programs that focus on specific risk factors. With its holistic approach, True Freedom will dominate competition.

Strategy. Strategies for success include: establishing commercial capacity, by completing six months of pre-operating activities; optimizing operating processes to maximize program effectiveness; marketing company offerings maximize revenues; and promoting robust research and development to assure growth.

Implementation. The operating plan focuses on developing infrastructure and program integrity, in anticipation of the commencement of full operations, by October 1, 2005. The marketing plan relies upon multi-channel advertising and extensive networking with correctional authorities and other important facilitators.

Management. The management team is led by a woman, who is the mother of nine children, and who possesses impressive credentials, involving crisis intervention and family reunification. The full management team, comprised of 13 key positions, will maintain a Board of Advisors, top consultants and qualified staff.

Risk Assessment. True Freedom is poised to address the urgent need that exists in Missouri, and nationally, to break the tragic, generation-to-generation cycle of destruction that threatens offending women and their children. Key success and critical risk factors have been evaluated — success is highly achievable.

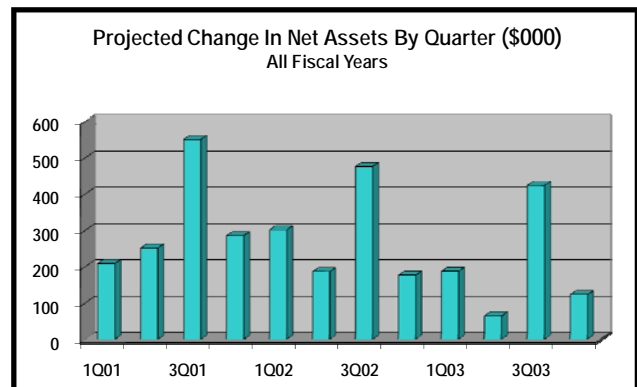
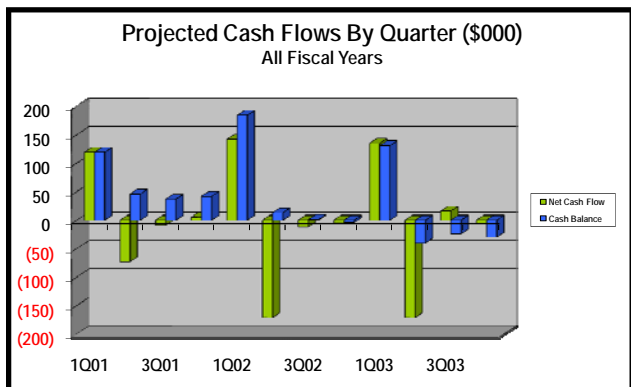
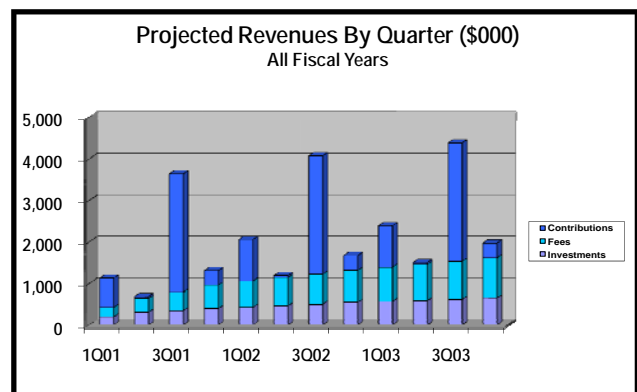
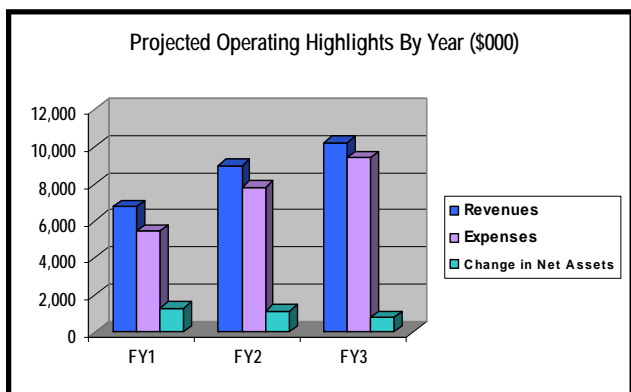
Financial Summary

True Freedom Empowerment Center is seeking contributions, totaling \$2,450,000, on April 1, 2005. This cash infusion, plus anticipated follow-on contributions, will result in revenue and net asset growth over the three-year planning period and position the company for long-term growth.

Capitalization Plan. True Freedom Empowerment Center proposes to pursue its strategic goals, by obtaining foundation or government grants, totaling \$2,450,000, by April 1, 2005. These contributions will be applied to program expenses, totaling \$1,960K, general & administrative costs of \$226K, and property, plant & equipment expenditures, totaling \$64K, and will also be used to create contingent cash reserves of \$200K.

Projected Operating Results. Revenues are projected to increase, from \$6.8 million, in FY1, to \$10.3 million, in FY3. Ending net assets increase from \$4.0 million, in FY1, to \$6.0 million, in FY3. The projected minimum cash balance is \$136K, which occurs in July 2005, and the FY3 ending cash balance is \$243K.

Projected Operating Highlights (\$000)																
Start-Up: 10/1/05	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	FY1	FY2	FY3	
Revenues	125	168	831	194	263	227	3,043	260	339	304	670	336	6,760	8,991	10,252	
Expenses:																
Programs	40	0	520	0	40	0	2,240	0	40	0	280	0	3,160	3,400	3,400	
Operating Expenses	103	102	150	128	136	128	404	200	207	236	266	242	2,302	4,458	6,056	
Change in Net Assets	(18)	66	161	66	87	99	399	60	92	68	124	94	1,298	1,133	796	
Ending Net Assets	2,730	2,796	2,957	3,023	3,110	3,209	3,608	3,668	3,760	3,828	3,952	4,046	4,046	5,179	5,984	
Percentages:																
Programs/Revenues	32%	0%	63%	0%	15%	0%	74%	0%	12%	0%	42%	0%	47%	38%	33%	
Operating Exp./Revenues	82%	61%	18%	66%	52%	56%	13%	77%	61%	78%	40%	72%	34%	50%	59%	
Net Cash Flow	(137)	69	187	(149)	55	21	440	(498)	49	(21)	72	(46)	42	(46)	(26)	
Cash Balance - Ending	136	205	392	243	298	319	759	261	310	289	361	315	315	269	243	



Company

True Freedom Empowerment Center will be the premier provider of transition services for women, who are exiting state correctional facilities or may be on probation. This not-for-profit entity offers a holistic approach for reintegrating these women with their families, and with society, at large.

Mission-Vision. The company's three-year mission is to become the premier provider of family-based, transition services for women exiting state correctional facilities. By providing a safe, holistic environment, in which women can discover the enduring values, educational tools and parenting skills, necessary to recognize and optimize their personal worth, True Freedom Empowerment Center intends to provide a vital social service, by offering early intervention that is designed to break the vicious cycle of disintegration and destruction that all-too-often accompanies parole or probation. The long-term vision is to leverage the company's inaugural success in Palladin, MO, by proliferating these services nationwide, and by expanding the scope of services to include many additional classes of women, who may be in stages of transition or crisis.

Business Opportunity. The U.S. prison population, which is nearly 2 million, represents one-quarter of the world's incarcerated population and carries an annual social cost of \$41 billion.¹ While only 7% of these inmates are female,² over 1,139,000 women in the U.S. are under the care, custody or control of some form of correctional agency³ — 91% of these offenders are in the community, as probationers or parolees, and over 70% are parents of 1.6 million affected children.⁴ Tragically, while over 90% of women offenders commit non-violent crimes and 60% of these women are themselves the victim of reported abuse, the risk factors associated with failed rehabilitation are numerous, resulting in a recidivism rate of 52%⁵ — moreover, the children of these women are, themselves, five times more likely than their peers to someday be incarcerated.⁶ While several publicly and privately sponsored programs exist to facilitate the transition of these women back to their families and to the community, most of these resources are narrowly focused, with few programs reporting broad success. True Freedom Empowerment Center intends to squarely address this perplexing challenge, by providing a fully integrated, holistic solution that focuses on self-discovery and the power of parenting to bring these women back to the mainstream — located in Palladin, MO, this non-profit enterprise will offer an array of wellness, foster care, daycare, family reunification and comprehensive after-care services that are calculated to break the cycle of individual despair and destruction that plagues these women, their children and society. In 2005, the narrowly defined market for these services, in Missouri, is projected to be \$1.8 billion — however, the more broadly defined national market is over \$57 billion.⁷ Keys to success include establishing commercial capacity, optimizing operating processes, marketing company offerings, and promoting research and development of new services and markets. In order to achieve its strategic goals, True Freedom Empowerment Center is seeking grants, totaling \$2,450,000, by April 1, 2005.

Legal Entity and Management. True Freedom Empowerment Center is established as a Utah S corporation, operating as a 501 (c)(3) not-for-profit entity. Its founder, Constance Divine, will provide active management of this company, along with Esteem United, LLC, Sandbox Early Learning Center and other affiliated entities, which may be deemed necessary to execute the mission.

History. The founder has broad experience involving youth crisis intervention and family reunification, in a mental health and drug abuse treatment setting, as well as a wide range of management and administrative support skills. She is committed to creating a new standard of excellence for holistic, family-based care that will rehabilitate women that are in transition from corrections facilities.

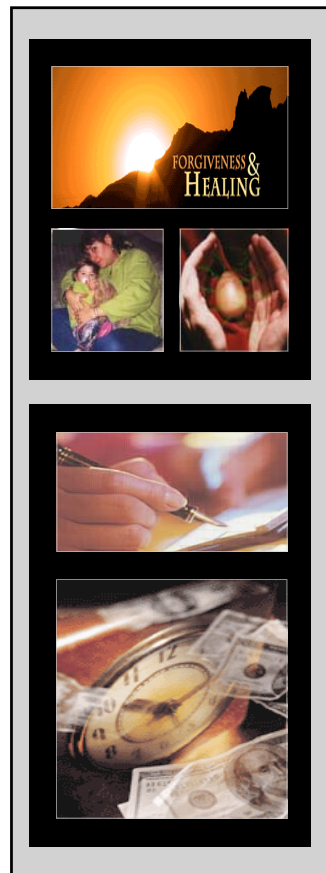
Location and Facilities. The company will lease suitable premises, in Palladin, MO, including the center itself, and several HUD Section 8, temporary living apartments, from Freedom United, LLC, a fully affiliated, for-profit real estate investment company.

Financial History			
Inception To Business Plan Start-Up			
	Actual 10/31/04	Forecasted 12/31/04	Forecasted 03/31/05
ASSETS:			
Cash	5,000	5,000	2,500
Short-Term Investments			
Contributions Receivable			
Accounts Receivables			
Inventory			
Prepaid Expenses			
Long-Term Pledges			
Property, Plant & Equipment	3,550	7,750	7,750
Deferred Charges	19,100	34,100	41,950
Total Assets	27,650	46,850	52,200
LIABILITIES:			
Short-Term Notes Payable			
Long-Term Notes Payable			
Total Liabilities	0	0	0
NET ASSETS:			
Unrestricted	27,650	46,850	52,200
Total Net Assets	27,650	46,850	52,200
Total Liabilities & Net Assets	27,650	46,850	52,200

The company provides a safe, therapeutic environment, in which holistic wellness, family reunification and extensive aftercare can occur, thereby dramatically reducing the rate of recidivism for these women. Revenues are derived from contributions, program fees and investment income.



Business Summary. True Freedom Empowerment Center will be the premier private provider of transition services for women, who are exiting Missouri or other correctional facilities. By providing a safe, holistic environment, in which women can heal and prepare themselves for re-entry into society, by facilitating family reunification on a closely supervised basis, and by reinserting the revitalized family unit into a community setting that is immersed in aftercare support, True Freedom anticipates becoming a standard of operating excellence, upon which public and private resources can be successfully leveraged, to create lasting individual and societal value. Primary revenues include contributions from individual and corporate donors, foundation and government grants, program fees, and income gains on short-term investments.



EMPOWERMENT CENTER FOR WOMEN AND THEIR FAMILIES

During 6 months of planned site construction, True Freedom Empowerment Center will hire and train personnel, optimize processes and complete other pre-operating activities, needed to commence operations, by October 1, 2005.

- ◆ **Holistic Wellness:** A therapeutic environment, which promotes physical, mental and emotional healing will serve as the setting for further transition.
- ◆ **Family Reunification:** Progressing women will be transitioned to temporary apartments, where supervised, mother-child reunification will occur.
- ◆ **Aftercare Support:** Graduating women will be relocated to urban settings, supported by jobs, housing and local access to comprehensive aftercare.

CONTRIBUTIONS

Avg. Revenue: \$250,000 / Contribution

Broad public and private support for the societal value of the program's end purposes are expected to attract generous individual and corporate donations, plus an array of private foundation and government-sponsored grants.

PROGRAM FEES

Avg. Revenue: \$60,000 / 1-Year Stay

Program entrants will consist of private pay and publicly supported entrants on a 2:1 ratio — fees will include a one-time enrollment fee of \$2,000, clothing fees of \$50, and a recurring program fee of \$4,800 per month of enrollment.

INVESTMENT INCOME

Avg. Revenue: 4% Return On Investments

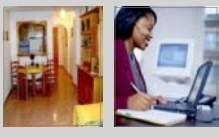
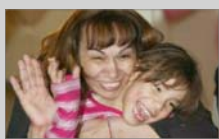
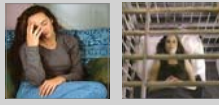
A minimum cash balance will be maintained for operating purposes, but any excess cash will be funneled into various high-quality, short-term investments.

Competitive Comparison. Alternative programs typically focus on near-term, recidivist risk factors, like substance or spousal abuse — True Freedom takes the long-term, holistic view that success requires early intervention, wellness treatment, interim child care, sponsored reunification and comprehensive aftercare.

Future Development. Because the need for effective reintegration of women offenders back into society is urgent and pervasive, the company plans to proliferate its services, nationally. These winning strategies can also be applied to other classes of women with substance abuse, teen pregnancy or domestic abuse issues.

Empowerment Process

True Freedom applies a multi-step process that begins, by healing the woman, while concurrently, caring for her children. As wellness occurs, the family is reintegrated under close supervision, but in a positive outcome, is reinserted into the community, under an umbrella of extensive aftercare.



Heal The Woman

True Freedom Empowerment Center provides fully licensed residential treatment programs for women, who are exiting correctional facilities or on probation for illegal activity. It is committed to offering a safe, structured environment that promotes well being and discovery, which will inspire each woman to create a positive pathway for realizing her independence, as an individual, and her potential, as a mother. As caregivers of the leaders of tomorrow, each woman is called upon to heal herself, by abolishing the demons of physical, psychological or chemical abuse that rob families of the hope, necessary to enjoy each other, grow with dignity and respect, and contribute to the larger community, in which they must live.

Provide Foster Care

As the woman undertakes the daunting task of healing herself, True Freedom protects and nurtures her children, by facilitating their placement in a supervised foster care setting, which assures absence of abuse or neglect and promotes continuity of family relationships, through effective teambuilding and active collaboration.

Support The Children

Older children, who are experiencing difficulty in their foster placements and exhibiting acting out or defiant behaviors are provided a variety of strong therapeutic programs. Similarly, young children, ranging from infants up, are provided a day-care facility that facilitates diagnostics and structured learning, in a secure setting.

Reunify The Family

Progressing women that have demonstrated appropriate coping and parenting skills, and are deemed ready for reunification with their children, are rejoined, by moving them into nearby 2 and 3-bedroom units, under close supervision. These families continue to receive therapeutic support, as they learn how to self-manage.

Achieve Healthy Independence

The final transition to independence and self-sufficiency involves moving qualified families, from Palladin, to more urban settings, like St. Louis, Kansas City or Joplin, where housing and employment await, and where a True Freedom satellite center will provide ongoing skills training, child care and aftercare management.

Competitive Comparison. Unlike many alternative programs that focus on a single risk factor or treatment program, True Freedom provides a holistic solution that represents a comprehensive pathway to independence and fulfillment. By healing women in transition, while protecting their children, and then reintegrating the family, in a supervised manner that is immersed in aftercare, True Freedom succeeds, where others fail.

Future Development. Following demonstrated successes in Missouri, the company intends to leverage the accompanying recognition, by expanding its treatment program to women exiting correctional systems in other states. As True Freedom gains notoriety, it intends to use its 501(c)(3) non-profit status to attract lobbying, at the state and federal levels, for public policy changes that will institutionalize many of its precepts.

Transition Programs

The centerpiece of this holistic approach is a wellness center, in which program participants, who are often themselves victims, can begin the healing process. This facility is supported by an elaborate network of programs that provide transitional services for these women and her children.

Freedom Healing Center

A centerpiece of the program is its wellness center, whose mission is to reintegrate the fragmented lives of its entering women, by helping them realign themselves, spiritually, physically and emotionally. This holistic environment promotes structured healing, through self-discovery, self-assessment, self-esteem, self-assertion, and, finally, self-empowerment. Therapeutic emphasis is placed on preventative health, physical fitness, yoga training and organic nutrition, to center the woman, as she seeks to emerge from a life of victimization and reactivity, to one of proactive independence. A full gym, meditation center, beauty shop and health food store are available to assist her, as she manages her journey back to wholeness.

Family Protector Program

This vital program provides assurance that, while the mother is healing, her children are being protected and nurtured, through high-quality, foster care placement. Teambuilding skill development and creative collaboration are relied upon to facilitate successful long-term outcomes, ranging from family reunification to adoption.

Children Learning Centers

For teens who experience difficulty adapting, True Freedom Learning Center provides behavioral therapy, school programs, recreational outlets, and substance abuse counseling. For younger children, Freedom Early Learning Center provides traditional and non-traditional learning, in a safe, caring and entertaining setting.

Freedom Action Program

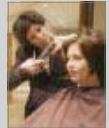
This key transitional program allows families, who may be ready for reunification, to put knowledge into motion, by placing them into living settings, involving residences that are physically separate from the Center, but closely monitored. Knowledge is put to the test, as each woman applies her new coping and parenting skills.

Project Hope

For families that have successfully integrated, the payoff is handsome — relocation to an urban setting, replete with gainful employment and comfortable housing. A full range of aftercare services is provided by satellite drop-in centers, and within a few years, women with good histories may even be eligible for home ownership.

Competitive Comparison. True Freedom embraces an integrated approach to the difficult challenge of reintegrating into society women offenders, who are themselves, often the victims of physical, mental or substance abuse. The solution, which includes numerous programs that are linked to each other and to a host of institutional authorities, is a marvel of balance between clarity of purpose and complexity of execution.

Future Development. The program's primary purpose is to break the generation-to-generation cycle of despair and destruction that typically plagues offending women and their children, and to recycle them back into society as productive citizens. But many of the winning ingredients of this holistic program can be successfully redirected to numerous other classes of women, who may be in transition or suffering from abuse.



Market

In 2005, the rehabilitation market for these services in Missouri is projected to be \$1.8 billion. However, True Freedom has selectively targeted a group of states, with an aggregate market of \$5.7 billion, and on a national scale the demand for these services is projected to be nearly \$57 billion.

General Analysis. In 2003, over 1,139,000 women were under the control of federal or state correctional authorities, including 101,000 prisoners, 101,000 parolees and 937,000 probationers. About 70% of these women were parents of an estimated 1.6 million children, who are suffer from trauma, anxiety, guilt and fear, and are 5 times more likely than their peer to be incarcerated someday. Ultimately, 95% of women in prison will be released into the community⁸ — because 60% of women in prison are themselves reported victims of abuse, who suffer from a high rate of substance abuse, many are ill-equipped to reintegrate back to society.

Market Segmentation and Target Market Needs.

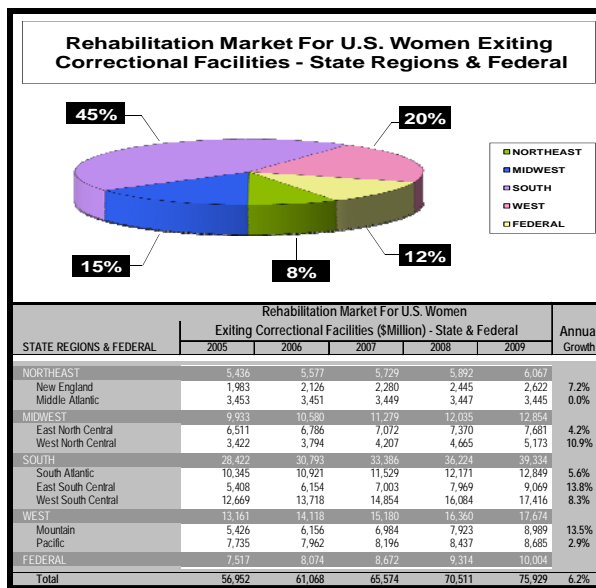
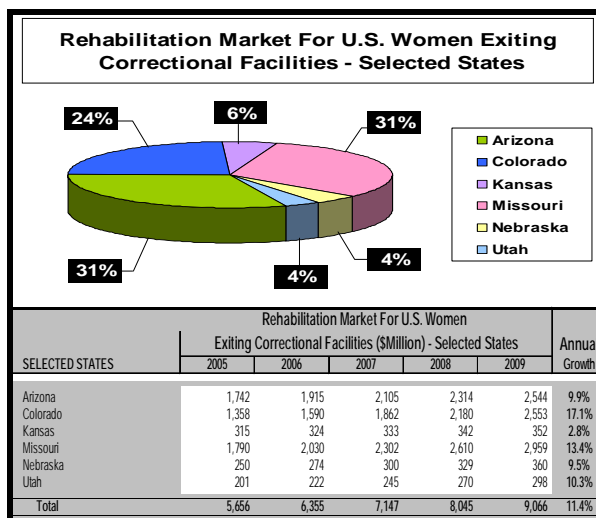
Initially, True Freedom will target women in the Missouri corrections system, but it plans to eventually offer its holistic transition program to a host of states.

Rehabilitation Market - Selected States. In 2002, an estimated 74,000 women exited correctional facilities in the 6 states that True Freedom has targeted in the near-term.⁹ Applying likely program fees to the estimated 91% of these women, who did not commit violent crimes, and then extrapolating by state-specific growth rates, which are based on the growth of female prison populations, from 1995 to 2002, suggests that in 2005, the rehabilitation market so defined will be approximately \$5.6 billion¹⁰ — this relevant market includes **Missouri (31%), Arizona (31%), Colorado (24%), Kansas (6%), Nebraska (4%)** and **Utah (4%)**.

Rehabilitation Market - U.S. Regions. On a national scale, the potential value of services of the type envisioned by True Freedom is staggering. In 2002, an estimated 970,000 women exited correctional facilities in all states.¹¹ In 2005, the rehabilitation market for women exiting these correctional facilities, is projected to be \$57.0 billion — by 2009, this figure is expected to reach \$75.9 billion, reflecting an average annual growth rate of 6.2%.¹² This broadly defined market includes the following nine regions — **West South Central (22%), South Atlantic (18%), Pacific (14%), East North Central (11%), Mountain (10%), East South Central (9%), Middle Atlantic (6%), West North Central (6%)** and **New England (4%)**.

Secondary Markets. In addition to its primary markets, involving women in transition from correctional facilities, True Freedom will target other classes of women, who may be in transition or victims of abuse.

Market Growth and Trends. From 1998 to 2003, the average annual growth of the U.S. female parolee and probationary population was 4.7%.¹³ Escalating recidivism rates and growing costs of dealing with these women, in and out of prison, along with the costs of dealing with their children, requires a pandemic solution.



Existing providers of transition services to women under the care or control of correctional facilities are limited to public agency programs that are underfunded and a handful of private programs that focus on specific risk factors. With its holistic approach, True Freedom will dominate competition.

General Characteristics. In the U.S., providers of transition assistance to the 1.1 million women, who are in prison or exiting a correctional system, and the 1.6 million children who are affected by their mothers' status, include numerous state or federal agencies, along with a limited number of private, not-for-profit and for-profit companies. When working with offending women, the goal of most programs is to target one or two specific risk factors that are likely to increase the probability of recidivism, such as lack of job training, substance abuse problems, or victimization issues relating to physical, mental or sexual abuse. When working with affected children, the typical goal is to provide some form of interim foster care or adoptive support.

Present Shortcomings. Unfortunately, most public agency programs are underfunded or relegated to near-term solutions, such as visitation rights or substance abuse help, and are not competent to address the host of complex issues that exist, at both generational levels of the mother-child relationship. Nationally, a handful of comprehensive private solutions exist, but no holistic provider that offers adequate aftercare has emerged.

KEY COMPETITOR	STRENGTHS	WEAKNESSES
Summit House, Inc. Greensboro, North Carolina <i>Established: 1987</i>	Participants receive close supervision, in a program involving counseling, vocational training and substance abuse counseling.	Programs are only available to women whose crimes were committed in NC; no attempt to integrate into a holistic solution.
Phoenix House Operates in 11 States <i>Established: 1967</i>	Largest U.S. non-profit dedicated to prevention and treatment of substance abuse; subprogram exists for incarcerated women	General substance abuse provider; subprogram only works with women in prison and does not offer extensive aftercare.
Annie E. Casey Foundation Baltimore, Maryland <i>Established: 1948</i>	Variety of programs to address needs of disadvantaged children and their families, including incarcerated women & their children.	Emphasis on incarcerated women and their children is almost incidental; major focus is on addressing poverty issues.
Women's Prison Association & Home, Inc. New York, New York <i>Established: 1844</i>	Jail and community-based programs for women in correctional system, relating to health, child welfare, education and housing.	Primary emphasis is serving the needs of women in prison; only 25% of efforts are directed to women already in community.
Incarcerated Mothers Law Project New York, New York <i>Established: 1996</i>	Prison and community-based services, including providing family law workshops; volunteer lawyers provide decisional advice.	Contributions are mainly centered on providing legally sound advice; no integrated programs or holistic transitional approach.

Competitive Edge. True Freedom will be the only U.S. provider, private or public, that offers a comprehensive long-term solution to the multi-faceted complexity of issues that are associated with offending women and their children. It provides a holistic approach that heals the women, protects the children, reunifies the mother and child, and reintegrates the family into the community, under an umbrella of elaborate aftercare.

Strategy

Strategies for success include: establishing commercial capacity, by completing six months of pre-operating activities; optimizing operating processes to maximize program effectiveness; marketing company offerings maximize revenues; and promoting robust research and development.

Strategic Objectives. The company's three-year mission is to become the premier provider of family-based, transition services for women exiting state correctional facilities. Strategies for success include: (1) establishing commercial capacity, by completing six months of pre-operating activities; (2) optimizing operating programs and processes, to assure effective delivery of services; (3) marketing company offerings, to maximize revenues; and (4) promoting research and development, to expand both services and markets.

- **Establish Commercial Capacity:** Commercial presence will be established, by completing six months of pre-operating activities, designed to effectively implement the company's business model. Steps will include: (a) completing preliminary activities, including owner feasibility studies, legal entity formation and strategic business planning; (b) retaining a noted publicist, to begin the process of acquiring initial funding for True Freedom, by April 1, 2005; (c) utilizing Freedom United, LLC, to acquire suitable properties for Freedom Early Learning Center, which will be an early revenue-generator, launching operations on April 1, 2005, and properties for interim use, by True Freedom, until land can be purchased for construction of the Empowerment Center, scheduled for completion, by September 30, 2005; (d) hiring personnel, defining processes, developing curricula, acquiring furniture fixtures and equipment and moving into interim premises, from which work with women within prisons can begin; and (e) finalizing build-out of the Empowerment Center and facility move-in, by October 1, 2005.
- **Optimize Operating Processes:** Profitability and customer satisfaction will be assured, by optimizing operating processes. This will include: (a) refining core curricula and processes that support the holistic, step program that will be successfully applied to targeted beneficiaries; (b) commencing Phoenix Healing Center operations, including fitness facilities, meditation sanctuary, health food store, wellness spa and beauty shop; (c) preparing facilities and processes necessary to support Family Protector, Learning Center, Freedom Action and Project Hope activities; and (d) creating ongoing quality control.
- **Market Company Offerings:** Revenues will be maximized, by effectively marketing the company's services and products. This will be achieved by: (a) hiring a professional publicist to a conduct a multi-channel marketing campaign, including print and web-based media; and (b) aggressively forging strategic alliances with key facilitators, in prisons, schools, businesses and other community associations.
- **Promote Research & Development:** Long-term success will rely upon a robust research and development program. Major objectives will include: (a) expanding services to include employment recruiting, home ownership and business ownership capabilities for women in the program; (b) applying existing principles to other classes of women in transition; and (c) expanding to other key markets, nationwide.

MEASURES OF SUCCESS				
TIME HORIZON	Establish Commercial Capacity	Optimize Operating Processes	Market Company Offerings	Promote Robust R&D
Pre-Op 1/05 thru 6/06	Learning Center, 4/1/05 Main Center, 10/1/05	Define Processes Develop Curricula	Multi-Channel Campaign Strategic Alliances	Study Competition ID Best Practices
Short-Term FY1	Family Programs Project Hope	Process Improvement Net Assets = \$4.0 Million	Regional Recognition Revenues = \$6.8 Million	Outsourced Recruiting Home Ownership Plan
Long-Term FY3	Other Classes of Women Other States	Industry Benchmark Net Assets = \$6.0 Million	National Recognition Revenues = \$10.3 Million	New Services New Markets

Management

The management team is led by a woman, who is the mother of 9 children, and who possesses impressive credentials, involving crisis intervention and family reunification. The full team, consisting of 13 key positions, will be supported by a Board of Advisors, consultants and qualified staff.

Management Team. Key management positions will include President, which is filled by the founder, and 12 other executive positions, which remain unfilled, but for which a search for qualified candidates is underway. This team will be supported by a Board of Advisors, professional consultants and highly qualified staff.

Constance Divine

President, True Freedom Empowerment Center

Over 26 years of management experience, involving youth crisis intervention and family reunification, in mental health and drug abuse treatment settings, as well as executive administrative experience in the private and public sectors. As prior Quality Assurance Manager, Benjamin Hills Youth Crisis Center, was core contributor to JAHCO accreditation.

Board of Advisors. The company will maintain a board of advisors, comprised of senior executives that have been drawn from a large cross-section of relevant private sector industries or public sector agencies.

Key Personnel. The following positions are viewed as critical and will be filled, as functionality evolves:

- ◆ *President:* Provide overarching vision, mission, strategy and leadership toward company objectives.
- ◆ *Chief Executive Officer:* Coordinate clinical services, academic programs and holistic programs.
- ◆ *Chief Operations Officer:* Manage program services, vocational rehabilitation and quality assurance.
- ◆ *Chief Financial Officer:* Manage public relations, financial management and human resource functions.
- ◆ *Clinical Director:* Assure adequacy and operating effectiveness of clinical and community services.
- ◆ *Academic Director:* Manage onsite educational programs and coordinate with outside providers.
- ◆ *Holistic Director:* Manage wellness center, gym, salon services, meditation and health food store.
- ◆ *Program Director:* Manage residential programs, psychiatric programs and therapeutic recreation.
- ◆ *Vocational Rehabilitation Director:* Manage career training programs, residential transition & aftercare.
- ◆ *Quality Assurance Director:* Assure quality of health services, dietary services & customer satisfaction.
- ◆ *Public Relations Director:* Manage fundraising efforts, special events, marketing and public relations.
- ◆ *Facility Manager:* Ensure adequacy of financial management, facility management and site safety.
- ◆ *Human Resources Director:* Manage employee relations, recruitment, compensation and benefits.

Personnel Plan. The company will launch its pre-operating activities with 4 positions — President, Clinical Director, Holistic Director and Facility Manager— and then quickly scale up, by October 2005, to 32 positions, including executive, administrative, wellness and group living team positions. As functionality evolves, other positions will be added, resulting in an overall staff complement of 158 positions, by the end of FY3.

Personnel Plan															
Start-Up: 10/1/05	1QY1	2QY1	3QY1	4QY1	1QY2	2QY2	3QY2	4QY2	1QY3	2QY3	3QY3	4QY3	FY1	FY2	FY3
Personnel Count															
General & Administrative	31.6	44.2	62.2	75.8	90.8	99.9	113.1	122.2	132.0	140.6	149.5	157.7			
Payroll Count	31.6	44.2	62.2	75.8	90.8	99.9	113.1	122.2	132.0	140.6	149.5	157.7			
Contracted Labor	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0			
Total Personnel	31.6	44.2	62.2	75.8	90.8	99.9	113.1	122.2	132.0	140.6	149.5	157.7			
Labor Costs (\$000)															
General & Administrative	218	281	461	547	674	735	866	926	1,040	1,099	1,161	1,217	1,507	3,201	4,517
Payroll	218	281	461	547	674	735	866	926	1,040	1,099	1,161	1,217	1,507	3,201	4,517
Payroll Burden	44	56	92	109	135	147	173	185	208	220	232	243	301	640	903
Contracted Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Labor Costs	262	337	553	656	809	882	1,039	1,111	1,248	1,319	1,393	1,460	1,808	3,841	5,420

Risk Assessment

True Freedom is poised to satisfy the urgent need that exists in Missouri, and nationally, to break the tragic, generational cycle of destruction that accompanies offending women and their children. Key success and critical risk factors have been fully evaluated — success is highly achievable.

General Economic Outlook. Despite a prolonged slowdown in the U.S. economy, the country appears headed toward some form of sustainable recovery. Recent spurts in corporate earnings and measurable relief in financial markets are positive signs, but larger-than-anticipated federal deficits and the uncertainty of a post-war Iraq are still weighing on the economy. In the public services sector, politically inspired containment of the growth of federal and state governments will likely exert continuing pressure to optimize or reduce expenditures, relating to a wide variety of public programs, including prison reform and related transition services, for men and women, who may be exiting correctional facilities or who have been placed on probation. This will almost certainly shift social responsibility for advancement of this vital function to the private sector, which to date, has only responded with a few providers. Visionaries that can provide a comprehensive solution that reduces the net cost to society will be well positioned to dominate the playing field.

Key Success Factors. The company assumes that the existence of the following factors or assumptions would positively influence success, and that these factors **will occur**:

- *Establishment of commercial capacity is achievable.* Strategic planning and real property acquisitions have occurred; strong vision, strategic goals and comprehensive financial projections exist.
- *Targeted markets support high, sustainable demand for company offerings.* Over 1.1 million U.S. women and their 1.6 million children are in desperate need of the type of social services offered.
- *Contemplated marketing channels and strategies will unleash market demand.* A multi-channel marketing campaign, in conjunction with key strategic alliances, will generate program participants.
- *Company offerings demonstrate long-term, competitive advantages.* Extensive owner experience, a well-conceived holistic approach and commitment to long-term results will dominate competition.

Critical Risk Factors. The company assumes that the existence of the following factors or assumptions would threaten success, but that these factors **will not occur**:

- *Qualified, contribution-based funding commitments are not forthcoming in the amounts sought.*
- *A dominant, deep-pocket competitor enters the market, greatly reducing available market share.*
- *Unanticipated changes in U.S. correctional system reduces overall demand for transition services.*

CONTINGENCY PLAN		
Contingent Event	Likely Consequence	Management Response
Sources of funding cannot be obtained, in the amounts sought.	Deferral of cash-intensive initiatives; slower income growth.	Reduce scale of venture; pursue business plan, in modified form.
Deep-pocket market entrant seeks market share dominance.	Loss of market share; lower revenue, cash flow and net assets.	Focus on marketable distinctions & alliances; R&D new offerings.
Development of commercial capacity involves unexpected delay.	Project hiatus; deferral of revenues, cash and net asset growth.	Work with women in prison; use interim premises; R&D solution.
Ineffective marketing channels fail to create end-user demand.	Reduced revenue, cash flow expectations & net asset growth.	Re-evaluate market needs & adjust message; cultivate alliances.
Unanticipated decline in demand for transition services occurs.	Reduced revenue & net asset growth; loss of market share.	R&D, develop & market non-food demand for underground storage.

Capitalization Plan

True Freedom Empowerment Center is seeking contributions, totaling \$2,450,000, by April 1, 2005, to cover working capital and capital expenditure needs of \$2,250,000 and to create reserves of \$200,000. Broad public support for programs offered is expected to attract future contributions.

Start-Up Condition. Start-up requirements for the company are expected to total \$2,502K, including property, plant & equipment of \$7K, deferred charges of \$42K, and cash, totaling \$2,453K. Initial resources total \$52K, in unrestricted contributions provided by the founder, resulting in a net resource shortfall of \$2,450K.

Capitalization Plan. True Freedom Empowerment Center proposes to cover its initial shortfall, by obtaining foundation or government grants, totaling \$2,450,000, by April 1, 2005. These contributions will be applied to program expenses, totaling \$1,960K, general & administrative costs of \$226K, and property, plant & equipment expenditures, totaling \$64K, and will also be used to create contingent cash reserves of \$200K.

CAPITALIZATION PLAN (\$000)			
REQUIREMENTS		RESOURCES	
YTD Activity 3/31/05:		Loans:	
Contributions and Fees	0.0	Accounts Payable	0.0
Less Expenses:		Short-Term Loans	0.0
Fundraising	0.0	Long-Term Loans	0.0
Sales & Marketing	0.0		
General & Administrative	0.0		
Initial Net Gain (Loss)	0.0	Total Loans	0.0
Start-Up Assets:		Contributions:	
Cash	2,452.5	Unrestricted	52.2
Short-Term Investments	0.0	Grantor	2,450.0
Accounts Receivable	0.0		
Inventory	0.0		
Prepaid Expenses	0.0		
Property, Plant & Equipment	7.8		
Deferred Charges	41.9		
Less: Depreciation & Amort.	0.0		
Total Start-Up Assets	2,502.2	Total Net Assets	2,502.2
TOTAL REQUIREMENTS	2,502.2	TOTAL RESOURCES	2,502.2
ESTIMATED FINANCIAL CONDITION AT START-UP			
Total Resources Available	2,502.2	Start-Up ASSETS	2,502.2
Less: Assets Purchased	2,502.2	Start-Up LIABILITIES	0.0
Start-Up GAIN (LOSS)	0.0	Start-Up NET ASSETS	2,502.2

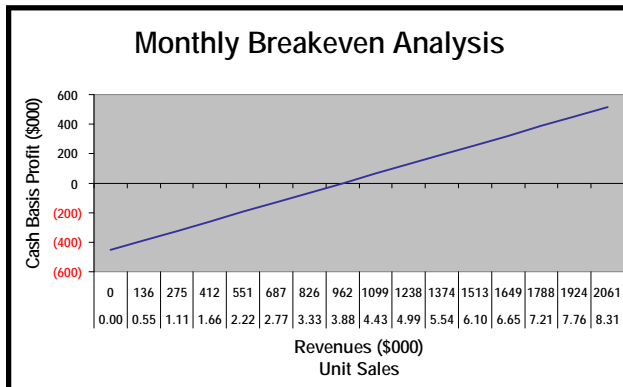
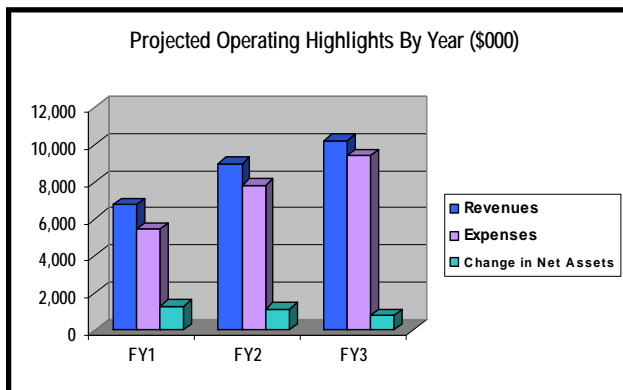
USE OF PROCEEDS	
Working Capital:	
Programs	1,960.0
G&A Costs	226.0
Total Working Capital	2,336.0
Capital Expenditures:	
Property, Plant & Equip.	64.0
Contingency Fund	50.0
Total Capital Expenditures	114.0
TOTAL USES	2,450.0

Future Needs. The company's competitive advantages, particularly its holistic approach to solving a convoluted set of inter-generational issues, are expected to result in target market acceptance. Broad public and private support for the societal value of the program's end purposes are expected to attract generous individual and corporate donations, plus an array of private foundation and government-sponsored grants.

Business Projections

Projected FY1 revenues are \$6.8 million, increasing to \$10.3 million, in FY3. Projected FY1 change in net assets for FY1, FY2 and FY3 is \$1.3 million, \$1.1 million and \$0.8 million. During the planning period, program expenses, as a percent of total revenues, ranges from 33% to 47%.

Projected Operating Highlights (\$000)															
Start-Up: 10/1/05	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	FY1	FY2	FY3
Revenues	125	168	831	194	263	227	3,043	260	339	304	670	336	6,760	8,991	10,252
Expenses:															
Programs	40	0	520	0	40	0	2,240	0	40	0	280	0	3,160	3,400	3,400
Operating Expenses	103	102	150	128	136	128	404	200	207	236	266	242	2,302	4,458	6,056
Change in Net Assets	(18)	66	161	66	87	99	399	60	92	68	124	94	1,298	1,133	796
Ending Net Assets	2,730	2,796	2,957	3,023	3,110	3,209	3,608	3,668	3,760	3,828	3,952	4,046	4,046	5,179	5,984
Percentages:															
Programs/Revenues	32%	0%	63%	0%	15%	0%	74%	0%	12%	0%	42%	0%	47%	38%	33%
Operating Exp./Revenues	82%	61%	18%	66%	52%	56%	13%	77%	61%	78%	40%	72%	34%	50%	59%
Net Cash Flow	(137)	69	187	(149)	55	21	440	(498)	49	(21)	72	(46)	42	(46)	(26)
Cash Balance - Ending	136	205	392	243	298	319	759	261	310	289	361	315	315	269	243



Sensitivity Analysis For FY1

	% Effect On:	
	Chg. In Net Assets	Cash Balance
If Revenues Are:		
1% Higher Than Projected	4.9%	20.2%
1% Lower Than Projected	-4.9%	-20.2%
If Operating Expenses Are:		
1% Higher Than Projected	-1.6%	-6.6%
1% Lower Than Projected	1.6%	6.6%

Financial Indicators

	FY1	FY2	FY3
Activity Ratios:			
Accounts Receivable Turnover	23.86	23.90	23.92
Collection Days - Accounts Receivable	15.09	15.06	15.05
Inventory Turnover	N/A	N/A	N/A
Accounts Payable Turnover	12.00	12.00	12.00
Asset Turnover	1.67	1.73	1.71
Debt Ratios:			
Debt To Net Assets	0.00	0.00	0.00
Short-Term Liabilities To Liabilities	1.00	1.00	1.00
Liquidity Indicators:			
Current Ratio	778.00	1001.20	1465.75
Quick Ratio	778.00	1001.20	1465.75
Net Working Capital (\$000)	3885	5001	5859
Interest Coverage Ratio	N/A	N/A	N/A
Additional Indicators:			
Assets to Revenue Ratio	0.60	0.58	0.58
Debt To Assets Ratio	0.00	0.00	0.00
Current Debt To Total Assets Ratio	0.00	0.00	0.00
Acid Test	762.80	981.40	1435.00
Revenue to Net Assets Ratio	1.67	1.73	1.67
Dividend Payout %	N/A	N/A	N/A

Benchmark Analysis (FY1 = 1.00)

	FY1	FY2	FY3
Revenues	1.0	1.3	1.5
Expenses:			
Programs	1.0	1.1	1.1
Fundraising	1.0	1.1	1.1
Sales & Marketing	1.0	1.3	1.7
Gen. & Administrative	1.0	2.1	2.9
Change In Net Assets	1.0	0.9	0.6

Contributions

Contributions for FY1 through FY3 are forecasted to be \$4.0 million, \$4.3 million and \$4.3 million, respectively. Total revenues for the company include contributions from all private and public sources, fees for administrating program participants, and investment income on surplus cash.

Forecasted Contributions and Costs of Fundraising (\$000)															
Start-Up: 10/1/05	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	FY1	FY2	FY3
Units of Contribution (1):															
Donations - Individuals	1		1		1		1		1		1		6	6	6
Donations - Corporations							1					1	2	3	3
Grants - Foundations							7						7	7	7
Grants - Government			1										1	1	1
Total Units of Contribution	1	0	2	0	1	0	9	0	1	0	2	0	16	17	17
Unit Contribution (\$/Unit) (2):															
Donations - Individuals	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	300,000	300,000	300,000
Donations - Corporations	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Grants - Foundations	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000
Grants - Government	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
Forecasted Contrib. (\$000) (3):															
Donations - Individuals	50	0	50	0	50	0	50	0	50	0	50	0	300	300	300
Donations - Corporations	0	0	0	0	0	0	300	0	0	0	300	0	600	900	900
Grants - Foundations	0	0	0	0	0	0	2,450	0	0	0	0	0	2,450	2,450	2,450
Grants - Government	0	0	600	0	0	0	0	0	0	0	0	0	600	600	600
Total Contributions	50	0	650	0	50	0	2,800	0	50	0	350	0	3,950	4,250	4,250
Unit COF(\$/Unit) (4):															
Donations - Individuals	3,250	3,250	3,250	3,250	3,250	3,250	3,250	3,250	3,250	3,250	3,250	3,250	3,250	3,250	3,250
Donations - Corporations	19,500	19,500	19,500	19,500	19,500	19,500	19,500	19,500	19,500	19,500	19,500	19,500	19,500	19,500	19,500
Grants - Foundations	22,750	22,750	22,750	22,750	22,750	22,750	22,750	22,750	22,750	22,750	22,750	22,750	22,750	22,750	22,750
Grants - Government	39,000	39,000	39,000	39,000	39,000	39,000	39,000	39,000	39,000	39,000	39,000	39,000	39,000	39,000	39,000
Forecasted COF (\$000) (5):															
Donations - Individuals	3	0	3	0	3	0	3	0	3	0	3	0	18	18	18
Donations - Corporations	0	0	0	0	0	0	20	0	0	0	20	0	40	60	60
Grants - Foundations	0	0	0	0	0	0	159	0	0	0	0	0	159	159	159
Grants - Government	0	0	39	0	0	0	0	0	0	0	0	0	39	39	39
Total Costs of Fundraising	3	0	42	0	3	0	182	0	3	0	23	0	256	276	276

NOTE: (1) UNITS OF CONTRIBUTION:

As a 501(c)(3) not-for-profit entity, True Freedom Empowerment Center benefits from 3 revenue streams: contributions from private and public sources, fees for administering program participants, and investment income, derived from short-term investments.

The contribution portion of these revenue streams are derived from individual and corporate donations, along with foundation and government grants. Though difficult to predict, these revenues are expected to occur frequently, and are viewed as recognizable.

DONATIONS - INDIVIDUALS: Metric = number of donations; assumes 6 donations per year, beginning October 2005.

DONATIONS - CORPORATIONS: Metric = number of donations; assumes 3 donations per year, beginning April 2006.

GRANTS - FOUNDATIONS: Metric = number of grants; assumes 7 grants per year, all received concurrently, in April.

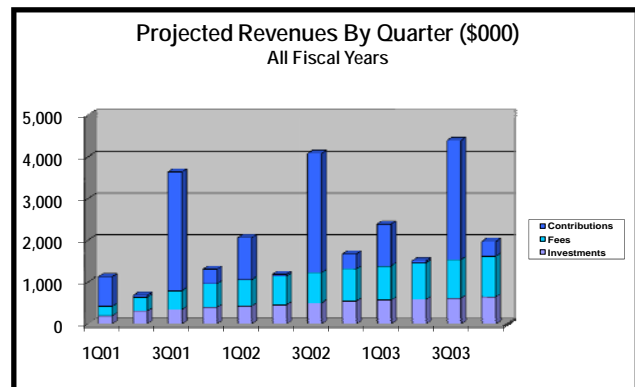
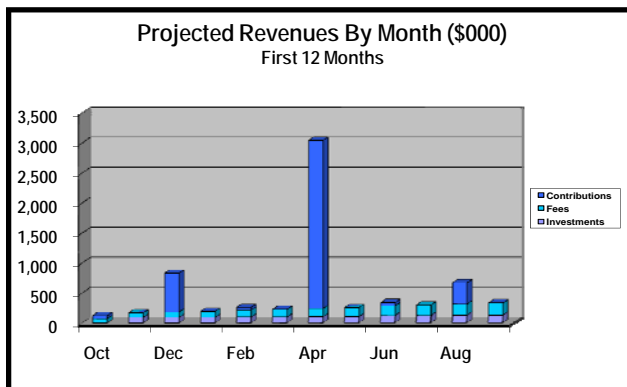
GRANTS - GOVERNMENT: Metric = number of grants; assumes 1 grant per year, beginning December 2005.

(2) UNIT CONTRIBUTION - ALL STREAMS: Estimated average amount of donation or grant.

(3) FORECASTED CONTRIBUTIONS - ALL STREAMS: Units of Contribution x Unit Contribution.

(4) UNIT COSTS OF FUNDRAISING - ALL STREAMS: Forecasted Contributions x 6.5%.

(5) FORECASTED COSTS OF FUNDRAISING - ALL STREAMS: Units of Contribution x Unit Costs of Fundraising.



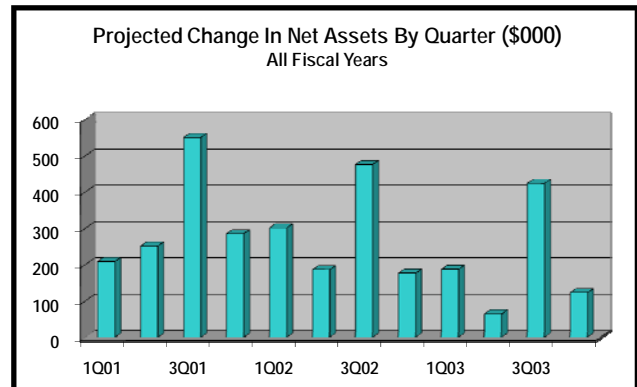
Change In Net Assets

Change in net assets for FY1 through FY3 is projected to be \$1.3 million, \$1.1 million, \$0.8 million, respectively. Ending net assets for the planning horizon are projected to be \$4.0 million, \$5.2 million and \$6.0 million. Program expenses, as a percent of contributions, is consistently 80%.

Statement of Activities (\$000)															
Start-Up: 10/1/05	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	FY1	FY2	FY3
REVENUES:															
Contributions (1)	50	0	650	0	50	0	2,800	0	50	0	350	0	3,950	4,250	4,250
Fees (2)	75	71	84	97	110	123	136	149	162	175	188	201	1,571	2,816	3,598
Investment Income (3)	0	97	97	97	103	104	107	111	127	129	132	135	1,239	1,925	2,404
Total Revenues	125	168	831	194	263	227	3,043	260	339	304	670	336	6,760	8,991	10,252
EXPENSES:															
Programs (4)	40	0	520	0	40	0	2,240	0	40	0	280	0	3,160	3,400	3,400
Programs	40	0	520	0	40	0	2,240	0	40	0	280	0	3,160	3,400	3,400
Programs/Revenues%	32%	0%	63%	0%	15%	0%	74%	0%	12%	0%	42%	0%	47%	38%	33%
Fundraising Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Fundraising Costs (5)	3	0	42	0	3	0	182	0	3	0	23	0	256	276	276
Fundraising	3	0	42	0	3	0	182	0	3	0	23	0	256	276	276
Fundraising/Revenues%	2%	0%	5%	0%	1%	0%	6%	0%	1%	0%	3%	0%	4%	3%	3%
Sales & Marketing Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Advertising & Promotions	1	1	1	1	1	1	1	1	1	1	1	1	10	13	17
Sales & Marketing	1	1	1	1	1	1	1	1	1	1	1	1	10	13	17
Sales & Mktg/Revenues%	1%	1%	0%	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
General & Admin. Labor	73	73	72	94	94	93	154	154	153	182	182	183	1,507	3,201	4,517
Payroll Burden (6)	15	15	14	19	19	18	31	31	30	36	36	37	301	640	903
Rent & Utilities (7)	5	6	6	6	8	8	8	8	8	9	11	11	94	138	166
Insurance	1		1		1		1		1		1		7	5	6
Office Expense	1			1			1			1			4	18	18
Communications													0	18	18
Professional Services	1		1		1		1		1		1		6	8	10
Travel & Entertainment			1			1			1				4	5	7
Depreciation & Amort. (8)	3	2	3	2	3	2	3	2	3	2	3	3	31	59	56
Other	1	1	1	1	1	1	1	1	1	1	1	1	12	16	20
Gen. & Administrative	100	97	99	123	127	123	200	196	198	231	235	237	1,966	4,108	5,721
Gen. & Admin./Revenues%	80%	58%	12%	63%	48%	54%	7%	75%	58%	76%	35%	71%	29%	46%	56%
Total Expenses	144	98	662	124	171	123	2,623	197	242	232	539	237	5,392	7,797	9,414
Change in N.A.'s. b/f Int./Taxes	(19)	70	169	70	92	104	420	63	97	72	131	99	1,368	1,194	838
Interest Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Tax Expense (9)	(1)	4	8	4	5	5	21	3	5	4	7	5	70	61	42
CHANGE IN NET ASSETS (7)	(18)	66	161	66	87	99	399	60	92	68	124	94	1,298	1,133	796
Net Assets - Beginning	2,748	2,730	2,796	2,957	3,023	3,110	3,209	3,608	3,668	3,760	3,828	3,952	2,748	4,046	5,188
NET ASSETS - ENDING	2,730	2,796	2,957	3,023	3,110	3,209	3,608	3,668	3,760	3,828	3,952	4,046	4,046	5,179	5,984

- NOTES: (1) Comprised of unrestricted, temporarily restricted and permanently restricted contributions, in a presumed 90:5:5 ratio.
 (2) Includes one-time enrollment fees of \$2,000, clothing fees of \$50 and recurring monthly fees of \$4,800.
 (3) Reflects income earned on investment of cash, in excess of \$200,000 minimum cash balance, at presumed 4% rate of return.
 (4) Program expenses, relating to end-user deliverables, comprise 80% of all contributions received.
 (5) Reflects estimate of direct and indirect costs of fundraising events and related activities, based on Contributions x 6.5%.
 (6) Assumes 20% payroll burden rate, covering federal and state statutory burdens, plus employee vacation and medical benefits.
 (7) Reflects rent and utilities charged by Freedom United, LLC, for use of Empowerment Center premises, located in Palladin, MO.
 (8) Reflects D&A of 5-year (\$5K) and 7-year (\$3K) class assets, existing at March 31, 2005;
 plus, 5-year straightline D&A on Deferred Charges (\$42K), existing at March 31, 2005;
 plus, 5-year (14K) and 7-year (\$213K) class assets, acquired during the pre-operating and operating phases;
 (9) Effective tax rate is presumed to be 5%, reflecting taxation of income considered "incidental" to the non-profit entity.

Pre-Op Statement of Activities (\$000)							
Start-Up: 04/01/05	Apr	May	Jun	Jul	Aug	Sep	6 Mo
REVENUES:							
Contributions	0	0	0	0	0	0	0
Fees							0
Investment Income/Gains	0	68	83	88	92	93	424
Total Revenues	0	68	83	88	92	93	424
EXPENSES:							
Programs	0	0	0	0	0	0	0
Programs/Revenues%	N/A	0%	0%	0%	0%	0%	0%
Sales & Marketing	1	1	1	1	1	1	5
Sales & Mktg/Revenues%	N/A	1%	1%	1%	1%	1%	1%
Gen. & Administrative	22	20	21	34	30	33	160
Gen. & Admin./Revenues%	# DIV/0!	29%	25%	39%	33%	35%	38%
Total Expenses	23	21	22	35	31	33	165
Change in N.A.'s. b/f Int./Taxes	(23)	47	61	53	61	60	259
Interest Expense	0	0	0	0	0	0	0
Tax Expense	(1)	2	3	3	3	3	13
CHANGE IN NET ASSETS (7)	(22)	45	58	50	58	57	246
Net Assets - Beginning	2,502	2,480	2,525	2,583	2,633	2,691	2,502
NET ASSETS - ENDING	2,480	2,525	2,583	2,633	2,691	2,748	2,748



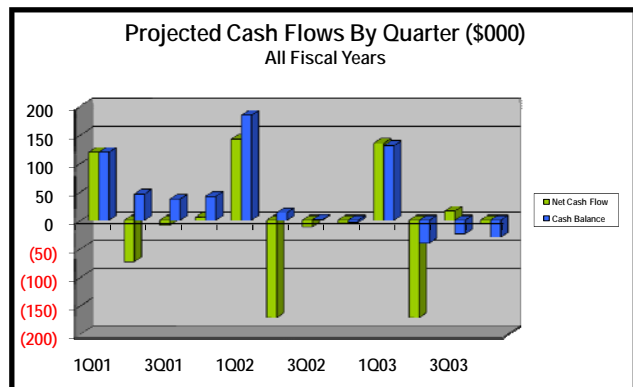
Cash Flows

Net cash flow deficits intermittently occur, due to swings in key cash determinants, such as Accounts Payable and Short-Term Investments. Ending cash balances for FY1 through FY3 are \$315K, \$269K and \$243K, respectively. Minimum cash balance is \$136K, occurring in Month 1.

Statement of Cash Flows (\$000)															
Start-Up: 10/1/05	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	FY1	FY2	FY3
Change In Net Assets	(18)	66	161	66	87	99	399	60	92	68	124	94	1,298	1,142	802
Plus:															
Depreciation & Amort.	3	2	3	2	3	2	3	2	3	2	3	3	31	59	56
Increase (Decrease) In:															
Accounts Payable (1)	1	0	32	(31)	2	(2)	134	(136)	5	(3)	17	(17)	2	0	(1)
Short-Term Notes													0	0	0
Long-Term Notes													0	0	0
Sources of Cash	4	2	35	(29)	5	0	137	(134)	8	(1)	20	(14)	33	59	55
Less:															
Increase (Decrease) In:															
Short-Term Investments (2)	55	0	4	144	32	74	89	419	46	83	67	121	1,134	1,139	859
Accounts Receivable (3)	28	(1)	5	5	5	4	5	5	5	5	5	5	76	23	24
Inventory	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Prepaid Assets													0	0	0
Property, Plant & Equip. (4)	40	0	0	37	0	0	2	0	0	0	0	0	79	85	0
Deferred Charges													0	0	0
Uses of Cash	123	(1)	9	186	37	78	96	424	51	88	72	126	1,289	1,247	883
Net Cash Flow	(137)	69	187	(149)	55	21	440	(498)	49	(21)	72	(46)	42	(46)	(26)
Cash Balance - Beginning	273	136	205	392	243	298	319	759	261	310	289	361	273	315	269
Cash Balance - Ending	136	205	392	243	298	319	759	261	310	289	361	315	315	269	243

NOTES: (1) Reflects monthly changes in account balances, as presented in the Financial History and Statement of Financial Position.
 (2) Reflects monthly changes in account balances, resulting from short-term investment of cash, in amounts equalling 75% of excesses over presumed minimum cash balance of \$200,000, at a presumed rate of return of 4%.
 (3) Reflects monthly changes in account balances, as presented in the Financial History and Statement of Financial Position.
 (4) Reflects operating period purchases of office furniture (\$10K), van (\$32K), bus (\$50K), and equipment (\$72K).

Pre-Op Statement of Cash Flows (\$000)							
Start-Up: 04/01/05	Apr	May	Jun	Jul	Aug	Sep	6 Mo
Change In Net Assets	(22)	45	58	50	58	57	246
Plus:							
Depreciation & Amort.	0	0	0	0	0	0	0
Increase (Decrease) In:							
Accounts Payable	2	1	0	2	(2)	0	3
Short-Term Notes							0
Long-Term Notes							0
Sources of Cash	2	1	0	2	(2)	0	3
Less:							
Increase (Decrease) In:							
Short-Term Investments	1,689	390	132	77	28	49	2,365
Accounts Receivable	0	0	0	0	0	0	0
Inventory	0	0	0	0	0	0	0
Prepaid Assets							0
Property, Plant & Equip.	24			40			64
Deferred Charges							0
Uses of Cash	1,713	390	132	117	28	49	2,429
Net Cash Flow	(1,733)	(344)	(74)	(65)	28	8	(2,180)
Cash Balance - Beginning	2,453	720	376	302	237	265	2,453
Cash Balance - Ending	720	376	302	237	265	273	273



Financial Position

Total assets are projected to increase, from \$4.0 million, in FY1, to \$6.0 million, by the end of FY3. Working capital does not fall below \$2,407K, occurring in Month 1 of the pre-operating period. The debt to net assets ratio is negligible, reflecting only nominal payables, and long-term debt is zero.

Statement of Financial Position (\$000)															
Start-Up: 10/1/05	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	FY1	FY2	FY3
ASSETS															
Cash	136	205	392	243	298	319	759	261	310	289	361	315	315	269	243
Short-Term Investments	2,420	2,420	2,424	2,568	2,600	2,674	2,763	3,182	3,228	3,311	3,378	3,499	3,499	4,638	5,497
Accounts Receivables (1)	28	27	32	37	42	46	51	56	61	66	71	76	76	99	123
Inventory	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Prepaid Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Current Assets	2,584	2,652	2,848	2,848	2,940	3,039	3,573	3,499	3,599	3,666	3,810	3,890	3,890	5,006	5,863
Property, Plant & Equipment	112	112	112	149	149	149	151	151	151	151	151	151	151	236	236
Deferred Charges	42	42	42	42	42	42	42	42	42	42	42	42	42	42	42
Less: Depreciation & Amort.	3	5	8	10	13	15	18	20	23	25	28	31	31	90	146
Long-Term Assets	151	149	146	181	178	176	175	173	170	168	165	162	162	188	132
Total Assets	2,735	2,801	2,994	3,029	3,118	3,215	3,748	3,672	3,769	3,834	3,975	4,052	4,052	5,194	5,995
LIABILITIES															
Accounts Payable (2)	4	4	36	5	7	5	139	3	8	5	22	5	5	5	4
Short-Term Notes Payable	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Current Liabilities	4	4	36	5	7	5	139	3	8	5	22	5	5	5	4
Long-Term Notes Payable	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Long-Term Liabilities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Liabilities	4	4	36	5	7	5	139	3	8	5	22	5	5	5	4
NET ASSETS															
Unrestricted (3)	2,683	2,739	2,826	2,882	2,954	3,043	3,152	3,200	3,274	3,330	3,405	3,485	3,485	4,009	4,145
Temporarily Restricted (4)	24	29	66	71	78	83	228	234	243	249	274	281	281	590	923
Permanently Restricted (5)	24	29	66	71	79	84	229	235	244	250	274	281	281	590	923
Total Net Assets	2,731	2,797	2,958	3,024	3,111	3,210	3,609	3,669	3,761	3,829	3,953	4,047	4,047	5,189	5,991
Total Liabilities & Net Assets	2,735	2,801	2,994	3,029	3,118	3,215	3,748	3,672	3,769	3,834	3,975	4,052	4,052	5,194	5,995

NOTES: (1) Percentage of sales on credit assumed to be 75%, subject to 15-day collection period.
(2) Estimated balances, assuming 33% of expenses paid in cash and an average 30-day payment period.
(3) Reflect 90% of contributions and investment income, plus fees, less operating expense, interest expense and tax expense.
(4) Reflects 5% of contributions and investment income.
(5) Reflects 5% of contributions and investment income.

Pre-Op Statement of Financial Position (\$000)							
Start-Up: 04/01/05	Apr	May	Jun	Jul	Aug	Sep	6 Mo
ASSETS							
Cash	720	376	302	237	265	273	273
Short-Term Investments	1,689	2,079	2,211	2,289	2,316	2,365	2,365
Current Assets	2,409	2,455	2,513	2,525	2,581	2,638	2,638
Property, Plant & Equipment	32	32	32	72	72	72	72
Deferred Charges	42	42	42	42	42	42	42
Long-Term Assets	74	74	74	114	114	114	114
Total Assets	2,483	2,529	2,587	2,639	2,695	2,752	2,752
LIABILITIES							
Accounts Payable	2	3	3	5	3	3	3
Short-Term Notes Payable	0	0	0	0	0	0	0
Current Liabilities	2	3	3	5	3	3	3
Long-Term Notes Payable	0	0	0	0	0	0	0
Long-Term Liabilities	0	0	0	0	0	0	0
Total Liabilities	2	3	3	5	3	3	3
NET ASSETS							
Unrestricted	2,481	2,520	2,570	2,612	2,660	2,707	2,707
Temporarily Restricted	0	3	7	11	16	21	21
Permanently Restricted	0	3	7	11	16	21	21
Total Net Assets	2,481	2,526	2,584	2,634	2,692	2,749	2,749
Total Liabilities & Net Assets	2,483	2,529	2,587	2,639	2,695	2,752	2,752

Management Representation. The financial projections included in this business plan represent, to the best of management's knowledge and belief, the results of operations, cash flow and account balances, which would likely occur, assuming True Freedom Empowerment Center is successful in obtaining contributions, totaling \$2,450,000 on April 1, 2005, in support of operations presumed to commence, on October 1, 2005. Management further asserts that the assumptions underlying these projections are reasonable and appropriate and that the projections were prepared in conformity with generally accepted accounting principles, but that they were not compiled, nor examined, by an independent public accountant and should not be viewed, as so prepared.

References

ENDNOTES:

- 1 *Company, Business Opportunity, Page 4:* PrisonActivist.org article, entitled "Huge U.S. Prison Population Social Cost Mounts", found through link at <http://www.prisonactivist.org/pipermail/prisonact-list/2001-January/003464.html>.
- 2 *Company, Business Opportunity, Page 4:* U.S. Department of Justice, BJS Bulletin, July 2003, entitled "Prisoners in 2002", by Paige M. Harrison and Allen J. Beck, Ph.D., p. 1, found at <http://www.ojp.usdoj.gov/bjs/pub/pdf/p02.pdf>.
- 3 *Company, Business Opportunity, Page 4:* U. Department of Justice, BJS Statistics, Probation and Parole Statistics, found at <http://www.ojp.usdoj.gov/bjs/pandp.htm>, citing that, in 2003, men and women under some form of federal, state or local jurisdiction, included 4,074,000 probationers and 774,000 parolees; then utilizing facts that women comprise 23% of these populations, respectively, or 937,000 probationers and 101,000 parolees; then utilizing Chicago Sun-Times article, entitled "Female Prison Population Jumps", at <http://www.suntimes.com/output/news/cst-nws-women08.html>, to add in number of incarcerated U.S. women prisoners, cited to be 101,000, in 2003.
- 4 *Company, Business Opportunity, Page 4:* U.S. Department of Justice, BJS Special Report, "Women Offenders", December 1999, p. 7, Table entitled "Children of Women Under Correctional Supervision" 19989", citing that 615,000 of 869,600 total female prisoners were mothers of 1.3 children; then applying comparative statistics, relating to total numbers of U.S. women under correctional control, in 2003 (1,139,000), see Endnote 4, and in 1998 (950,00), *Ibid.*, BJS Bulletin, "Prisoners in 2002", to extrapolate number of affected children, in 2003, to 1.6 million.
- 5 *Company, Business Opportunity, Page 4:* *Ibid.*, BJS Special Report, "Women Offenders", citing relevant statistics.
- 6 *Company, Business Opportunity, Page 4:* Connect For Kids article, entitled "Mothers in Jail, by J. Newberger, at http://www.connectforkids.org/resources3139/resources_show.htm?attrib_id=6278&doc_id=19118&parent=82330.
- 7 *Company, Business Opportunity, Page 4:* See Business Confidant market analysis, discussed in Endnotes 9-12.
- 8 *Market, General Analysis, Page 8:* U.S. Department of Justice, BJS article, "Reentry Trends in the U.S.", found at <http://www.ojp.usdoj.gov/bjs/reentry/reentry.htm>, citing that 95% of all prisoners will be released into the community.
- 9 *Market, Market Segmentation and Target Market Needs, Page 8:* Business Confidant market analysis, utilizing sources cited, in Endnotes 2 & 4, for six targeted states: Arizona, Colorado, Kansas, Missouri, Nebraska and Utah; 2002 women exiting selected state correctional facilities derived from state prison populations and estimates deduced from 1998 and 2002 statistics, relating to women probationary and parolee populations, at the national level.
- 10 *Market, Market Segmentation and Target Market Needs, Page 8:* Business Confidant market analysis, utilizing sources in Endnotes 2 & 4, the fee structure proposed, in Business Plan for True Freedom Empowerment Center and a statistic that only 91% of women offenders committed violent crime, to extrapolate markets, from 2005-2009.
- 11 *Market, Market Segmentation and Target Market Needs, Page 8:* Business Confidant market analysis, utilizing sources cited, in Endnotes 2 & 4, to estimate number of women exiting state & federal correctional facilities, in 2002.
- 12 *Market, Market Segmentation and Target Market Needs, Page 8:* Business Confidant market analysis, utilizing sources cited, in Endnotes 2 & 4, the True Freedom fee structure and detailed prison populations for 2002 and 1995 for all 50 states, aggregated into 9 U.S. regions, to estimate and extrapolate the national market, from 2005-2009.
- 13 *Market, Market Growth and Trends, Page 8:* Utilizing sources cited in Endnotes 2, 3 and 4, to compare 2003 and 1998 populations of women with probationary or parolee status, to deduce average annual growth rate of 4.7%.

This Business Plan was prepared by:

Business Confidant

Your Business Planning Specialist

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45 Ora Way, A-206, San Francisco, CA 94131

(866) 282-1044 • info@BusinessConfidant.com • www.BusinessConfidant.com