

Business Plan

September 2006



PREPAREDNESS. PROTECTION. PEACE OF MIND.

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Abbreviations

In this Business Plan, including the summary, the following abbreviations have been used to signify certain technical concepts:

ADS	Analog Document Scanning
ASP	Application Service Provider
CR	Catalogue Revenue
CRM	Customer Relationship Management
CUI	Client Use Interface
IC	Imaging Consultant
IP	Internet Protocol
ISDN	Integrated Services Digital Network
IT	Information Technology
JPEG	Joint Photographic Experts Group
LR	License Revenue
MPEG	Moving Pictures Experts Group
ROI	Return on Investment
SIP	Session Initiation Protocol
SMEs	Small and Medium-Sized Enterprises
TCO	Total Cost of Ownership
TCP/IP	Transport Control Protocol/Internet Protocol
URL	Uniform Resource Locators
VoIP	Voice over Internet Protocol

Executive Summary

The Vision

Arkiva, Inc. CEO Bruce Roberson experienced first hand the disheartening devastation and loss from hurricane Wilma in October 2005. Watching the media coverage of the entire 2005 hurricane season unfold from the Gulf Coast to his own backyard, the idea for Arkiva was conceptualized. The Florida-based company offers home and business owners an affordable support solution for the digital enterprise. The basic product provides a personalized portal to access digital archival storage of important records, from one-of-a-kind keepsakes and records, to structural details and material possessions. Designed as a means to ensure one's insurance, the inventory is housed on multiple protected secure servers and is untouchable should a natural disaster, theft, or accident arise.

With Arkiva's core product, home and business owners can document their property by having a certified imageographer with professional digital recording equipment come to their residence or business to perform the entire inventory. Irreplaceable documents, priceless family photos, special items, outdoor structures, and insurable assets are scanned and photographed, then immediately uploaded to a secure Arkiva online account. Customer records, files, and other data can be scanned and archived as well. To verify authenticity, all documents are time-stamped with an Arkiva certification. All data is safely stored and backed up on state-of-the-art servers strategically positioned in Virginia and Texas. Once an account is created, only the customer can view, manage, and edit its contents. Customers will also have 24/7 access to the Arkiva call center.

In 2005, hurricanes alone caused over \$100 billion in property damage, the costliest season on record since 1928. Insurance companies, real estate organizations, and government agencies consistently advise that owners keep accurate and up-to-date records as part of their disaster-recovery plans. Arkiva exists to provide the total solution that these organizations and agencies are advocating,

because without proper and up-to-date inventories, families and business owners cannot be compensated appropriately for loss.

The cost of the service varies dependent on square footage of the home or business. Archiving starts at \$299 for a dwelling up to 5,000 square feet, with a standard charge for all plans of \$9.99 a month for data storage on the web-based server. Customers with the right equipment and expertise also have the option to upload photos and documents to Arkiva.com themselves for the monthly rate, with no up-front cost.

According to the US Census Bureau, over 50% of the United States population lives near a coastline or fault line that is subject to hurricane or earthquake activity. There are also natural disasters that occur such as wildfires, mud slides, tornados, floods, and some experts even predict tsunamis are imminent in the Northwestern section of the United States. These naturally occurring events give rise to the potential of significant asset destruction. This idea, coupled with everyday catastrophes of house fires and thefts, reinforces the need to protect valuables before it is too late.

Arkiva is a smart, simple way for customers to create a comprehensive digital inventory of their possessions. While homeowners or renters insurance is there to help, Arkiva can help verify the replacement value of one's possessions should disaster strike. With



Arkiva, customers can have protection and peace of mind without breaking the bank.

The personalized portal also includes a number of enhancements that create a home page similar to MyYahoo® by allowing users to customize links, monitor stock prices, and add news and other useful information, making the Arkiva home page a natural “home” location for web browsing.

Arkiva, Inc. also provides each of these services individually, for customers who may need assistance with digital recording, scanning, or remote storage. The Company also provides a full range of consulting services for disaster preparedness, protection, mitigation, and recovery will be offered for both residential and business clients.

The core product is also being marketed as a value-added service for other firms, such as home builders, real estate brokers, and security companies. Packaged under their own brand and URL, each company can offer its customers the added peace of mind that comes from having a digital documentation resource as a benefit or thank you gift for doing business with them.

Another opportunity to leverage the basic product is for condominium and homeowners associations to obtain a group license. The Homeowners Information Systems Network delivers not only the individual services to each residence, but facilitates communication and shared resource management.

Under the banner Secure24 Group, the product will be expanded to include the installation of IP video cameras in and around residences, providing both an on-demand view of the residence and archival footage for security purposes. This is particularly valuable to home security firms, who could repackage the product as an asset management tool and as live monitoring of subject properties. The uses range from checking on the security of a home or vacation home while away to verifying the safety of family and pets. The cameras are accessible online and can include both video and two-way audio. The IP camera technology will also be offered to facilitate automated property inspections for property managers and owners.

Other applications, such as networked surveillance systems, site security, access control, and biometric readers will be offered using the Company’s technology and infrastructure for security.

The data warehousing infrastructure necessary to support the basic product lends itself to other services, particularly remote back-up of locally stored data. Home users and businesses could remotely back-up files, programs, and digital media for disaster recovery or protection against equipment failure.

Log onto <http://www.arkiva.com/> for more information or call 888.8.ARKIVA.

Leadership

With more than 100 years combined experience in technology-related start-ups and corporations, the leadership team of Arkiva, Inc. has the experience, skills, and perseverance to successfully manage the growth of the firm. Strong backgrounds in product conceptualization, design, development, marketing, finance, and sales are represented on the team.

The leadership team consists of:

Bruce Roberson, CEO
Kenneth Goldberg, Executive Vice President of Sales and Business Development
Rick Roberson, Chief Imaging Officer
Zachary Goldberg, Chief Technology Officer

A close relationship with a sister firm, NIH Research, Inc., helps the Company leverage technological assets and facilities to gain competitive advantage and reduce barriers to entry from the outset.

Funding Proposal

Gross margins will exceed 60% during start-up, and by 2008 are projected to reach 85%, enabling the Company to generate positive cash flow by the first quarter of 2008.

Having recently raised \$1.1 million in private placement, Arkiva, Inc. seeks to raise an additional \$5.0-7.0 million for start-up expenses through 2008.

The Product

Home & Business Digital Record Storage

Arkiva Inc.'s basic product is a web-based personal portal and data management application that provides a method of obtaining, categorizing, and retrieving digital information associated with property and records in private residences and businesses. The system includes a data gathering and digitizing stage, a secure storage stage, and a data retrieval stage. Each stage is facilitated by one or more software applications that together form an integrated asset management system. One of the unique features of the product is that the data gathering stage usually includes an Arkiva staff "imageographer" taking digital pictures or digital video of a property and assets contained therein, as well as constructing a digital copy of important documents, records, and family keepsakes.

The storage stage maintains a record of the digital information in a secure manner at a location remote from a property, with remote redundant back-up. Accordingly, the digitally stored records will not be adversely affected by harmful events relating to the property, such as fire, theft, flood, hurricane, and the like.

The data retrieval stage can be performed by an authorized user from any location with Internet access, using a customized portal.

Having the Company's specialized service agents document property and records on behalf of residential property or business owners can be particularly valuable in situations where an owner lacks the equipment, technical knowledge, or time to perform that stage.

The documentation can also be performed by a property or business owner, who can be guided through the stage by a software program or a live service agent. For example, a video teleconference can be established between an agent and an owner using a camera phone, where the agent can interactively view images taken by the camera phone and can guide the client through a digital picture taking process. In another example, a user can submit paper

photographs and documents via postal mail to a service agent, who digitally duplicates the photographs and documents and subsequently returns the original documents to the owner.

The personalized portal includes drag-and-drop enhancements that create a home page similar to MyYahoo® by allowing users to customize links, monitor stock prices, and add news and other useful information. The product then becomes the owner's "digital life link" by providing a single page for all of their most important personal and business relationships and information, as well as all of their critical documents and data.

Product Enhancements

The product can be expanded to include the installation of live, controllable IP video cameras in and around residences or businesses, providing both an on-demand view of the residence and archival footage for security purposes. This is particularly valuable to security firms, who could repackage the product as an asset management tool and as



live monitoring of subject properties. The uses range from checking on the security of a home or vacation home while away to verifying the safety of elderly parents, children, and pets. The cameras are accessible online and can include both video and two-way audio. Offered under the Secure24 Group banner, other applications, such as networked surveillance systems, site security, access control, and biometric readers will be offered using the Company's technology and infrastructure for security.

The data warehousing infrastructure necessary to support the product lends itself to other services, particularly remote back-up of locally stored data. Home users and businesses could remotely back-up files, programs, and digital media for disaster recovery or protection against equipment failure.

Individual components of the core product can also be contracted individually, such as photographic documentation or document scanning. In addition, leveraging the expertise of the Company, consulting for disaster preparedness, protection, mitigation, and recovery will be offered for both residential and business clients.

Customizable Portal Products

Although the core consumer product is accessed through Arkiva's web portal (www.arkiva.com), a significant opportunity for privately branding the described product exists by partnering with residential developers, homeowner associations, real estate agents, and security companies.

Each of these industries could use Arkiva as a service to their customers, creating both additional value for their own products and new customers for the Company's core product. In partnership with individual businesses, Arkiva will customize the portal to its core consumer product with the partners logo, images, design and URL. While the engine driving the product would be the same, the appearance to the end user would be that it was being provided by the partner.

Home builders will offer one year free service as an incentive to home buyers and

upon completion of the year's free service offer continuing service under their own banner or transfer the users to Arkiva, Inc. A similar solution is available to homeowner and condominium associations for managing communications, calendars, and important documents for community members.

Real estate brokers and agents can use a version of the product under the name "Virtuality" to promote available properties by including built-in assets and virtual tours online, then give buyers free service as a thank you gift. Again, after free service is ended, users will be encouraged to continue the service to ensure ongoing protection of their assets.

Supporting the Digital Enterprise

As the product matures, specialized applications for records management, archiving, and retrieval will be developed for numerous industries, such as legal or doctor's offices. The flexibility and ease of use makes it a perfect low-cost solution for small businesses who are at risk of losing valuable client or corporate records during catastrophic events. Combined with the personalized portal and home inventory capabilities, Arkiva's comprehensive suite of services becomes the key to managing all of your digital assets.

Competitive Advantage

Arkiva's competitive advantage is the low cost and high value ratio of its service offerings, which creates a compelling ROI.

Patents pending on process and technology provide a window to grow the business and name recognition prior to competitors entering the market. There are companies which offer on-line storage capabilities without the cataloging service or ease of use and some others that identify what needs to be cataloged, but you must store the information on your local system. Arkiva has been unable to identify anyone else who walks you through what to catalog, and will send an imaging consultant to assist you in storing your information in a secure remote location.

The Corporation

The Company

Arkiva, Inc. is a C-Corporation headquartered in Coral Springs, Florida that provides an affordable, end-to-end “turnkey” service that catalogs assets for homes and businesses using the Internet, digital images, scanners, and digital video. Inventory information is stored on remote secure servers and backed-up in a redundant data center. This service enables individuals and businesses interested in asset preservation to reconstruct items of value through digital records in case of natural disasters, theft, or fire. Furthermore, the owners of the information have complete and unrestricted online access to this information from any location. By using an Internet-based delivery, end users do not require specialized software or knowledge.

The Company was founded in October 2005 by Bruce Roberson and Kenneth Goldberg, who live in South Florida. The catalyst in creating Arkiva, Inc. was the unprecedented destruction of homes, businesses, and government facilities in Mississippi and Louisiana in the wake of Hurricane Katrina. Much of what was lost was not properly inventoried and those that were lost the data along with everything else. They recognized the potential for protecting assets by creating a digital catalog and they took that to the next level by housing it in a geographically separated data center with built in redundancy.

The increased incidence of hurricanes, tornados, floods, and mud slides show no signs of diminishing and create urgency in developing and deploying a product like Arkiva.

The digital inventory industry is at an explosive turning point—and the demand for qualified technical personnel for the specification, design, installation, and operation of converged systems in digital replication for asset preservation are grossly underserved. These combined factors provide for a window of opportunity in an emerging market that will demonstrate exponential growth. Arkiva brings together the right people and technology to address this market need

immediately. NIH Research, Inc., a sister company, owns existing operational servers located in a secure data center and has a CRM (Customer Relationship Management) programming staff which developed the front end client. These core components are enabling factors that help facilities Arkiva to develop and deploy services and product deliverables ahead of the rest of the industry.

Arkiva, Inc.’s mission is to provide capabilities to support the digital enterprise and give businesses and consumers peace of mind about asset protection when considering the turbulent and disruptive weather patterns that have been experiencing throughout the country. According to Dr. Max Mayfield, Director of The National Hurricane Center in Miami and Dr. William Gray, Professor of Atmospheric Science Department at Colorado State University, they predict that this pattern of severe hurricane activity could possibly continue to be a serious threat for the next twenty to thirty years. That, coupled with the everyday catastrophes of home fires and thefts, spur the need for using digital archiving to protect valuables.

The Company has developed a technology platform that has the capacity to store all business and home assets digitally, including scanned documents and photographs (jpegs), as well as digital video (mpegs), on a hosted secure data center environment. Once stored, the user has the capability to retrieve these images from anywhere using an Internet browser. The application of these capabilities is obvious when everything surrounding you has been destroyed.

The Founders

The principals of Arkiva, Inc. are established within the fields of information technology, market research, information technology sales, finance, and asset preservation and growth. They bring extensive expertise associated with comprehensive product development, marketing, sales and financial management.

Arkiva,
Inc.’s
mission is
to provide
businesses
and
consumers
with peace
of mind.

Among the strengths of the principals of Arkiva, Inc. is previous start-up experience as well as involvement in building successful companies. The executive team's combined 100 years in product conceptualization, design, development, marketing, finance and sales make them a well-rounded team that brings all of the necessary assets to bear to make the vision a reality.

Each executive has clearly demonstrated their prowess as skillful businesspeople and entrepreneurs in independent ventures that were highly successful. Ken Goldberg has been successful in many of his ventures including Senior Vice President of Bank of America. Ken has also built a successful distribution company, MadebyMarci, Inc. Business is more than time and money to the principals of Arkiva, Inc.; it is providing peace of mind to individuals who may find themselves in a situation where they have lost everything and need to rebuild. Bruce Roberson, CEO has been featured in the Who's Who in the Wall Street Journal in the IT Healthcare industry for his leadership roles with NIH Research, Inc. and ProxyMed. Mr. Roberson is also published in Healthcare Information Technology publications.

The Market

Industry Profile

Arkiva, Inc., was founded to take advantage of the underserved market for more efficient ways of cataloging and storing photographed and scanned records of residential and business assets using digital replication. Once cataloged, Arkiva transports the images to a safe and secure redundant data center environment. The Company recognizes the need in the marketplace for skilled technical expertise in digital replication. With the anticipated explosive growth in the market, a shortage of skilled imaging experts and associated personnel (such as planning, project management and support) is inevitable. The Company intends to create differentiation by developing proprietary software, selecting best of breed products, and providing for a comprehensive turnkey service that will help individuals create cataloged records of their homes and businesses. The Company will surround those products with services, documentation and software that will improve their performance, installation and customer satisfaction. Over time, this will include sourcing and branding Arkiva, Inc. solutions for highest return on investment.

Market Potential/Growth Rate

The initial market for the core product is residential homes, which numbers 105,480,101 occupied homes in the United States (US Census Bureau of Statistics, 2006). In Arkiva's location alone there are some 2,000,000 occupied homes.

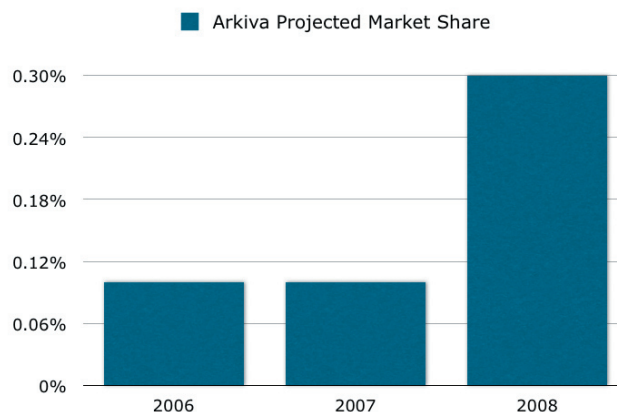
Cataloging and subscription services will be most attractive to homeowners with substantial assets and a reasonable threat of natural disaster, so initial marketing efforts will target affluent homeowners in coastal markets.

This is an untapped market, so the growth potential is enormous. The projected market growth is based on the initial market of South Florida and is conservative given the population.

Target Market

The residential home market is the initial primary focus of the Arkiva, Inc.'s products and services. The majority of the homes in the United States have Internet access, so for the first time in history it is now feasible for home owners to protect and assure that they have a digital record of their homes and associated valuables that can be stored in a safe, secure data center environment. Digital cameras, scanners and camcorders enable the recording of valued assets as well as items of sentimental value. Most people, however, have not created a digital inventory or record of these items. Indeed if a digital record has been created it generally resides in a safe or safety deposit box in the same geographical area. Considering over fifty percent of the United States population lives along or near a coastline, or fault line, the potential for destruction of same-area storage is very high. Furthermore, the entire population is subject to loss of home and valuables due to theft, fire, or even terrorism. Due to these vulnerabilities and others like them, individual homeowners are a huge underserved market for Arkiva, Inc.'s products and services.

The initial market is the 105,480,101 occupied homes in the United States.



There does not seem to be any corporate entity providing the total end-to-end solution.

Emerging Markets

Once critical mass has been established, other emerging market segments will include:

Healthcare

Healthcare providers, especially doctors' offices, are particularly vulnerable to documentation losses as they do not maintain off-site back-up facilities for patient clinical and financial information. Many of the physician practices in the Gulf Coast states completely lost all patient records due to Hurricane Katrina and Hurricane Rita.

Legal

The legal profession is equally as vulnerable as the medical profession because most back-ups are retained locally in safety deposit boxes. The aftermath of Hurricane Katrina caused significant loss of legal records in New Orleans, resulting in litigants being released.

Education

Education is recognized as a key industry for Arkiva, Inc.'s services, as massive amounts of student records were lost at schools and universities in the greater New Orleans and Gulf States areas. Many of the students attending Tulane University lost credits and had to repeat classes and efforts at other colleges and Universities. This problem could have completely been avoided if the student records had been digitized and stored on Arkiva, Inc.'s secure servers.

Government

Local, state and federal governments are also vulnerable to catastrophic wind and water events as well as earthquakes and fires and, in general, do not have contingency planning in place for reconstructing lost data.

Travel

Business and individual travelers are challenged with a raised risk of terrorism, longer wait times, more connections, higher (and sometimes intrusive) security screenings, health risks, and additional costs (driven by fuel prices). Many business and holiday travelers could reduce inconveniences and frustrations if important documents such as identity documents were easily accessible in digital formats.

Passports and birth certificates could be accessed using the Internet as the communication tool to obtain information from a personal portal supplied and hosted by Arkiva, Inc.

SMEs

Small and Medium-sized Enterprises (SMEs) cannot afford mission-critical documentation to be lost due to natural disasters or terrorism, yet most lack the foresight to replicate data in secure, geographically favorable environments. In the case of cataclysmic events, long-term business disruptions could be significantly reduced or even eliminated if SMEs adopted IP networks and routinely digitized and stored key operational documentation on servers in Arkiva, Inc.'s data center.

The Competition

To date Arkiva has not identified any organization supplying a total end-to-end solution that creates a digital record of residential homes and facilitates the offsite storage of these records at a secure data center. Furthermore, Arkiva's product and service deliverable distinguishes itself from any future competitor by enabling the client to retrieve, edit or delete their imaged residences and valuables by using a user friendly interface. Arkiva acknowledges that there are companies that provide virtual storage, but these are usually models that incorporate a B2B connection that involves high cost, high volume metrics. In summary, there does not seem to be any small or large corporate entity providing the total end-to-end solution.

Sales Approach

Arkiva, Inc. estimates that in South Florida alone, there are over 2,000,000 potential residential customers from South Dade to Palm Beach counties. These homes mostly consist of values from \$200,000 to over \$5,000,000 and have significant need for material asset preservation. This is an underserved market segment and most insurance companies, real estate organizations, and governmental agencies recommend these households create and safely store a digital record

of their valuables. It is Arkiva's position that the residential market for a complete image inventory of the home and associated valuables, such as jewelry, autos, boats and vital documents (e.g. passports, military discharge, and birth certificates) is an untapped market not only in South Florida, but all across the United States, Canada and Western Europe.

Arkiva, Inc. will continue to work with strategic business partners that will add value to the consumer information portal. Some of these business partners will consist of e-commerce companies, financial institutions, insurance companies, governmental disaster agencies, and many others.

Strategy and Implementation Summary

Arkiva, Inc. has established the product brand and has begun to establish visibility with residential home owners and recognition of the Company name and slogan, "Arkiva—Cataloging Your Life," using "Be ready for the unexpected" as a campaign position. Arkiva, Inc. will further establish the company through charity and grass-roots marketing. Once this is successfully established in the residential market in South Florida, Arkiva, Inc. will duplicate this effort in four other major markets in the state of Florida before expanding nationwide.

From a sales and marketing standpoint, the Company will invest in well-proven methods of generating revenues, and optimizing each investment using telemarketing, relationship sales, and targeting vertical markets. The Company intends on expanding its revenue base through the rapid identification and acquisition of strategic partners that provide key growth elements. These include:

- An existing satisfied customer base of residential customers.
- An existing satisfied customer base in a specific targeted verticals that would benefit from the deployment of the Company's products and services.
- A team of individuals that will rapidly produce financial benefits for the Company.
- Technology that will dramatically reduce costs and improve margins.

- A brand that will offer commercial endorsement and new marketing opportunities.
- A channel that will exponentially increase the "feet on the street" for mass penetration.

Partners will deploy the product under their own portal, developing relationships with their customers for Arkiva.

Direct Sales Strategy

The direct sales strategy for Arkiva is a one-on-one approach with customers. When an initial phone appointment is made, the imaging consultant calls with a confirmation and directs customers to the website (www.arkiva.com), advising them to look around and get more familiar with our services. The imaging consultant recommends that the customer completes the asset inventory form on our website. This form also helps our imaging consultant understand the scope of the job in advance. Arkiva, Inc. will also have a recommendation on the website of vital documents that should be scanned. Arkiva, Inc. will guarantee the date and time for on-site cataloging when it is confirmed with our scheduling office. It is estimated that the average time cataloging a residential home using Arkiva's standards protocols to be approximately three and one half hours.

Pricing Policy

Residential clients will have access to tiered levels of service for Arkiva, Inc.'s services. This will widen potential customers by providing several different pricing options to fit individual consumer's needs. These tiered service bundles will be positioned as follows:

Bronze

This program will be most appropriate for users that are self sufficient in taking high-quality digital pictures and are also proficient in scanning documents. These individuals need to be capable of transferring both .jpg and scanned documents between their digital camera, scanner and personal computer and then uploading these images to the Arkiva website.

Furthermore, once these images have been uploaded to the Arkiva site, Bronze users need to organize their images in the appropriate locations such as den, master bedroom, safe, etc. No up-front cost will be incurred for this level of participation and only the monthly maintenance charge will apply.

Silver

This program will be most appropriate for users that are not proficient in taking high-quality digital pictures or scanning documents, but wish to learn how to perform these tasks on their own. These individuals desire to become functionally autonomous “do it yourself-ers” in digital photography and scanning personal documents.

The individuals enrolled in the Silver participation level will learn to transfer .jpg and scanned documents to the Arkiva website. Once uploaded, these users will be responsible for organizing their images into the appropriate locations such as den, master bedroom, safe, etc. An hourly consulting/training fee of \$110.00 per hour will be incurred for this level of participation. The monthly maintenance charges will also apply.

Gold

This program will be most appropriate for users that are not proficient in taking high quality digital pictures or scanning documents and want Arkiva imaging experts to create a complete digital catalog of their home, possessions and documents. The Arkiva imaging experts will perform the entire set-up of the individuals, inclusive of uploading the images and documents to the secure Arkiva website. Once this process has been accomplished, the users of the Gold Participation Program can establish a log-on and password that will allow them and only them to access their information. Gold participants can call the Arkiva support center as items need to be added to their website account. In addition Arkiva will suggest that Gold participants schedule an annual “check up” to update their accounts every year. A one-time up-front service fee of \$299.00 will be incurred for this level of participation and only the monthly maintenance charge will apply. Additional fees will be charged at the \$110.00 hourly rate for updates.

Platinum

This program will be most appropriate for users that are not proficient in taking high-quality digital pictures or scanning documents and want Arkiva imaging experts to create a complete digital catalog of their home and documents. The Arkiva imaging experts will

perform the entire set up of the individuals, inclusive of uploading the images and documents to the secure Arkiva website. Once this process has been accomplished the users of Platinum participation programs can establish a log-on and password that will allow them and only them to access their information. Platinum participants can call the Arkiva support center as items need to be added to their website accounts. In addition, Arkiva will suggest that Platinum participants schedule an annual “check up” to update their accounts every year. Fees for Platinum participation levels will be determined based on special price quotes specific to the scope of work to be performed, and usually applies to very large residential homes (greater than 5000 square feet) with a high-volume of valuable items and documents. A one-time custom price quote will be determined for this level of participation, after which only the monthly maintenance fee will apply. Updates will be charged at a standard \$110.00 hourly rate.

Regardless of the plan chosen by the customer, the annual subscription fees will be \$99.99 per year or \$8.25 per month. That fee covers up to 1.0 gigabytes of storage space. Additional fees will be charged for increased space requirements.

Additional fees will be charged for a CD containing account data. An annual review will also be offered for a fee to visit the property again and update the catalog of items. Fees may also be charged to reinstate a subscription that lapses.

Promotion and Advertising

Phase 1

Phase one was a high-level approach, consisting of radio and television advertising designed to promote brand and product awareness. This allows Arkiva, Inc. to hit a large group in a relaxed setting with a consistent message. The Company has selected programming that is frequently listened to by women in search of ideas to improve their homes. This also strengthens the effectiveness of other media by providing multiple touch-points.

Phase 2

Arkiva, Inc. has approached both broad- and targeted-mail markets that target suburban “soccer moms.” The Company recognizes that most home-related buying decisions are made by women, and households with children have an additional stake in safety and preparedness products. Print advertising has been placed in upscale home and lifestyle magazines such as *Weston Lifestyle*, *Parkland Life*, *Boca Magazine*, *Ocean Drive*, and other targeted publications and business newspapers covering the South Florida market. These publications have the readership consisting of our target demographics, while the direct mail allows us to approach a larger direct market with limited expense. The direct marketing will target a maximum of 15,000 homes at a time, over eight- to ten-week periods.

Phase 3

The third phase of the marketing is to participate in home, auto, motorcycle, emergency management, and disaster planning trade shows, as well as security monitoring system and hurricane shutter and disaster protection events. Arkiva will create awareness of our offering to municipal planning organizations which include police, fire, EMS, and other governmental organizations. The South Florida market is host to over 80 such programs yearly, generating many leads looking for something new and exciting for their respective organizations. Arkiva, Inc. shows them how to get all of their items cataloged and located on a secure server in a disaster-proof geographical area with further security from a redundant backup.

Phase 4

The fourth and final phase is partner and charity marketing. Partner marketing includes offering organizations discount coupons as rewards for their customers. In return, they include Arkiva in their print, radio, and television advertising, helping to generate name recognition with little additional cost. In the charity market, Arkiva will partner with schools, churches, temples, and youth groups to market Arkiva, Inc. in a grass roots fashion. By offering a ten to fifteen percent return to that organization, they can raise funds by generating sales for the Company.

Structure of the Company

Board of Directors

Name/Municipality of Residence	Position
Bruce Roberson Coral Springs, Florida	Chairman
Kenneth Goldberg Coral Springs, Florida	Treasurer
Donna Harkins Pompano Beach, Florida	Secretary
Zach Goldberg Pompano Beach, Florida	Director
Chuck Lanza Florida	Director
Dr. Marty Mahler Coral Springs, Florida	Director
Randall L. Wood Coral Springs, Florida	Director
Bennett Marks Coral Springs, Florida	Consultant

Executives

Name/Municipality	Age	Position
Bruce Roberson Coral Springs, Florida	57	President/CEO
Kenneth Goldberg Coral Springs, Florida	38	Executive Vice President of Sales and Business Development
Bennett Marks Coral Springs, Florida		Chief Financial Officer
Donna Harkins Pompano Beach, Florida	44	Chief Operating Officer
Zachary J. Goldberg Pompano Beach, Florida	32	Chief Technology Officer
Rick Roberson Chapel Hill, North Carolina		Chief Imaging Officer

Executive Profiles

Mr. Bruce Roberson President and Chief Executive Officer of Arkiva, Inc.,

In his leadership role at the sister company, Mr. Roberson draws from years of experience in Healthcare, Sales, Marketing, and Information Management. His previous executive positions include high-level roles with such organizations as:

- McDonnell Douglas
- IBM/Baxter
- National Data Corporation
- HBOC
- First Consulting Group
- ProxyMed

In addition to his extensive experience in the field, Mr. Roberson also holds degrees in both Healthcare and Business Administration and is a member of:

- HIMSS – Healthcare Information Mgt. Systems Society
- CHIME – College Healthcare Info Mgt. Executives
- HFMA – Healthcare Financial Managers Association
- NCPDP – National Council of RX Drug Pharmacies
- ASAP – American Society of Automation Pharmacies
- ASCP – American Society of Consultant Pharmacists
- NACDS – National Association of Chain Drug Stores

Mr. Kenneth Goldberg, Executive Vice President of Sales and Business Development

With over 18 years of experience in Sales and Marketing Management, Mr. Goldberg oversees the wealth management team as a Senior Vice President for Bank of America/ Investments Services, a wealth management Division of Bank of America. His career achievements include:

- Strategic management of over \$400 million in assets.
- Recipient of the prestigious President's Club Award for every year he has been with the company.
- Founding MadebyMarci, a nationwide sales and distribution company.

As Executive Vice President of Sales and Business Development, Mr. Goldberg will be responsible for positioning Arkiva, Inc. for rapid growth through:

- New sales channels
- Organic growth
- E-commerce
- Professional services

Ken attended Northeastern University in Boston Massachusetts and graduated from Florida Atlantic University with concentrations in finance, economics and marketing. He also participated in Economics for Corporate Executives at the Wharton Business School in Philadelphia, Pennsylvania.

Ms. Donna Harkins, Chief Operating Officer

Ms. Harkins has over 20 years of experience in Healthcare Information Technology. Prior to joining Arkiva, Inc., she was the Chief Operating Officer of its sister company, NIH Research, Inc. Before joining NIH Ms. Harkins held the position of Senior Vice President – Research

and Development for Eclipsys Corporation. She joined Eclipsys when it was IHS, a small start up organization. She was with the company through the due diligence and acquisition of several larger companies to form Eclipsys. Ms. Harkins led the team of Product Managers and Product Development. She has also held management positions with other IT vendors including Siemen's Medical Systems and was part of the executive team of a start up venture in Physician Practice Management systems . Ms. Harkins' background includes Strategic Planning, Product Development, Product Management, Implementation and Customer Support.

Ms. Harkins has degrees in both Computer Science and Psychology and has held memberships in various Healthcare professional organizations including:

- HIMSS - Healthcare Information Mgt. Systems Society
- ACHE - American College of Healthcare Executives

Mr. Rick Roberson, Chief Imaging Officer

Mr. Roberson brings over 30 years experience in professional photographic imaging as well as 7 years of high-level digital imaging experience to the Arkiva, Inc. team. He was trained at the University Of North Carolina School Of Medicine's Department of Medical Illustration and Photography where he was instrumental in the production of still images and video/film productions. Additionally, he helped pioneer the development and implementation of the school's photographic digital imaging surveillance protocols. Rick's special recognitions include:

- "Excellence in Surgery" cover photograph for article published on cochlear implants
- "Surgical Anatomy of the Heart Atlas" photography by Ricky Roberson, Biomedical Photographer
- Total Skin Digital Photography System. Developed in collaboration with UNC Medical School, Department of Dermatology and Ricky Roberson, Biomedical Photographer
- WRAL TV Health Segment featured Ricky Roberson and Total Skin Photography
www.wral.com/health/2191419/detail.html

Mr. Zachary J. Goldberg, Chief Technology Officer

Zachary J. Goldberg, 32, is Chief Technology Officer and director of Arkiva, inc. Mr. Goldberg has extensive experience in both the technology and financial services arena. He received his Bachelors of Science degree in Accounting from Bentley College in Waltham, Ma. in 1997. He also holds various certificates of achievement in the Technology field such as Microsoft certifications in Network and Systems Administration. His financial background includes recently being a Portfolio Manager at Bank of America as well as a Portfolio Analyst with Palmer and Dodge in Boston, MA.

Mr. Randall R. Wood, Director

Mr. Wood is Chairman & CEO of Coneca Properties, an eight-year old commercial real estate investment company headquartered in Coral Springs, Fl. Coneca owns and operates office and retail properties located in Coral Springs, Cypress Creek, and Boca Raton, Fl. Coneca is also engaged in real estate development both commercial and residential. Prior to becoming a real estate investor, Mr. Wood spent 23 years in the computer industry. In 1989, he co-founded Citrix Systems, a software company that has grown into a billion dollar Fortune 500 public company and is a major employer in South Florida.

In addition to running Coneca, Mr. Wood is also very active in the community. He sits on the boards of the North Broward YMCA, Enterprise Coral Springs, and the Coral Springs Economic Development Foundation. Mr. Wood also chairs the Council of Executive Officers of Coral Springs, and is a member of the City of Coral Springs Customer Involved Government committee.

Mr. Wood, 54, holds a B.S. degree in Computer Science from the University of Delaware. Along with his wife Debbie, he has resided in Coral Springs since 1990 and together they have three children and two grandchildren.

Mr. Chuck Lanza, Director

Chuck Lanza is a 28-year veteran of the Fire Service beginning his career in 1978 with the Miami-Dade County (Florida) Fire Rescue Department where he rose to the rank of Deputy Fire Chief and was the County's Emergency Manager from 1997 to 2003. Chuck recently retired as the Fire Chief for the Broward Sheriff's Office Department of Fire Rescue, a dual service Fire and EMS Department responsible for regional services including Hazardous Materials, Technical Rescue, Air Rescue. In addition the Department provides Aircraft Fire Fighting at Ft. Lauderdale International Airport and Fire and EMS at Port Everglades in Ft. Lauderdale, Florida.

As a longtime resident of south Florida, Chief Lanza has been nationally recognized for his work in emergency management and was chosen by the Florida Emergency Preparedness Association to receive their 2002 Emergency Management Professional of the Year honor. He possesses the Certified Emergency Manager designation, awarded by the International Association of Emergency Managers and the Chief Fire Officer Designation, awarded by the International Association of Fire Chiefs. He has written numerous articles and columns on emergency management, most recently on establishing successful Homeland Security Divisions at the local level as well as dealing with a Smallpox epidemic. He is a frequent speaker at national forums on emergency management and is currently pursuing his Ph.D. at Lynn University in Boca Raton, Florida.

From May 2003 until March 2004 Chuck was the Sheriff's key homeland security advisor on items related to vulnerabilities, planning, and training. On March 28, 2003 he was the incident commander of the largest terrorism incident response exercise to date in the State of Florida with over 1000 first responders and over 700 victims. His article discussing the planning and implementation of the exercise was published in the Homeland Defense Journal.

Chuck is currently the President of Lanza, Batista & Peterson Consulting; LLC (LBP) a Florida based emergency management and business improvement consulting group. LBP is currently working with the Federal Emergency Management Agency (FEMA) in Louisiana to develop and implement a comprehensive evacuation and sheltering program for the Gulf Coast States.

Dr. Martin Mahler, Director

Dr. Martin Mahler, age 62, has served as a Director of the company since December 2005. Dr. Mahler has been practicing dentistry for a number of years in South Florida.

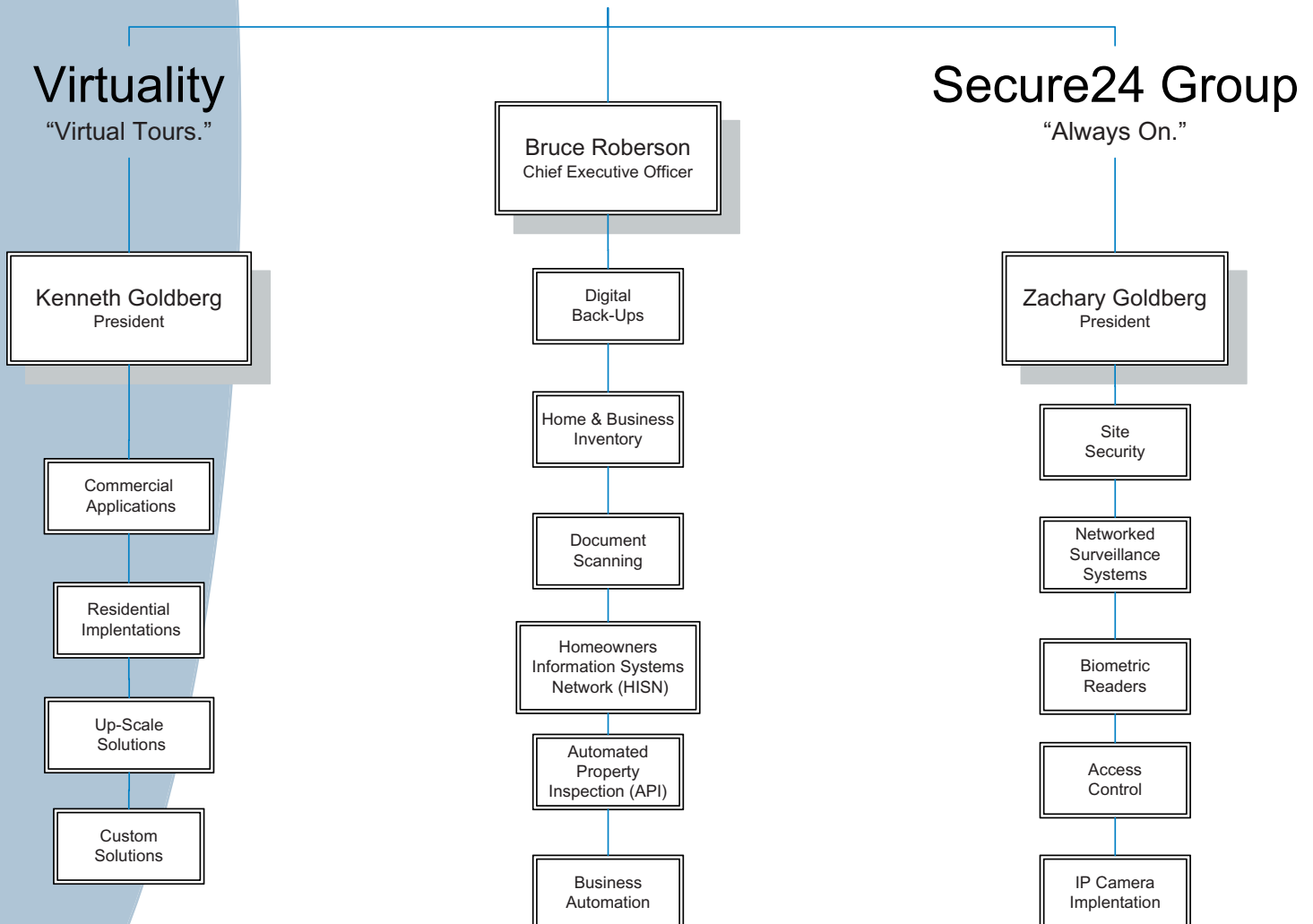
Mr. Bennett Marks, Consultant

Mr. Marks, age 57 served as a consultant to the board of the Company since the Company's formation. He is currently Executive Vice President and Chief Financial Officer of Patriot Equity, LLC and Patriot Rail, LLC. Prior to that, Mr. Marks held the position of Executive Vice President and Chief Financial Officer of Inoveris, LLC, Plan Vista Corporation and Rail America, Inc.



Arkiva Inc.

"Digital Storage Solutions."



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The Operations team is responsible for the smooth operation and administration of the Company and the corporation, management of the personnel, the infrastructure, security, legal and finance. As such, Operations will manage the day-to-day tasks of several departments, including product management, marketing, sales, product development, and customer service.

Product Management

The primary role of product management is to ensure that the products and services delivered by Arkiva, Inc., are timely, competitive and profitable. Product management works with R&D and sales to ensure that investments in new product development have a solid return and a ready customer market. This team will coordinate with the product marketing teams to test, announce and launch new products that are core to the corporate mission. Product management is responsible for the release schedules, pricing and profitability of each product. Requests for product functionality and prioritization of new product introductions are managed by product management along with budget approvals for R&D.

Product management is responsible for working with the other teams to develop:

- Packages, programs, special promotions, etc.
- Proposals for internal funding of new products (internal)
- Product requirements definitions (internal)
- Technical notes (customer facing)
- Release notes (customer facing)
- Product specifications (customer facing)
- RFP boiler plate responses (technical sections)

Marketing

As a group, Marketing is responsible for lead generation and all materials that are commercially visible. This includes the branding of the company, pricing/profitability,

packaging, competitiveness, market development, sales development, sales support and corporate marketing. The core marketing team will be augmented by outsourced services for telemarketing, direct mail campaigns and other marketing events.

Product Marketing

Product marketing works with product management and the sales team to develop creative technical and marketing materials and practices to shorten the sales cycle, increase sales demand and improve brand awareness. Such materials include:

- Pricing sheets or online templates (internal)
- Lead generation programs (internal)
- ROI/TCO analysis (internal)
- Product brochures (customer facing)
- White papers (customer facing)
- Frequently Asked Questions (FAQ) (customer facing)
- PowerPoint presentations (customer facing)
- Speaker presentations
- Trade show product-related support materials
- Tracking of performance/results on marketing programs

Marketing Communications

Events are coordinated and executed by the marketing department. These include:

- Product launches
- Corporate announcements and press releases; annual reports
- Analysts/press briefings
- Trade shows, booth and floor and design, contests and give aways
- Training seminars
- Speaking engagements
- Publication of articles
- Internal corporate announcements, celebrations and parties
- Direct mail campaigns
- RFP boilerplate responses (corporate sections)

Online Marketing

Online Marketing includes all online presence including:

- Blog descriptions
- Corporate website
- E-commerce (storefront) integration
- Descriptions for partner websites (suppliers, joint marketing partners, etc.)
- Registration in appropriate directories (Google™, Yahoo™, etc.)

Sales/Business Development

Business Development is responsible for leveraging all relationships to generate more sales leads, establish name and brand recognition, and reduce costs of sales. These relationships include:

Suppliers

Leverage marketing opportunities and maintain high visibility with suppliers, work with product management to establish margin goals and manage/negotiate contracts to meet profitability requirements.

Industry Associations

Recommend appropriate industry associations and ensure investment is appropriately leveraged by appropriate company participation. Examples may include FEMA, NOAA, and Red Cross.

Customer Associations

Recommend appropriate vertical market associations and ensure investment is appropriately leveraged by appropriate Company participation.

Marketing Partners

Recommend appropriate marketing relationships; working with product marketing to ensure an acceptable return on investment. For example, our sister company, NIH Research offers lead generation in the Healthcare market.

Technology Partners

Work with product management to establish appropriate technology partner relationships to reduce costs of software in R&D, and to leverage their strategic marketing programs.

Customer Services

Customer services is responsible for assuring the smooth completion of the sales process, by assuring the products are appropriately bundled, arrive on time, and are installed to the customers' satisfaction. This service extends through the lifecycle of the product, and into the next generation with trade-in support.

- Manufacturing/staging/packaging
- Inventory control
- Site specifications
- Shipping
- Installation
- Training
- Call center support – first level
- Warranty/maintenance/repair
- Trade-ins



Research & Development

Arkiva, Inc. intends to develop its own intellectual property to create the market niche in obtaining, categorizing, and retrieving digital information associated with residential properties. R&D will have the responsibility for developing software for approved and funded projects for:

- New product development
- Proof of concepts
- Cataloging tools
- System security

The R&D team will work in conjunction with the Chief Technology Officer and the product management teams to prioritize and fund projects. R&D is responsible for:

- Specification of the proposed development
- Proof of concept
- Development
- Testing
- Quality assurance
- Documentation
- Support and maintenance (including revision control and backward compatibility)
- Second level support of product (behind customer services)

Facilities

Arkiva's principal office is located in Coral Springs, Florida. The 4,000 square foot facility is owned by NIH Properties, Inc. LLC, whose primacy managing member is Cindy Kanstoroom-Roberson, the CEO's spouse. As Arkiva expands we will take more space as needed. A provision for this additional space was considered in projecting rental expense over the next five years. Data center needs will be met by contracting with an established data center to house web servers, files servers and data storage. The data center will provide state of the art security and data redundancy in geographically dispersed areas. As volumes increase a tipping point may be reached where it would be financially advantageous to establish an in-house data center, but that need is not anticipated in the first three years with projected volumes.

Key Risks

Risk of Defects and Development Delays

Arkiva, Inc. may experience schedule overruns in product and software development triggered by factors such as insufficient staffing or the unavailability of development-related software, hardware, components, materials or technologies. Further, when developing new products, the Company's development schedules may be altered as a result of the discovery of software bugs, performance problems, or changes to the product specification in response to customer requirements, market developments, or Company initiated changes. Changes in product specifications may delay completion of documentation, packaging, or testing, which may, in turn, affect the release schedule of the product. Software products as complex as those offered by the Company may contain undetected errors or failures when first introduced or as new versions are released. There can be no assurance that, despite rigorous testing by the Company and by current and potential customers, errors will not be found in new products after commencement of service delivery, resulting in loss of or delay in market acceptance. Delays or difficulties associated with new product introductions or product enhancements could have an adverse effect on the Company's results.

Management of Growth

Arkiva anticipates rapid and substantial growth in the number of its employees and the scope of its operations, resulting in increased responsibilities for management and added pressure on the Company's operating and financial systems. To manage growth effectively, Arkiva will need to continue to improve its operational, financial and management information systems and will need to hire, train, motivate, and manage a growing number of employees. Competition is intense for qualified technical, marketing and management personnel. There can be no assurance that Arkiva will be able to achieve or manage any future growth, and its failure to do

so could delay product development cycles and marketing efforts or otherwise have a material adverse effect on Arkiva's business, financial condition, and results of operations. Arkiva's founders have participated in a number of successful ventures. They have proven their ability to manage growth and take a product from idea to execution, meeting the demands of rapid growth time and time again.

Competition

The timing and amount of the Company's quarterly net revenues are dependent upon a number of factors, such as the size and timing of the customer orders or license agreements, the timing of the introduction and customer acceptance of new products and services or product and service enhancements by the Company, changes in pricing policies by the Company, changes in general economic conditions and introduction of competitors. The Company currently has no competitors that offer the same scope of end-to-end services. However, there are companies who offer pieces of the overall scope of deliverables and larger companies that would be likely acquirers of Arkiva or would attempt to replicate Arkiva's business model. Some of these companies could have substantially greater financial and marketing resources. As a result, they may be able to adapt more quickly to new or emerging technologies and changes in customer requirements, or to devote greater resources to the promotion and sale of their products than Arkiva. There can be no assurance that the Company's customers will not perceive the products of such other companies as substitutes for Arkiva's products.

As with most competitive software offerings, the principal competitive factors affecting the market for information display include effectiveness, scope of product offerings, technical features, ease of use, reliability, customer service and support, name recognition, distribution resources, and cost. Potential competitors may in the future, establish strategic alliances to increase their ability to compete for Arkiva's prospective

customers. Accordingly, it is possible that new competitors or alliances may emerge and rapidly acquire significant market share. Such competition could materially adversely affect Arkiva's business, financial condition, and results of operations. Management believes that this risk is significantly mitigated by the filing of patents to protect the process and system for several years. Speed-to-market is also essential and competitors will have ramp up time before getting to market.

Dependence on Key Personnel

Arkiva's success depends in large part, upon the performance of its founders and the senior management team and technical, marketing and sales personnel. The Company's ability to attract and retain highly skilled resources in the early stages is key. There is shrewd competition in the software industry to hire and retain qualified personnel, and Arkiva will actively search for additional qualified personnel as the Company grows. Arkiva's success will depend upon its ability to retain and hire additional key personnel. The loss of the services of key personnel, or the inability to attract additional qualified personnel, could have a material adverse effect upon the Company's results of operations and product development efforts.

Arkiva currently has plans for stock option gifts to key employees and new hires. These incentives will be commensurate to key employees and executives. We will use these to keep employees on track and based upon vesting schedule. Our attorney from Akerman/Senterfit has documentation detailing the guidelines.

Risk of Errors or Failures; Product Liability Risks

A malfunction or the inadequate design of Arkiva's products could result in tort or warranty claims. While the Company will attempt to reduce the risk of such losses through warranty disclaimers and liability limitation clauses in its license agreements, and by maintaining product liability insurance, there can be no assurance that such measures will be effective in limiting Arkiva's liability

for any such damages. The Company currently intends to purchase product liability insurance and it may seek additional insurance coverage as it commences commercialization of its products. There can be no assurance that adequate additional insurance coverage will be available at an acceptable cost, if at all. More importantly, a publicized actual or perceived product defect could adversely affect the market's perception of Arkiva's products. This could result in a decline in demand for Arkiva's products, which could have a material adverse effect on the Company's business, financial condition, and results of operations.

Liquidity and Capital Requirements; Dependence on First Round Financing and Cash Flow from Operations

Arkiva anticipates that its cash flows in from operations and cash generated from first round financing of approximately \$7-10 million will be adequate to satisfy its capital requirements based on the plan presented herein. Arkiva's future capital requirements, however, will depend on many factors, including its ability to successfully market and license its technology. To the extent that the funds generated by this Offering and from Arkiva's on-going operations are insufficient to fund Arkiva's future operating requirements, it may be necessary to raise additional funds, through public or private financings. Any equity or debt financings, if available at all, may be on terms that are not favorable to Arkiva and, in the case of equity financings, could result in dilution to Arkiva's shareholders. If adequate capital is not available, Arkiva may be required to significantly curtail its operations significantly.

These risks are not unique to Arkiva, Inc. However, since Arkiva is self funding in the in initial stages and development of the cataloging process and storage system is very far along this risk is not as great. The pricing model which includes on going revenue from subscription pricing and little ongoing overhead per subscription also provides for a recurring revenue model. The executive team also has significant experience in managing operating costs and achieving high margins.

Financials

Assumptions

The following assumptions have been used in the preparation of these financial projections. Please review the risk factors when evaluating the forward looking projections.

These financials are based on the assumption that the initial investment will be funded by the principals. In this balance sheet, the Company has assumed that the company will rapidly be self sustaining, however, Arkiva anticipates going out to the investment community for the first round of private investment. If the investment is in exchange for equity, then the balance sheet projections will be affected.

Costs of operations are reflective of local rates for operations as researched for the Miami and surrounding areas. These numbers do not include the intended acquisitions of related businesses for accelerated growth; however, there is room in “investments” for future acquisitions. Each acquisition will be examined on their merit, and factored into the financials as the opportunities arise.

These financials assume the initial investment starts Q1 2005. Adjustments would be required to reflect the actual receipt of funding. Costs of operations are reflective of local rates for operations as researched for the Miami and surrounding areas. These numbers do not include the intended acquisitions of related businesses for accelerated growth. Each acquisition will be examined on their merit, and factored into the financials as the opportunities arise. Costs of financing are not factored in, and depend on the method of investment (nature of blend of equity and financing).

Note 1 - Nature and Limitations of Projections

The accompanying financial projections include the assumptions that Arkiva, Inc. (the “Company”) raises equity capital to create, develop and execute its business plan, which is to provide an affordable service to individuals and businesses interested in asset preservation

that are adversely affected by natural disasters to reconstruct items of value through the utilization a digital record. The projections are derived from management’s estimates based on its experience in starting up and operating technology-based businesses, and reflect management’s judgments as of January 1, 2006. The projections set forth are based on assumptions (particularly as they relate to demand for the Company’s services, market penetration rates, personnel requirements and salary rates, costs of sales, and selling, general and administrative costs) that are inherently subject to significant economic and competitive uncertainties, all of which are difficult to predict and many of which are beyond the control of the Company. There can be no assurance that the projections will be realized, and actual results of operations may be significantly lower than those shown. Under no circumstances should the inclusion of the projections be regarded as a representation, warranty or prediction with respect to their accuracy or the accuracy of the underlying assumptions, or that the Company will achieve or is likely to achieve any particular results. There can be no assurance that the Company’s actual future results or subsequent projections will not vary significantly from the projections. Each prospective investor must make his, her or its own evaluation of the merits and risks of an investment herein independent of the projections.

Note 2 – Nature of Operations

The Company has been formed as a “C” Corporation and is headquartered in Coral Springs, Florida. The Company provides an affordable end-to-end “turnkey” service that catalogs assets for homes and businesses using the Internet, digital images, scanners, and digital video. Information is then stored on secure servers in a redundant data center environment. This service enables individuals and businesses interested in asset preservation that are adversely affected by natural disasters to reconstruct items of value through the utilization a digital record. Furthermore, the owners of the information have complete and

unrestricted online access to this information. The Company takes advantage of the Internet-Protocol (IP) based infrastructure to reduce the cost of operations by integrating proprietary high-quality internally developed software. The Company has applied for patent protection relating to the processes and technology on which its services are based.

Note 3 – Revenues

The Company will generate revenues from several sources. Cataloging services, which are for the services of an imageographer to visit a customer's home or business to photograph the premises and valuables, scan important documents and pictures, and enter this information into the Company's secure database, will be offered at the base rate of \$299. It is projected that the number of cataloging service customers will increase at the rate of 15% per month. The Company will also allow customers to self-install their own pictures and data into the Company's database, at no charge for cataloging. It is projected that the number of such self-install customers will increase at the rate of 10% per month. License fees will be charged to cataloging and self-install customers at the monthly rate of \$9.99. A discount equivalent to one-month's fee will be granted if the annual fee is prepaid in advance.

The projections include the assumption that all of the Company's cataloging and self-install customers will elect to prepay their annual license fees to earn this discount. In addition, the projections include revenues for other services, such as higher cataloging fees for homes and businesses that exceed standard sizes, consulting with their customers, revisiting cataloging customers to update their databases for new belongings and documents, holding photography classes, and other services. It is projected that revenues from these additional services will amount to 10% of total revenues.

Revenues for cataloging services and additional services will be recognized as the services are preformed. Revenues from license fees will be recognized prorata on a monthly

basis. A reserve for non-renewals and bad debts has been provided at the rate of 2% as a reduction of gross revenues.

Note 4 – Cost of Sales

The Company projects that an imageographer will be paid \$100 for each new cataloging customer he or she visits. Each imageographer will be provided an equipment package that will cost \$3,000.

It is projected that each imageographer will be able to visit two customers per day, five days per week. The Company projects that the cost for each new self-install customer will be \$50, principally for the services of a customer service representative to aid in the self-installation process. The Company has provided \$10 per customer, for the cost of renewing each cataloging and self-install customer. In addition, the Company has provided for the cost of disc storage space at the rate of \$.20 per customer per year for an expected average of 500 megabytes per customer.

Note 5 – Other Costs and Expenses

Expenses have been provided for the cost of personnel for the following functions: executive leadership, sales and marketing, customer service, data center and programming, in-house accounting and legal, and human resources. A provision for benefits has been included at the rate of 22% of projected salaries. The Company expects to partner for the co-marketing of its services with other businesses, and a provision for commissions at the rate of 10% of gross revenues has been included. Provision has also been included for the following significant costs and expenses: credit card fees, sales and marketing (including an initial branding campaign as well as ongoing trade shows and media advertising), travel and entertainment, outside legal and accounting, occupancy costs (such as rent, utilities, etc.), and other relevant costs and expenses. The projections also include provision for other expenditures, including office furniture and equipment, the

aforementioned imageographer equipment, patent costs and the costs related to raising equity capital.

Note 6 – Income Taxes

The Company will be subject to Federal and state income taxes at the combined rate of approximately 38%. No provision for income taxes has been made in the accompanying financial projections as the projected loss carry-forwards in the first two years of operations are expected to be sufficient to cover the projected income in the third year of operations.

Description of Share Capital

Common Shares

The holders of common shares are entitled to one vote per share at all meetings of shareholders of the Company, to receive dividends if, as and when declared by the directors of the Company; and to receive the remaining property and assets of the Company in the event of its dissolution.

Dividends and Dividend Policy

The Company does not presently foresee the payment of dividends in the near future and plans to use its earnings to finance its operations and expand its business.

Stock Option Plan

Arkiva, Inc. intends on offering a stock option plan to its employees and executives. This offering shall form part of their benefit package, and will be assigned based on merit, as approved by the Board of Directors. Stock options will vest over a period of 3 years from award. It is expected that stock options will form part of an annual bonus structure, and as a hiring/employee retention incentive.

Use of Proceeds

The company is self-funding a total of \$500,000 to launch the company. This investment will be used as follows:

- R&D for Arkiva, Inc. intellectual property \$50,000

- Initial corporate marketing launch / campaign \$200,000
- Working capital first three months of operations \$250,000

Our business model anticipates being near break even to a slight loss in year one in our conservative projection. This initial investment does not contemplate any large capital requirements for acquisitions. The Company intends on accelerating its growth through the identification and execution of key business partnerships and channel marketing. These partnerships will be driven primarily through revenue sharing with value added synergistic business partners. Large financing requirements are not anticipated. The impact of these business partnerships are not factored into the financial projections.

Principal Shareholders

The following table provides information with respect to those persons which own of record or are known to the Company to own beneficially more than 10% of the issued and outstanding Common Shares of the Company on a fully-diluted basis, and before and after giving effect to this Offering:

Name and Residence	Type of Ownership	Before This Offering		After This Offering	
		Common Shares	% of Voting Shares	Common Shares	% of Voting Shares
Bruce Roberson Coral Springs, FL	Beneficial and of Record	1.5 million	26	1.5 million	26
Kenneth Goldberg Coral Springs, FL	Beneficial and of Record	1.5 million	26	1.5 million	26

To the knowledge of the Company, the senior executives of the Company as a group beneficially own or exercise control over, directly or indirectly, 3 million common shares representing 52% of the outstanding common shares of the Company. The remainder of the common shares are reserved for stock option plans, and for investments.

Shareholders' Agreement

All individuals and corporations which own common shares of the Company (collectively, the "shareholders") will enter into an agreement (the "shareholders agreement")

which will provide that the majority of their respective common shares will be subject to share transfer restrictions.

Common shares may be transferred and sold at the sole discretion of the beneficial owner of the shares only after Arkiva, Inc. defers right of first refusal to re-purchase the common shares at fair market value as established by sole discretion of the Company. The common shareholders acknowledge and agree that in the event that their individual or corporate ownership of their shares changes beneficial ownership, then Arkiva, Inc. retains right of first refusal to re-purchase the common shares at fair market value as established at the sole discretion of the Company.

In the event of release of the right of first refusal by Arkiva, Inc., the shareholders will be permitted to deal with the following percentages of their shares at the following intervals: Twenty percent (20%) at their discretion, twenty percent (20%) after an initial 6 months, twenty percent (20%) after the initial year and twenty percent (20%) at the end of the each of the next two (2) years, on a cumulative basis. Any common shares acquired by the shareholders as a result of the exercise of options or as a result of any corporate distribution or reorganization will also be governed by the shareholders' agreement. This shareholders' agreement may be amended or terminated by the Board of Directors any time after the initial six-month period.

Arkiva, Inc.

Summary of Projected Results of Operations

	Q1 2007	Q2 2007	Q3 2007	Q4 2007	Total 2007
Revenues:					
Core protection and computer data backup services	\$270,974	\$349,463	\$456,196	\$610,756	\$1,687,389
Video surveillance services	121,433	147,033	185,059	245,520	699,044
Other services	384,797	388,808	148,140	413,046	1,334,791
Total revenues	777,204	885,303	789,395	1,269,322	3,721,224
Cost of sales	359,124	373,817	215,825	410,514	1,359,280
Gross profit	418,080	511,486	573,570	858,808	2,361,944
Costs and expenses:					
Payroll	473,144	473,144	473,144	473,144	1,892,574
Sales and marketing	255,998	255,998	255,998	255,998	1,023,990
Technology	25,000	25,000	25,000	25,000	100,000
Travel & entertainment	24,030	24,030	24,030	24,030	96,120
Other costs	185,551	185,551	185,551	185,551	742,206
Total costs and expenses	963,722	963,722	963,722	963,722	3,854,890
Pre-tax income (loss)	\$(545,642)	\$(452,236)	\$(390,152)	\$(104,915)	\$(1,492,945)
	Q1 2008	Q2 2008	Q3 2008	Q4 2008	Total 2008
Revenues:					
Core protection and computer data backup services	\$829,180	\$822,555	\$1,047,449	\$1,684,754	\$4,383,938
Video surveillance services	334,718	365,327	506,784	834,056	2,040,885
Other services	425,515	442,111	218,195	505,397	1,591,218
Total revenues	1,589,413	1,629,992	1,772,428	3,024,207	8,016,040
Cost of sales	433,307	350,203	125,145	300,145	1,208,800
Gross profit	1,156,106	1,279,789	1,647,283	2,724,062	6,807,240
Costs and expenses:					
Payroll	496,801	496,801	496,801	496,801	1,987,203
Sales and marketing	255,998	255,998	255,998	255,998	1,023,990
Technology	50,000	50,000	50,000	50,000	200,000
Travel & entertainment	24,030	24,030	24,030	24,030	96,120
Other costs	213,172	213,172	213,172	213,172	852,689
Total costs and expenses	1,040,000	1,040,000	1,040,000	1,040,000	4,160,002
Pre-tax income (loss)	\$116,106	\$239,789	\$607,282	\$1,684,061	\$2,647,238

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SOUTH FLORIDA **THE BUSINESS JOURNAL** southflorida.bcentral.com Miami-Dade Edition

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Service creates personal online archives

South Florida Business Journal

by Kevin Gale

“Are you ready for the unexpected?” is the tagline of Bruce S. Roberson’s new company. But the big question is how many people will pay him for a home inventory so they can answer “yes.”

Roberson’s Coral Springs business, Arkiva, provides a photographic inventory of a home and its contents to help facilitate insurance claims after disasters. For \$299, an Arkiva photographer will inventory the contents of a home of up to 5,000 square feet and upload the images to secure Web sites in Texas and Virginia. The photographers - Arkiva is seeking to copyright the word “imageographers” - also bring along scanners to make copies of key documents, such as passports, insurance policies and wills.

That has other potential uses, as well: If a pickpocket snags your passport in an overseas city, a copy of the passport can be printed out anywhere there’s internet access and a printer to facilitate getting a new one. If you want to take a look at an item in your home while on the road, there’s a handy way to get a picture and e-mail it to someone else.

The cost of online storage is \$99 a year (\$8.25 a month) and there are lower up-front prices for do-it-yourselfers who want to take pictures and upload them.

Arkiva had a quiet launch three weeks ago and had 25 to 30 customers in the first two weeks, Roberson said. It is initially using



Bruce Roberson and Kenneth Goldberg each hold a 26 percent stake in Arkiva

nine photographers, who are independent contractors and undergo background checks, he said.

Hurricanes are the most obvious disaster that springs to mind in South Florida, but the service is also being marketed as protection against floods, tornadoes, fires and theft.

An idea while shaving

Roberson, who is CEO and president, had his business epiphany while shaving and watching Katie Couric on the “Today” show.

Scenes of hurricane devastation were shown and the expert said: “Katie, what you need to do is tell your people to go around your home and take pictures,” Roberson recalls.

He thinks he has built the proverbial better mousetrap: A trained photographer with a

keener eye for what to shoot and how to shoot it, and redundant off-site storage in two geographically separate locations. People often will backup data, but on a CD-ROM or backup drive that will get destroyed if the home does.

To help prevent fraud, Arkiva uses a time stamp to show when photos were added and Roberson said he's working on a deal to get a time stamp supplied by the U.S. Postal Service.

Roberson, 57, is an experienced executive, having worked previously at McDonnell Douglas, IBM/Baxter, National Data Corp., First Consulting Group; and ProxyMed (NASDAQ: PILL) a health care service technology company where he served as executive VP of sales and strategic development. Most recently, Roberson has been CEO of his own company, NIH Research, which helps provide market research and sales lead information to companies in the health care technology market.

Roberson is stepping down as CEO of NIH and is partnering on his new venture with next-door neighbor Kenneth Goldberg, an investment consultant who is chief marketing director.

Self-funded launch

The company is self-funding its launch for \$500,000, according to its business plan, including working capital of \$250,000 for the first three months. The two partners each hold a 26 percent stake and, along with friends and family, provided slightly more than \$1 million in start-up capital, Goldberg said. The company has no debt.

The business plan says the company will seek \$5 million to \$7 million for marketing and operations, with expectations of self-sustaining growth by the third year. The plan projects \$500,000 in revenue in 2007 and \$25 million by 2008 with cash flow of \$6 million.

That's based on getting .003 percent penetration into the 4 million homes in South Florida, the business plan states.

The company plans to advertise and enlist business partners, such as banks and insurance companies.

Insurance companies generally recommend that homeowners conduct a home inventory and an industry association Web site, www.iii.org, even has free software to help do so.

The problem is that few people bother to do so.

A spokesman for Allstate Insurance in California said 1 percent to 2 percent of customers have one available when needed to make a claim, while a spokeswoman in Florida said the number who do is negligible.

Sun-Sentinel

February 20, 2006

Keeping track of storm damage to your business' computer network

By Jeff Zbar

South Florida Sun-Sentinel

Bruce Roberson saw the destruction from hurricanes Katrina and Wilma. Not only was digital data lost, computer hardware was destroyed.

Scenes from New Orleans showed buildings whose walls had collapsed, revealing computer towers exposed to the elements or strewn about.

Weather, theft or fire can destroy an office full of devices. Having a list of all the computer and technology hardware a company owns makes good business sense, said Roberson, CEO of Arkiva Inc., a Coral Springs company that photographs, copies and archives the paper and physical assets of businesses and residences alike.

"Tumultuous weather can wipe out complete businesses. This is a pandemic problem that exists in the small-to-medium-business area," Roberson said. "Many business owners don't put much mental energy toward listing all the computers and printers they own, or if they do, it's an inadequate job."

Companies or their IT providers often run software that will inventory a computer's or network's internal devices, serial numbers and software registration or key codes. But what about the hardware itself?

Between computer monitors, traditional and multifunction printers, scanners, networking hardware, and other devices, the list of hardware in use can stack up. Yet, many companies lack a thorough inventory of such products. If a natural disaster, fire or theft occurred, the company would find it difficult

to track all its products to submit an insurance claim.

Large corporations have information technology departments tasked with watching over and tracking all the hardware the company uses. Small businesses often don't have such a staff, but still have the same needs, experts say.

Roberson's company works closely with professional offices, like doctors and lawyers, to create a library of all their computer hardware and data. Arkiva also inventories personal belongings, like art or home electronics. The cost varies depending on square footage of the home or business, with archiving starting at \$299 for a 5,000-square-foot home and \$8.33 a month for data storage on a Web-based server. Having a photographic record and list of computer assets can aid claims for recovery, he said.

Eric Beck keeps a list of all computers and hardware, including the product name, serial number, year purchased and warranty information. It's not so much for insurance purposes as replacement needs, should a disaster strike. The data is typed up, saved as a file, as well as printed and filed away.

"It's important to keep this information handy, no matter what," said Beck, partner with Cyber Doctors, a North Miami Beach computer consulting firm.

Sometimes, devices are attached to individual PCs that otherwise are not connected to the network, said Eric Reivik with consulting firm PCLauderdale.com. These could include independent backup devices like CD burners, external hard drives or desktop printers, for example. To create a listing of everything, even those devices not recognized on the network, Reivik will inventory each PC. This catalogs every device the company owns, which can improve tech support and determine if all hardware is being fully utilized, Reivik said.

The Miami Herald

February 5, 2006

A Home Inventory Can Be One Of The Most Valuable Documents You Can Have In Times Of Disaster

By Kathy Kristof

Miami Herald

It was 4 a.m. and wind-whipped flames were licking the trees 100 yards from my back window. A brush fire was threatening my house and everything in it.

I was preparing to evacuate and I realized I had no inventory of the belongings I might have to leave behind. As my kids were throwing photo albums, overnight bags and the dogs into the car, I cursed myself for not following my own good advice.

Consumer reporters are always telling people to keep a household inventory in case of catastrophic losses from a fire, earthquake or hurricane.

As I can attest, that advice is usually ignored.

"Our adjusters tell us that they might see one or two home inventories in a year," said Pete Moraga, a spokesman for Allstate Insurance in Los Angeles. "That's out of hundreds of claims."

A home inventory helps establish how much insurance you need and whether you need special riders to cover items of great value. In the event of a loss, it provides proof for your insurer of what needs replacing.

If some costs are not insured, it helps establish whether you have a casualty loss that can be deducted on federal income tax returns.

"I can't emphasize enough how important they are," Moraga said. "It's not that big of a deal in a partial loss, because you can still see and piece together what you lost. But, in a total

loss like we've seen in some of the Southern California fires, it's incredibly difficult to remember everything you had."

Big-ticket items -- televisions, stereos, furniture and paintings -- aren't the problem, experts add. It's the little things.

Consider: How many compact discs do you own? Videotapes and DVDs? Computer programs? Shirts, skirts, coats, socks? How about kitchen utensils, pots, pans, bowls, china and crystal?

"Most people can't remember what they had for lunch, much less what's stored in the attic," said Jean Salvatore, spokeswoman for the Insurance Information Institute in New York.

Many fire victims say that even when they think they've done a great job of reconstructing what they've lost, they'll find themselves years later searching for some small item and realizing that it was lost in the rubble and remembered too late to recover the cost.

Nevertheless, home inventories are rarely done because they're so time-consuming. They require recording each and every item of furniture, stick of clothing and family game owned, whether it's in the living room or the basement. Ideally, an inventory should also note the type of construction of the home and any features -- like built-in cabinets or granite countertops -- that would affect the cost of replacement.

Written inventories also need to be stored in a safe place so they don't get destroyed along with the house.

In the last few years, technology has made the job somewhat easier. The simplest way to record and file a home inventory is with a video camera. Pan the camera around the outside of the home and then through each room inside, recording everything from the furniture to the bric-a-brac. All the drawers and cupboards should be opened and their contents recorded.

Be sure to store a copy of your video recording in a safe place -- somewhere other than in your house.

Don't have a video camera? The Insurance Information Institute has a free online form that can be accessed either through the organization's website at www.iii.org or directly at www.knowyourstuff.org.

Filling out the form is likely to take longer than photographing your inventory, but it prompts people to do smart things, like record the home insurer, policy number and contact information -- all details you'd be searching for in the event of a disaster.

This written record can also be used as a shopping list if you are unfortunate enough to lose everything.

You can e-mail the form to yourself to make a backup copy.

I was fortunate. As I walked out to the car, firefighters came up my driveway and said the blaze was under control.

But my kids and I are working on that home inventory.

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