



Corporate Overview of ClearPoint Technology Group, LLC

130 West Main Street
Suite 144 PMB 310
Trappe, PA 19426
(800) 520-7987 – phone
(484) 331-6295 – fax
www.theclearpointgroup.com

Venture Concept and Commercialization Strategy:

ClearPoint Technology Group is a Managed IT Service Provider, helping to improve the return on investment (ROI) in technology procurement and implementation, and increasing the value delivery of IT to the organizations that it serves. ClearPoint proactively works with clients to align its' services with our client's technology goals, thus providing all the resources of an in-house IT department at a fraction of the cost. Targeted clients include businesses looking to augment their existing IT support or outsource all of their IT needs.

Product Strategy:

Traditionally, businesses have been comfortable purchasing information technology support services on an hourly consulting basis. Increasingly, firms have begun to move toward managed services for their information technology. They have been transferring specific elements of their systems (ex. data storage and backups, disaster recovery, systems hosting, network monitoring, and even server management) to professional managed-service companies as a strategy for improving operations. When you compare the cost of hiring someone to handle IT versus outsourcing the function, you find that the direct costs (including management time), combined with the turnover cost (generally estimated at between 75 and 150 percent of an employee's annual salary), make it a hands-down victory for the outsourcing option. For businesses that are taking the outsourcing route, managed services is the natural evolution of more sophisticated IT service delivery systems. Indications from industry market research firms, such as Gartner Dataquest, predict a 33 percent annual growth rate in the managed IT services market. There are several distinct benefits to managed services:

- First, because of the usage-based pricing model, firms can reduce potential budgetary surprises.
- Second, the proactive approach to systems management reduces overall downtime. And because of the pricing model, the managed-services provider (MSP) has the incentive to avoid downtime. If they can keep your system running smoothly, they will make more money.
- Third, these services can grow with the client's business. Not only can clients simply ask for more as they add staff, but because the services provided are so well defined, this model also allows clients to handpick the services they would like managed.

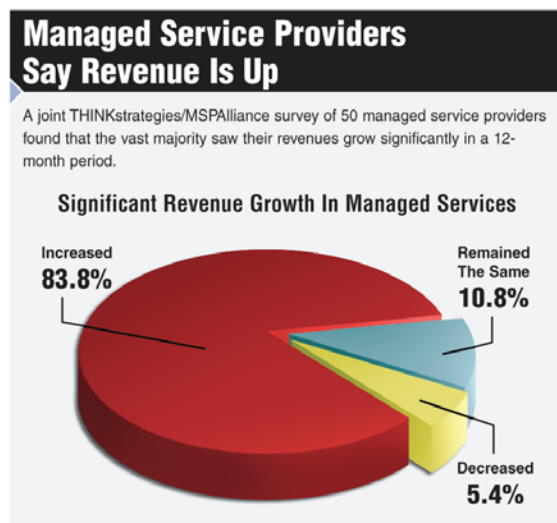
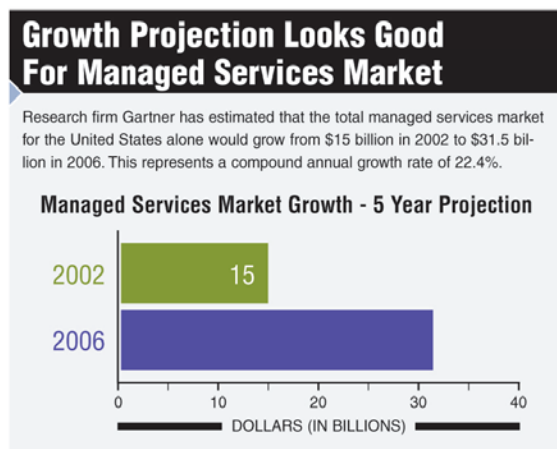
Finally, according to statistics compiled by Paul Dippell, CEO of Service Leadership (an IT industry research firm), the best managed-service providers include high-level technology guidance with their service. This is often a quarterly consultation to review the IT activities of the previous quarter and to plan technology initiatives for the next quarter or two. This type of expertise and technology guidance is difficult, if not impossible, to acquire internally for firms with fewer than 100 employees.

Key Differentiators Versus Competition:

As business' reliance on complex IT and communications systems rises, finding more cost-effective ways to manage this technology becomes more imperative. ClearPoint Technology allows businesses to offload the tasks of day-to-day IT and communications management, by utilizing Level Platforms' award winning remote monitoring and management software, Managed Workplace. Managed Workplace provides ClearPoint with everything it needs to remotely monitor and manage customers' IT networks through a single web based central dashboard. The dashboard presents all customer site data including integrated performance and security monitoring, availability status, real-time alerting, graphical performance reporting, trouble ticketing, and asset inventory (hardware, software, network devices, and patches) , monitoring of both local and hosted web sites as well as integrated patch management, remote control and scripting for service automation of routine tasks. Managed Workplace allows ClearPoint to maintain high customer availability at a low cost while achieving long term, high margin recurring revenues and more responsive customer service.

Targeted Markets to be Serviced:

Based on Gartner Dataquest research, worldwide IT outsourcing revenues reached \$244 billion in 2005, with a 7 percent annual growth rate. Gartner also estimated that the total managed services market for the United States alone would grow from \$15 billion in 2002 to \$31.5 billion in 2006, a compound annual growth rate (CAGR) of 22.4% (see chart below). The research firm also estimates that managed security services will be the fastest growing type of managed service through 2006, a CAGR of 19.3%. In the same vein, Meta Group expects 60% of enterprises to contract managed security services by 2005.



The reason behind the growth of managed services is simple: Today's businesses just don't have the time, resources, or the inclination to oversee the administration of a complex communications operation that may involve a dozen or so vendors. Typically, customers are looking for one source to streamline and economize their networks so they

can concentrate on what they do best: run their businesses. Clients are not only looking for cost savings, but also for getting the experts to do core tasks (which must be done flawlessly), so they can focus on their business and the strategic issues. As companies look to explore new avenues to reduce costs and remain competitive, the interest in managed services should escalate even more.

Market Commercialization Strategy:

ClearPoint has implemented a number of strategies to attempt to grow our business. These include:

- Incumbency Leveraging – ClearPoint emphasizes thoroughly analyzing our current customers and then systematically targeting and pursuing new opportunities based on this knowledge. ClearPoint believes that leveraging the benefits of our incumbency is an efficient and effective means of growing our company based on where we are currently strongest. In particular, we emphasize strategies to learn of viable opportunities long before they become public knowledge.
- Strategic Market Penetration – This process is carried out in a systematic, highly organized manner based on the customer and opportunities that appear to offer the greatest strategic fit with ClearPoint’s capabilities and objectives.
- Strategic Alliances – ClearPoint is continually seeking innovative technologies that allow ClearPoint to combine its systems integration and support expertise with the innovative technologies to produce a complete solution that can be sold in the business marketplace. Depending on the alliance, ClearPoint may partner with a company to provide integration services to support the company’s sales, or ClearPoint will establish a relationship as a value-added reseller (VAR) so ClearPoint can sell the product in conjunction with its consulting services. VAR relationships are advantageous as they provide ClearPoint with the opportunity to generate additional income through product sales, as well as create additional customer loyalty since they deal only with ClearPoint and not the manufacturer. ClearPoint also pursues strategic relationships with prime system integrator companies who have significant presence in the business marketplace. By aligning with these firms as a subcontractor, ClearPoint accelerates its penetration of the space with a plan to move toward a niche prime contractor role over time.
- Target vertical market prospects in a wider range of geographies.

Company Background:

On November 1st, 2006, ClearPoint Technology Group (a Managed IT Service firm), focused on increasing the operational efficiencies of businesses was launched. On June 20th, ClearPoint Technology Advisors (a ClearPoint Technology Group subsidiary company) received its’ certification as a minority-owned business enterprise (MBE) from the National Minority Supplier Development Council.

Key Team, Roles, and Experience:

Founding members (and current employees) of ClearPoint Technology include Geoffrey Kent, Chief Executive Officer; Matthew Toto, Chief Technology Officer; and Robert McClelland, Chief Marketing Officer. Geoffrey brings almost 26 years of senior IT operations management expertise to this venture. In addition to possessing a Masters of Business Administration Degree from the Wharton School of the University of Pennsylvania, his technology industry experience includes tenures at Xerox Corporation, AT&T Corporation, the Erving Group (an entertainment management holding company owned by retired NBA Hall of Fame member and entrepreneur Julius “Dr. J” Erving), Deloitte & Touche Consulting Group, Nelson (a Philadelphia based real estate facilities services firm), DraW Computing (an ASP start-up providing 3D graphics developer tools), and Opportunity Finance Network (a \$4 billion national network of 167 community development financial institutions). Matt has over 9 years of IT industry experience servicing small businesses, and his industry certifications include an MCP; expertise in Windows 2000 Server, Windows 2000 Professional, Windows 98, and Windows XP Professional; and the new Microsoft Small Business Server 2003 Certification. Bob has over 8 years of sales and management experience in the development and implementation of strategic plans, process improvements, employee supervision and training, account management, as well as employee recruitment, and has also been involved in organizational resource planning and auditing.