



Capital Markets Real Estate Network

BUSINESS PLAN

This document contains confidential and proprietary information that belongs to CMRE. Using any of the information contained herein, copying or imaging all or part of this document by any means, or disclosing any of its content to third parties is strictly forbidden without express written consent of CMRE.

Table of Contents

DISCLAIMER	01
EXECUTIVE SUMMARY	02
BUSINESS OPPORTUNITY AND MISSION STATEMENT	03
THE CAPITAL MARKETS REAL ESTATE NETWORK	04
DEFINITION OF MARKET AND MARKETING PLAN	06
COMPETITIVE SCENARIO	11
COMPETITIVE ADVANTAGE	13
THE MANAGEMENT TEAM	15
OWNERSHIP	18
FINANCIAL FORECASTS	19

Disclaimer

This document and its contents are strictly confidential. The information has been prepared to assist interested parties in making their own evaluation of CMRE and does not purport to contain all of the information that a prospective investor may require. The document is not an offer to sell or a solicitation of an offer to buy securities in the development or any holding company.

In all instances interested parties should conduct their own investigation and analysis of the company. CMRE makes no representation or warranty as to the accuracy or completeness of this document.

CMRE shall have no liability for any misrepresentations (expressed or implied) contained in, or for any omissions from, this document or any other written or oral supporting information transmitted to the recipient in the course of its evaluation of the company.

It needs to be noted that any financial projections contained in this document have been prepared by the company based on relevant information available at the time of preparation. All financial forecasting involves an element of subjective judgement and, accordingly no representations are made as to their reliability.

If anyone in receipt of this document is not the informed recipient or has no interest in pursuing a commercial opportunity with CMRE please return the information promptly. Notwithstanding the return or destruction of the document, you will continue to be bound by the confidentiality obligations listed herein.

All enquires regarding the company should be made through the contact details below.

Capital Markets Real Estate Network (CRME)

C/- Edward Ginn

484 417 2201

eginn@cmren.com

Executive Summary

CMRE Network is a new network for professionals and firms dedicated to and specializing in the capital markets segment of commercial real estate. The group was organized to support participating member firms towards achieving greater growth, increase revenue and sustained success through a collaborative mindset and framework.

By pooling expertise and resources, the CMRE Network is confident that they can drive opportunities and efficiencies to network members by offering superior network marketing, through shared administrative functions, through shared research tools and data analysis and through recruitment and staff retention recommendations.

While sharing expenses and resources is not new in commercial real estate networks, our network is the only network that is dedicated to the capital markets equity and debt sector of the commercial real estate. Accordingly, the four directors behind the project (described in more detail later in this plan) have identified the need in the market and solved it by offering their own highly specialized skills and experience to more property professionals. The CMRE Network is spearheaded by Edward Ginn, Gerald O'Malley, Kenneth McEvoy and Tim McGinley, all of whom have a long and accomplished background in commercial property transactions.

The group plan to market their offering by establishing key sales and business development roles and ensuring that the individuals responsible have the requisite sales and networking abilities to create opportunities through existing relationships, trade shows, email and cold calling sales blasts to brokers and agents and Google AdWords. It is envisioned that the responsibility of implementing the marketing strategy will fall on full time employees that are recruited from outside of the management team.

The CMRE Network is currently seeking investment of \$350,000 in order to launch the venture. Seven investors contributing \$50,000 are being sought by 1/1/2016 to fund the establishment of a strong business foundation and then market the collective services.



Business Opportunity and Mission Statement

Based on extensive research, we are certain that in working together as a combined entity, participating members have the opportunity to benefit in multiple ways from the overall strength of CMRE Network, with the capability to far exceed what can be accomplished from relying only on individual participation and investment.

The mission of the network is to provide its members with a professional platform that enhances their ability to compete against larger firms for capital markets business.

The Capital Markets Real Estate Network

The most concise way to explain the basis and value proposition of the CMRE Network entity is to explain the benefits for participating members. They are:

Added Gross Revenue:

By using shared resources to compete more effectively against national firms and larger capital market operators, it is expected that members will secure additional institutional business, and thus, improve their gross revenue position. The greater overall brand created by the Network and combined market share created by all of the members will allow members to secure additional institutional business, secure business from large national and regional owners, and grow their business from their existing customer base.

Increase Exposure / Greater Market Share:

Better marketing leads to more exposure in the member's key target markets. Shared marketing expenses and resources will lead to more sales and capturing a bigger share of the target market, regardless of the competition within the market.

More Time:

Members will enjoy having more time to focus on the things they are good at (selling and financing properties) rather than performing time consuming administrative tasks on account of the collective administration function of the CMRE Network. The corresponding benefit of this is spending less on outsourcing work and / or recruiting full time staff to handle the tasks.

Better Data:

Members will enjoy having more time to focus on the things they are good at (selling and financing properties) rather than performing time consuming administrative tasks on account of the collective administration function of the CMRE Network. The corresponding benefit of this is spending less on outsourcing work and / or recruiting full time staff to handle the tasks.

Personnel Efficiencies:

Members will be able to upskill key staff and find promising new recruits just by working alongside the brains behind the CMRE Network. Our team are vastly experienced and can impart their knowledge onto members, their staff and help them find the perfect new job candidate. Human resources are a critical aspect of competitive advantage, especially in the relationship based real estate sector, and we are confident that the improvements to personnel is a key benefit of membership.

How it Works

For a modest fee structure, the CMRE Network will:

Purchase more and superior network advertising and marketing materials for members in order to improve their exposure in the relevant market. Marketing efficiency will include shared Search Engine Optimisation (SEO), Search Engine Marketing (SEM), Public Relations (PR), print and display marketing resources;

Purchase well positioned booths at trade shows, conventions and events for its members, in particular, where the member is showcasing their services out of town or against bigger market players. In addition to securing the booth, the CRME Network will organize the relevant advertising and branding;

Purchase training resources and educational material that helps members train key staff, better understand market trends and maximize their knowledge in the commercial real estate space;

Assist with better recruitment strategies

Pay the administrative costs of developing, running, and maintaining the network; and

Help members retain more profit, time, and resources through their use of the network resource, leaving them free to invest more time and effort in their own firms rather than worrying about maintaining their own individual market presence.





A mixture of digital and traditional marketing measures will be implemented in order to drive new membership enquiries to the network. The main activities are set out below:

1

Existing Relationships and Networking –Our management team will place an overwhelming emphasis on the importance of creating and maintaining long standing relationships with industry professionals.Strong meaningful relationships is critical for the success of the venture and will help with word of mouth referrals, database management and newsletter uptake, deal structuring and mentorship programmes. In respect of networking, we have planned on sponsoring, attending, exhibiting, and participating in trade show events that potential members attend including events and shows hosted by ICSC (International Council of Shopping Centers), MBA (Mortgage Brokerage Association), ULI (Urban Land Institute), CCIM (Certified Commercial Investment Member), SIOR (The Society of Industrial and Office Realtors) and the National Apartment Association.

In addition to tradeshow, educational events and conferences we will target include: Various Education Conferences Held by the

Interface Conference Group, RealShare, ICSC, Restaurant Finance Development Conference

2

2Cold Calling and Direct Mail – Fortunately, the bulk of our target members will already be active in the commercial real estate sector and have publicly available phone numbers and email addresses. That means our business development directors can drum up new business with phone blasts and email blasts, both of which will feature strong script and copywriting and compelling content. The direct mail approach will be implementing a range of tools including MailChimp, Property Line, Property Campaign, Property Blast and Buzz Target. The direct mail blasts both service existing members with new listings and content and attract new members by way of a brand introduction and engaging content. Content for regular newsletters will feature industry reports, observations and expert opinions (e.g. relevant economic data, mortgage data and trends, and general e-books). If we can develop a cache of collateral and content, we may be able to produce e-books to either distribute to our members or generate revenue from.

3 Mentorship Sessions and Apprenticeship Seminars – In order to attract new members, we will host training sessions, property market forecasts, training seminars and introduction evenings with drinks and nibbles. The purpose of the seminars is to provide free training in the areas of commercial real estate while also increasing the number of professionals that are aware of the brand and the size of our prospect database.

4 Website – The website is the focal point of the digital marketing strategy. In addition to hosting information on the directors, contact information, member benefits and testimonials, it will be the focal point of SEO and SEM campaigns. The market will be competitive, a quick search for “commercial real estate networks” on Google returns a number of entities running ads. A search using more specific and known terms such as commercial real estate brokers has significantly more ads. Accordingly, our SEM and SEO strategy must be well thought out, bidding not on the most expensive keywords but the ones that will return the best ROI. It is hoped that the website will also allow members to log in to access resources (data, surveys, research, trends and so on) as well as connect with our management team.

5 Digital Banner Advertising – Many websites in the commercial real estate and equity market realm offer banner advertising at comparatively low rates. We have identified the following websites as being suitable for digital advertising: Globest.com, RE Business Online, Loopnet, nnnEX, CoStar

6 Print (Property Listings, Real Estate Guides, Magazines) – Print ads will be used wherever there are commercial property listings. These are often viewed by both agents and buyers and will therefore give the CMRE network added exposure to the right demographic. The printed ads will at all times be well-designed, feature clear calls to action and identify the CMRE Network’s main focus and benefits to potential members. Publications to target include: Real Estate Forum, Various Publications of France Media Inc., Various Publications of Real Estate Communications Group, Shopping Center Today, Deals Defining the Skyline.

Potential Market Share

The best indicator of market share for our members is data provided by Marcus & Millichap. The data provided in their annual report clearly indicates that if the Network and Network Members obtain 3% of the market, the network and network members will be successful. Our goal is to have our independent offices compete for the same business as Marcus & Millichap and capture 3% to 5% of the commercial market that they dominate and also go after the level of business just above their dominate position (i.e. sales and financing transactions from \$5,000,000 to \$20,000,000).

In addition to domestic market share, there may also be opportunities for international market capture if the business can acquire

As a collective, a goal of 2-4% of the market has been set.

Marcus & Millichap also just released the following income information that again illustrates the market strength:

Second Quarter 2015 Results Compared to Second Quarter 2014

Revenue increased 29.2% to \$173.5 million, with real estate brokerage commissions up 30.0%.

Sales volume grew 31.8% to \$9.4 billion.

Number of transactions increased by 13.6%.

Net income increased to \$17.6 million (\$0.45 per common share – Basic and Diluted) compared to \$12.8 million (\$0.33 per common share – Basic and Diluted) in the second quarter of the prior year.

Adjusted EBITDA was \$33.0 million, compared to \$24.0 million in the second quarter of the prior year.



Competitive Scenario

The following networks and large national firms have been earmarked to emulate or compete with. The following table lists details of their offering and their strengths:

Competitor	Location	Description	Strengths
NAI Global	http://www.nai-global.com/	Network-Full Service	NAI Global is the single largest, most powerful global network of owner-operated commercial real estate brokerage firms. We will never be able to compete with the sheer size of the firm, however, we will certainly look to gain insights from the way they operate and build towards more sustainable real estate transactions.
TCV	http://www.tcn-worldwide.com/	Network-Full Service	CN Worldwide Real Estate is an alliance of top independent brokerage firms serving more than 200 markets. A consortium of independent commercial real estate firms, provides complete integrated real estate solutions locally and internationally. Largest deal a \$34-million-dollar retail sale. Strong support, well maintained website and regularly list properties on their website. We can definitely learn from their locational market power and geographical delineation.
Corfac International	http://www.cor-fac.com/	Network-Office & Industrial	Established in 1989 as a not-for-profit association, CORFAC International is a network of independently-owned commercial real estate brokerage firms. CORFAC has offices in 49 U.S. markets, seven Canadian markets and 25 international markets. We like the idea that all of their relationships are managed by a personal account manager and dedication to allowing agents and firms to retain 100% of the commission from sales.
Marcus & Millichap	http://www.marcus-millichap.com	Full Service Real Estate Brokerage	Developed as an entire system dedicated to maximizing value for real estate investors. Offer clients investment sales, financing, research and advisory services available. Clients can include both individual and institutional investors, but its important to point out that the collective mindset is not achieved, rather it is a client / provider relationship, though the sharing of research is an important pillar in CMRE's business and M & M do do that well.

Competitor	Location	Description	Strengths
HFF	https://www.hfflp.com	HFF operates out of 22 offices nationwide and is a leading provider of capital markets transaction services to the U.S. commercial real estate industry	HFF advises, originates, structures and places debt and equity transactions for owners and investors of every type of commercial real estate asset.
CBRE	http://www.cbre.com	Real Estate Investment Management Firm	Largely finance related this big player provides unparalleled knowledge and experience for better real estate performance for owners, agents and firms. Through investment sales, debt and structured finance, entity level corporate finance and investment banking, we align deep insight of real estate assets with unrivaled access to global capital sources across all asset types.

Competitive Advantage

CMRE has identified the following areas where we foresee a competitive advantage over our competitors:

Size –

The majority of the competitors and influencers above are on a huge scale. While it won't be possible to compete on size with them immediately, we see that as a distinct advantage. Our manageable size means our network partners get personalized support, advice and finance, which means we build our reputation of trust, referrals and repeat transactions. A small network is agile, dynamic and can adapt to the various market conditions and needs of its members.



Personal Touch –

Investment sales, financing, equity placement, and financial advisory services are all highly important and personal decisions. They often require a face to face consultation, a follow up, mutual trust and respect and then a deal. Our members will be responsible for the highly important face to face meetings with clients and the network will support members in gaining and respect and trust to secure business. The firms that join CMRE get personal access to our management team, individual opinions on deals and research data and the brokers and advisors that we individually recommend. The feeling is communal. Our members are family, not just a number.

Recruitment and Administration –

Most other capital market players focus on deals, we do to, but we also focus on the smaller aspects of the commercial real estate space. By taking granular administration tasks away from members and by helping them recruit better staff, we enjoy a small competitive advantage over the groups listed above. We sweet the small stuff so our members don't need to.

The Management Team

Behind the CMRE Network is a passionate team of experienced real estate professionals. Experience in all facets of commercial real estate is covered thanks to the varied roles and responsibilities the management team have held in their successful careers. A key cornerstone to the success of the membership group will be the ability to forge meaningful relationships with prospective members, and the team below are confident they have the skills and abilities to carry it off. The individuals involved in the real estate group are:

Edward Ginn Director

Edward is the President of the CMRE Network. His job responsibilities include soliciting new members across all business sectors and implementing systems and processes to generate new clients in the Net Lease sector. Edward brings a great deal of experience in the real estate industry thanks largely due to his 14-year commitment to the Commercial Real Estate Network Retail Brokers Network. As part of the experiential position, Edward manages 60 offices (comprising of brokers, owners and retailers) and has grown the number of offices from 22 to its current position. The understanding of the commercial real estate sector gained as a result of the ongoing commitment provides a strong competitive advantage to CRME Network and significantly increases its likelihood of success.

After graduating St Josephs University in Philadelphia with a Bachelor of Science (Accounting) degree, Edward began a working life dedicated to everything real estate. It is and always will be his passion and has allowed him to expand his abilities in other areas including leadership, entrepreneurship, real estate finance and real estate investment funds.

Kenneth McEvoy

Director

Much like his fellow director Edward Ginn, Kenneth is an experienced real estate professional with a host of successful transactions (over \$300 million) and property relationships with institutional and individual property owners. In addition to soliciting new members, Kenneth focuses on digital marketing and the updating of the website for the CMRE Network. Digital leads are a big part of the business and Kenneth's savvy has meant a large number of members have either joined or expressed an interest in joining the collective.

Kenneth was educated at Rowan University in New Jersey and graduated with a Bachelor of Science degree specializing in finance. He is also holds a Licensed Real Estate Sales Person qualification in Pennsylvania and New Jersey, in addition to other professional real estate affiliations.

Tim McGinley

Director Business Development Director Debt Sector

Tasked with acquiring new business in the mortgage sector and facilitate growth within the debt and equity realm is Duquesne University graduate and CMRE Network's third director, Tim McGinley. Tim is currently an advisor at Duquesne Capital Advisors, a position he has held and excelled in since 2009. Tim has generated over \$350 million in mortgage opportunities during his time with the above named company, and has solidified his position as one of the most knowledgeable men in the local real estate market. Tim is accomplished in capital market mortgage brokering, retail mortgage lending and all things insurance. He is a valuable part of the CMRE Network team.

Gerald O'Malley

Director Business Development Debt Sector

The final director of the collective is Gerald O'Malley. Gerald is currently employed as the Chief Executive Officer of Duquesne Capital Advisors. He has used that position to develop long lasting relationship with a host of industry contacts, and has used his dealings with key constituents to drive the CMRE Network business opportunity. Gerald will be responsible for the overall strategy of the the new venture as well as having a hand in the day to day operations. This role is ideally suited to someone of his reputation, expertise and vision.

Gerald also studied Science at Duquesne University and is an active alum, currently holds a seat on the Alumni Entrepreneur Program. In addition to roles with the University and Duquesne University, Gerald is also a member of the American Ireland Fund and one of the directors of the Sorghums Field project (a position he has held since 2007).

Matthew May (Need To Confirm that Matthew wants a leadership role)
Director Business Development NNN Sector

Recruitment

Whilst the team believe we have a wide range of skills which will increase the potential of the venture flourishing, we appreciate we need accomplished support staff to help with some selling and administrative tasks. Because one of the selling points of membership is the culmination of resources and effective group marketing, it is essential that we have sufficient skilled resources available.

Current Ownership – January 15, 2016

Based on current cash investment, estimate of time committed to network prior to 1/15/2016, time invested by the support staff of Equity Retail Brokers the ownership is:

Edward Ginn	45.00%
Kenneth McEvoy	22.00%
Tim McGinley	7.50%
Gerald O'Malley	7.50%
Matthew May	7.50%
Robert Samtmann	4.50%
Brian Wherty	2.00%
Bart Delfiner	2.00%
David Goodman	2.00%

Financial Forecasts

Budget (Years 1 - 8)								
Revenue	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
Membership Revenue	\$140,000	\$390,000	\$1,330,000	\$1,960,000	\$3,384,000	\$4,008,000	\$4,717,000	\$4,717,000
Referral Income	\$70,000	\$292,500	\$760,000	\$1,120,000	\$1,410,000	\$1,670,000	\$1,780,000	\$1,780,000
Total Revenues	\$210,000	\$682,500	\$2,090,000	\$3,080,000	\$4,794,000	\$5,678,000	\$6,497,000	\$6,497,000
Expenses								
Corporate Overhead Staff	\$157,500	\$255,625	\$470,250	\$693,000	\$958,800	\$1,022,040	\$1,169,460	\$1,169,460
Corporate Overhead Office Expense	\$41,500	\$127,375	\$313,500	\$462,000	\$575,280	\$681,360	\$779,640	\$779,640
Advertising & Marketing Material	\$87,750	\$200,625	\$520,250	\$743,000	\$1,128,650	\$1,277,550	\$1,299,400	\$1,299,400
Trade Shows & Seminars	\$87,750	\$200,625	\$518,000	\$666,000	\$1,008,800	\$1,135,600	\$1,299,400	\$1,299,400
Technology (Website-Social Media)	\$10,500	\$34,125	\$129,500	\$179,000	\$264,700	\$283,900	\$324,850	\$324,850
Recruiting of Agents -Best Practice - Education -	\$0	\$34,125	\$104,500	\$154,000	\$239,700	\$283,900	\$324,850	\$324,850
Producing Research & Economics Reports & Materials	\$0	\$0	\$0	\$61,600	\$239,700	\$283,900	\$324,850	\$324,850
Total Expenses	\$385,000	\$852,500	\$2,056,000	\$2,958,600	\$4,415,630	\$4,968,250	\$5,522,450	\$5,522,450
Net Income	<u>-\$175,000</u>	<u>-\$170,000</u>	<u>\$34,000</u>	<u>\$121,400</u>	<u>\$378,370</u>	<u>\$709,750</u>	<u>\$974,550</u>	<u>\$974,550</u>
Quick Summary Revenue & Expenses	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
Total Projected Revenue	\$210,000	\$682,500	\$2,090,000	\$3,080,000	\$4,794,000	\$5,678,000	\$6,497,000	\$6,497,000
Total Projected Expenses	\$385,000	\$852,500	\$2,056,000	\$2,958,600	\$4,415,630	\$4,968,250	\$5,522,450	\$5,522,450
Projected Net Income	-\$175,000	-\$170,000	\$34,000	\$121,400	\$378,370	\$709,750	\$974,550	\$974,550
Projected Value of Network	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
Gross Revenue Multiplier For Determining Network Value	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10
Gross Revenue Times Gross Revenue Multiplier	\$231,000	\$750,750	\$2,299,000	\$3,388,000	\$5,273,400	\$6,245,800	\$7,146,700	\$7,146,700
Capitilization Rate For Determining Value of Network	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
Net Income Divided By Capitilization Rate	-\$1,250,000	-\$1,214,286	\$242,857	\$867,143	\$2,702,643	\$5,069,643	\$6,961,071	\$6,961,071

Summary of Membership Goals By Year								
Membership Summary By Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
New Membership	14	25	37	36	29	26	11	0
Cumulative Membership	14	39	76	112	141	167	178	178
Summary of Membership Goals - Commercial Real Estate Firms With Capital Markets Specialty								
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
Retail	6	8	11	7	7	7	2	0
Multi Family Group	1	5	5	8	8	6	5	0
Office & Industrial	4	8	8	8	4	4	0	0
Healthcare Facilities	0	0	1	1	1	1	0	0
Hotel/Lodging	0	0	2	2	2	2	0	0
Self Storage	0	0	2	2	0	0	0	0
New Membership Real Estate Firms By Year	11	21	29	28	22	20	7	0
Cumulative Membership - Real Estate Firms	11	32	61	89	111	131	138	138
Summary of Membership Goals - Commercial Real Estate Mortgage Brokerage Firms								
Debt - Equity Placement	3	4	8	8	7	6	4	0
Cumulative Membership - Mortgage Brokerage Firms	3	7	15	23	30	36	40	40
Assumption of Brokers in System								
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
Average Number of Brokers Per Firm	5	5	5	5	5	5	5	5
Number of Lead Brokers	14	39	76	112	141	167	178	178
Number of Brokers In Addition To Lead Broker	56	156	304	448	564	668	712	712
Total Number of Brokers In System	70	195	380	560	705	835	890	890

