

Multi-State Digital Task Force

Enhancing, Protecting and Monetizing America's Newspapers' Franchise

American Newspaper Digital Access Corporation

Business Plan Executive Summary

June 2010

*'News is the First Rough
Draft of History'*

-Ben Bradley

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EXECUTIVE SUMMARY

The American Newspaper Digital Access Corporation is being created to:

- Protect the intellectual property rights of newspaper publishers and monetize the content use on the Internet
- Facilitate the collection and dissemination of advertising tear sheets
- Provide a platform for the posting of Public Notices
- Provide for archiving services for news content creators and consumers

Overall, our company can be characterized as an industry service provider, monetizing the incredible reach of the newspaper publishing business in America through digital technologies.

COMPANY MISSION

The mission of this corporation will be to provide American newspapers of all sizes with a means to digitize and archive their content for research, historical and commercial purposes.

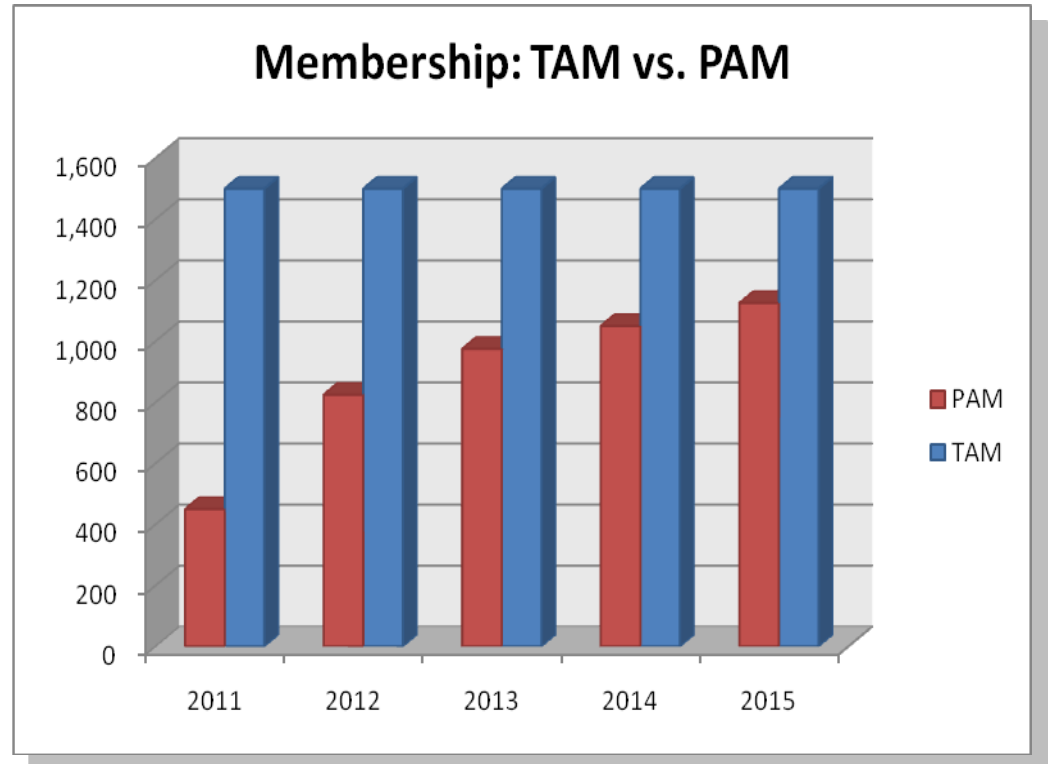
Drawing upon our own experience, the resources at our disposal and the expertise of others, we will strive to provide our customers with the best possible services in a timely manner, and with the greatest possible attention to the details that support their success and their satisfaction with our services.

MARKET OPPORTUNITY

Although the American newspaper market is contracting, it is still a large business with an estimated 1400+ daily and 6000+ non-daily publications reaching nearly 94 million subscribers in any given week. Most newspapers are represented by one of the many state and/or regional press associations – our primary market for several of our products.

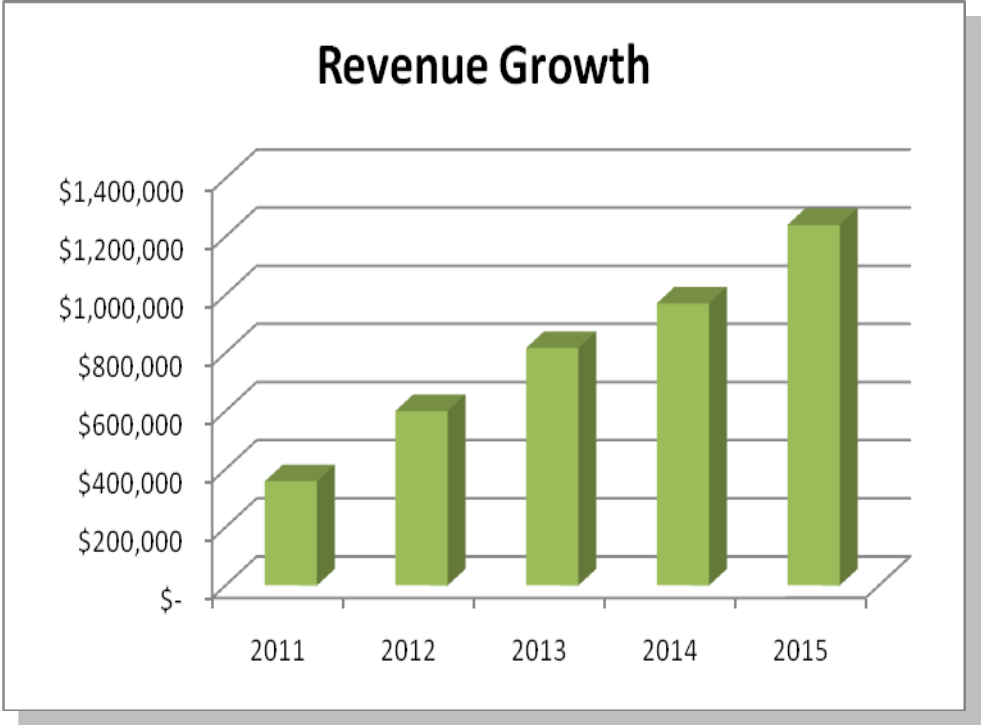
ANDAC has researched the number of companies likely to use or benefit from our services. Based on preliminary industry market analysis, we estimate the Total Available Market (TAM) of member newspaper

customers to be more than 1,500 publishers and the Potential Available Market (PAM), those we are likely to reach, at 450, or 30% of the market initially.



From our research, we've determined that no single company provides the range of services we are proposing here. The greatest growth in the service market is in the area of tear sheets. Currently, market distribution is shared by a number of competitors, but multi-state tear sheet distribution is a problem.

In the next five years, our forecasts indicate that there will be more than 1,125 publisher members, 37 state press association advertising services bureaus and more than 4,000 newspapers using our services. The market potential for all our services in these numbers will result in net revenue of approximately \$1.24 million by year five.



CUSTOMER BASE

As the ANDAC concept evolved, it became evident that planned services would meet the needs of newspaper publishers as well as state and regional press associations with advertising service bureaus. By approaching numerous individuals and business representatives in the newspaper publishing community, customer needs were quickly identified, including: a unified system to publish public notices electronically, tear sheet management, news archiving and getting paid for content.

ANDAC's target market includes newspaper publishers, news aggregators, state and regional press associations and state association advertising bureau services.

INDUSTRY TRENDS

We are creating a business for the newspaper publishing industry that leverages its core competencies – namely gathering and disseminating news and information – and exploiting the Internet's capability to benefit

our customers. We expect that as the Internet continues to grow and find new ways to address old problems, we will be there with innovative products and services that will allow our customers to take advantage of the emerging technologies, not be threatened by them.

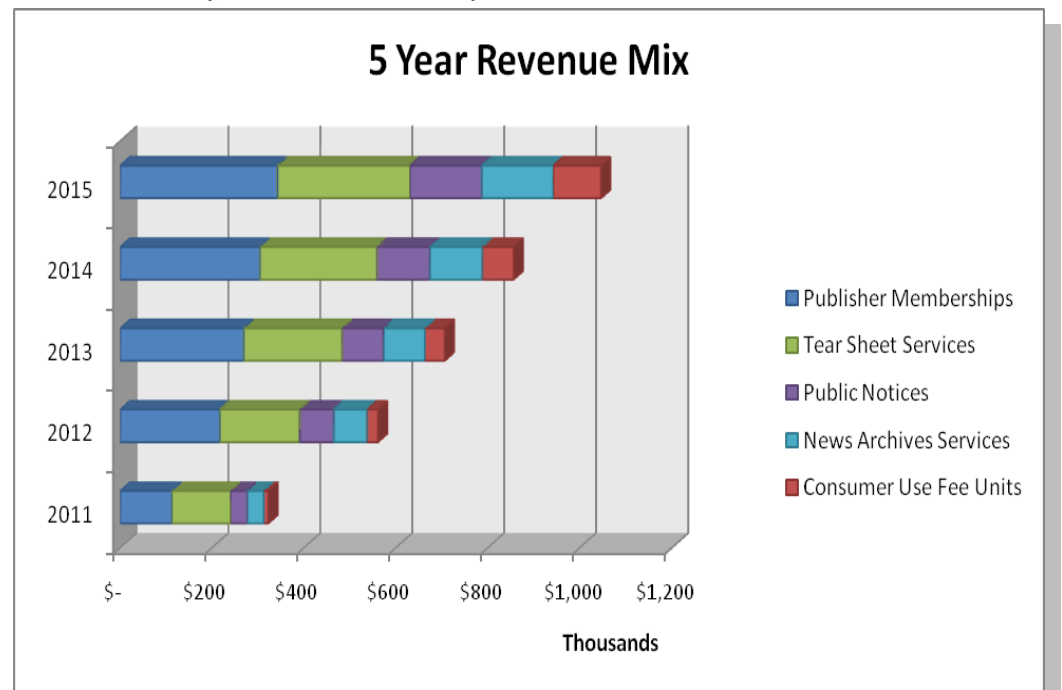
Barring any more dramatic changes in the newspaper industry, we expect that our business will grow modestly, as long as newspapers and press associations continue to operate. We also realize that our service may have to change in the future to accommodate new technologies and trends that would change our product mix and the way our services are delivered.

SERVICE STRATEGY

Initially, ANDAC will partner with one or several of the providers already servicing segments of the industry for our customer offerings. This will enable us to focus our attention on marketing and building a business centered on our industry. Over time, we expect to develop our own technologies and offer those services to our customer base. This will address cost issues and, more importantly, give us better control over the services we can provide our customer base.

BUSINESS MODEL

ANDAC's business model has evolved from its newspaper association roots – basically, it will be a subscription service that will also offer



additional, add-on services at a charge. This will allow us to rapidly deploy the company and begin serving our customers, right out of the gate. Because newspaper publishers and press associations are already familiar with this model, selling them on the concept should be relatively easy.

Additionally, news consumers, such as news aggregators, will be billed either a subscription fee, or per use fee, for news articles they pick up and run on their websites. Eventually, we intend to return a portion of that revenue to the newspaper publisher that produced that content.

As the internet continues to grow, we anticipate that our services will not only be necessary, but it will find new products to offer our customer base.

MANAGEMENT TEAM

Our management team will consist of seasoned managers and experts whose backgrounds and experience make them ideally suited to their respective roles.

OUTSIDE MANAGEMENT SUPPORT

Additionally, we will engage outside management advisors who will provide tremendous support for management decisions, as well as broad experience and creativity.

OBJECTIVES

Projected revenues for fiscal year 2011, without external funding, are expected to be \$358,000. Annual growth is projected to be an average of 35% per year through FY 2012. We feel that within 3 years ANDAC will be in a suitable position for further expansion of staff and services.

To achieve our objectives, we plan to begin hiring a staff and to establish strategic partnerships to deliver our services. This will require ramping up an office and hiring a CEO. As the business grows, we intend to add personnel to handle the increase in workload.

CAPITAL REQUIREMENTS

Based on the opportunities identified through research and analysis, and building on ANDAC's experience and what we feel are sound business assumptions, our capital requirements are to raise at least \$250,000 by September, 2010.

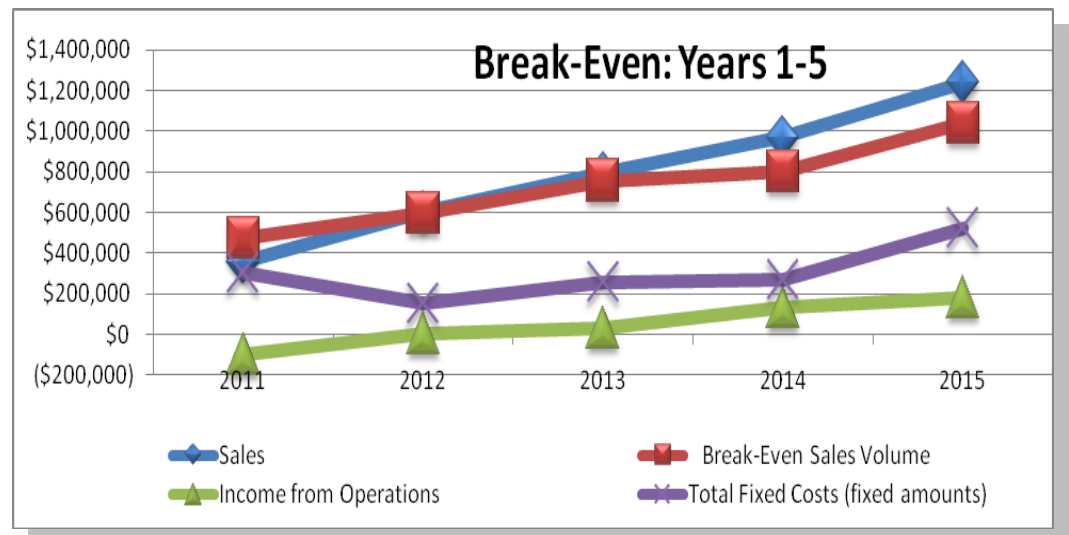
To accomplish this goal, we will offer stock to newspaper publishing companies at a par value of \$1.

The funding will allow us to achieve our marketing, development and sales goals for the immediate future. Our projections for post-funding sales are as follows for the next 5 years:

We do not anticipate additional financing requirements in the near term. However, we have made provision for issuance of more stock, if additional financing becomes necessary to fund expansion into other areas of service or more markets.

RETURN ON EQUITY

The attached financial projections indicate that our company will exceed the breakeven point in its third year, given modest growth in our customer base and the services being used.



Although we have calculated an ROE of 33% in year five of our plan, we believe the real return is in the intrinsic value of protecting newspaper content, streamlining the advertising process and assuring newspapers remain relevant into the future.

It is our intention to return profits, for the near term, into R&D in technologies to better serve our customer base.

CONCLUSION

The market for ANDAC's services is clearly giving us a prime opportunity to fill several important and growing needs in the newspaper business. The growth in the Internet and advances in technologies are providing a springboard for the breadth and depth of the services ANDAC is proposing. By investing profits back into the company, we expect to grow our business and provide additional services for the newspaper business and be able to return revenues to publishers who now are being exploited by news pirates.

Initial responses to our discussions with potential customers and industry insiders indicate a strong affinity for ANDAC and the services it will provide. While we haven't had the opportunity to test market our entire line of services, we believe that given our experience and knowledge of the newspaper business, we understand the important insights into the customer and end-user experience, both with the purchase process, and using the services. Several of the business services we will market are already being deployed by several vendors, indicating acceptance of the product concept and value. As ANDAC becomes more positioned in the marketplace, we anticipate even stronger growth in the out years.