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Executive Summary

On October 1, 2017, the largest mass shooting ever recorded occurred in Las Vegas, Nevada. The shooter was able to easily check into the hotel and set up for the concert that night. Unfortunately, no one was able to predict the harm that Stephen Paddock was about to inflict. Starting at 10:05 p.m., he opened fire on The Route 91 Harvest Festival from the 32nd floor of the Mandalay Bay Hotel. After firing more than 1,100 bullets into the crowd for an hour, leaving 58 dead and 851 citizens injured, he stopped and proceeded to kill himself.

February 14, 2018, a day for spreading love and affection, turned into a day of havoc and heartbreak for many. At Stoneman Douglas High School in Parkland, Florida, seventeen students were fired upon and killed, and an additional seventeen were injured. Nineteen-year-old Nikolas Cruz was able to trick students and staff to exit the building, where he did not hesitate to shoot. Family lost family and friends lost friends. There have been too many instances where children are sent to school, but never return home. This is why *Secure & Safe* has stepped up to help put a stop to school shootings and armed massacres across the country.

Secure & Safe will change security performance, relieve stress on security personnel and police officers, and save hundreds of innocent lives by proposing a brand-new product. The combination of a full body millimeter scanner, metal detector, and display screen in a portable device is easily used by security personnel and police officers. The device allows the user to scan a person within two meters to display any potential dangers, including knives, guns, explosives, metals, and plastics.

With technology advancing every day to help stop these horrific events, our product is the perfect fit. *Secure & Safe* is an easy and more efficient way to detect harmful objects. Police officers and security personnel are taking more and more time to find devices that will help keep the public and the users safe. *Secure & Safe* will also speed up the processing procedure at airports and large crowd venues. Our device will be able to scan a person and their luggage quickly and efficiently from a short distance and eliminate the need for the occasional pat-down.

We are asking the Venture Capitalists for \$210,000 for a 25% share of our company. By year five, over 120% will be returned to the investors. Startup costs will be \$206,000; \$46,000 of that is assigned for our demo devices. Our sales estimates are conservative, so the return on the investment could easily be returned much quicker than projected.

Overview of the Company

Mission Statement

Secure & Safe will provide leading edge technology products that will improve safety and security. Our company believes that safety is one of the most important factors in determining success and moving society forward. *Secure & Safe* will produce and distribute products that help keep the community safe by using a new application of existing technologies.

Company Goals and Objectives

Our first goal is to get our product out on the market and establish a reliable customer base. We want to grow our company nationwide while keeping convenient face to face contact with all our customers. By the third year, we want a seamless and flourishing company which is continually researching all the latest technologies to improve our products for our customers. We also want all of our customers to be 100% satisfied with the products they purchase.

Business Philosophy

Our intent is to cut down the number of shootings and attacks across the country. It is important to us to not only keep our customers safe while using our products, but also the community that will be affected by them. With our technology, security screenings can become safer, more efficient, and more discreet than ever before.

Industry

We will continually expand our business by releasing new and improved products for our consumers to use. In our primary research and our interviews with police officers, technology in the law enforcement field is constantly growing. In the short term, we will be providing our first device for law enforcement, the Transportation Security Administration (TSA), and security personnel. In the long term, we will be releasing upgrades from our first model and providing safer and easier systems for the consumer to use. We will capture our consumers through presentations of our products at trade shows and conferences.

Company Strengths

Our product encapsulates both a metal detector and a full body scanner in one handheld device. This device has gained enough interest by the consumers to allow us the success we envision for our company. We have completed the research that will put

us ahead of the competition and have the determination to ensure our product is the first one that our consumer selects.

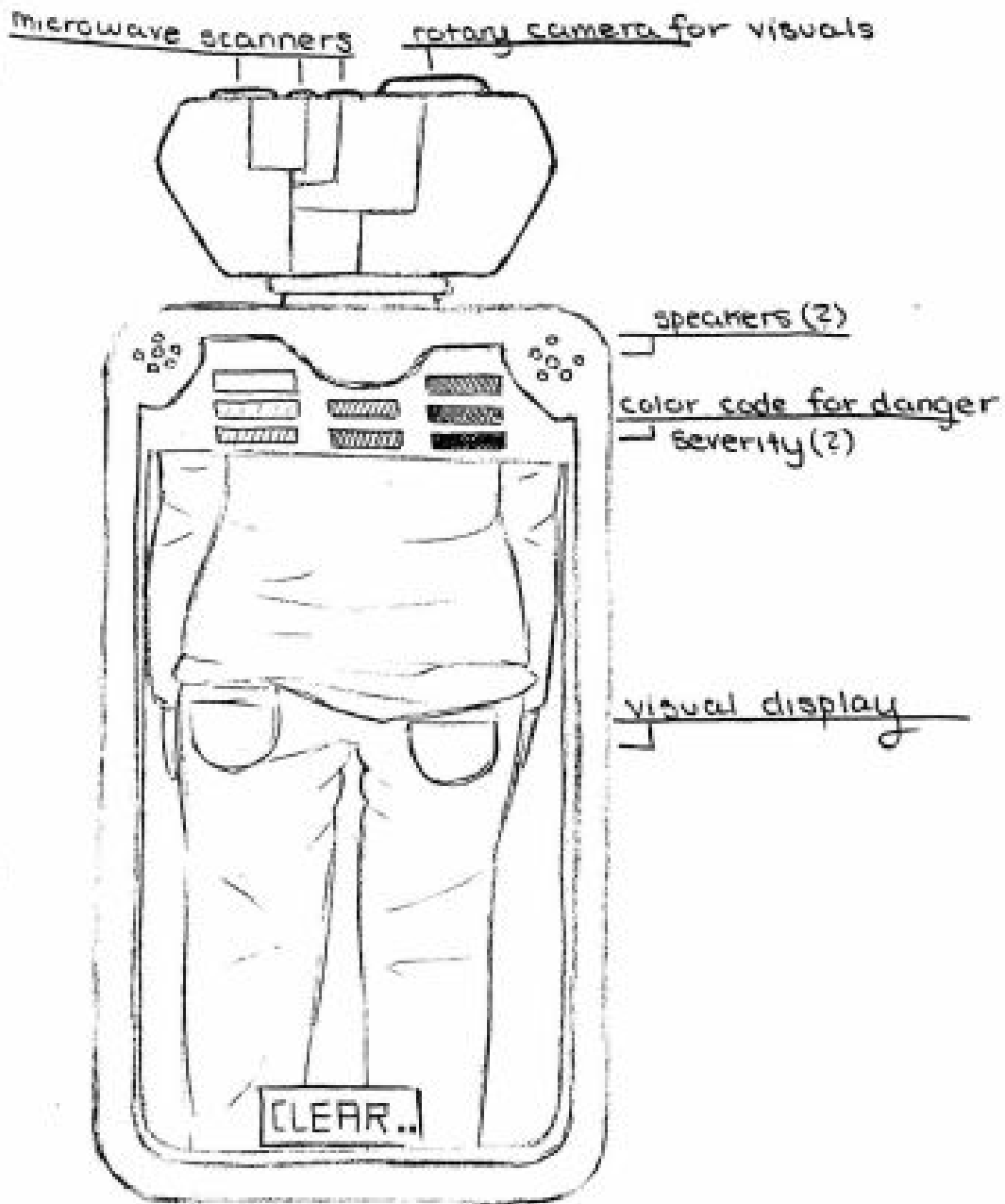
Legal Form of Ownership

We will be a limited liability corporation (LLC) because of the tax benefits and protection of the owners. This is the most beneficial form of ownership and allows the most freedom for the owners and board of directors.

Marketing Plan

Product Information

Our product will have three components combined into one: a metal detector, full body scanner, and display screen. The metal detector will be attached at the back of the device, while the receiver for the millimeter waves will be on the front. The display will be on the top of the device. The dimensions of the device will be approximately 7" x 3" x 2", and weigh between 1 and 3 pounds. Our product will be encased in light plastic and will have a safety strap at the bottom. The strap will add a measure of safety in case the device slips out of the hand of an officer. The wireless transmitter will send out the millimeter waves. Then the waves bounce off the object and come back to the receiver. The scanner only detects what is in front of it. The lower frequency waves that will be sent out can easily detect conductive metals and provide better surface penetration. On the next page, Figure 1 displays a sketchup of our device. The design is the first preliminary design, so not all of the features are finalized in that example.



Secure & Safe - 1st concept

Figure 1

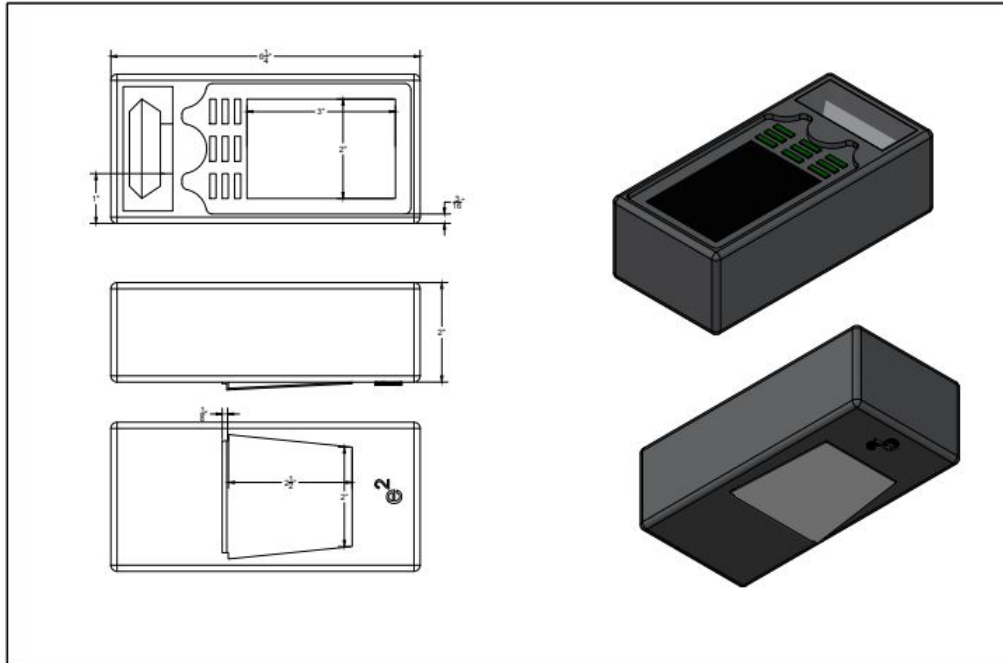


Figure 2

Above in Figure 2 is the CAD drawing of our device. On the left, the dimensions and all the sides are shown. On the right is what the device will look like, minus the safety strap. On the top, there is a section of clear plastic to protect the millimeter wave receiver.

We will partner with CEIA USA, a security device manufacturer, to produce our product. From there, the product will be shipped to our location, packaged, and sent to our customers. The software on our device will be open source, allowing our customers to easily adapt our product to their existing software.

Important Features

The device is handheld, so officers and security personnel can carry it with them at all times. It has a metal detector and full body scanner with an easily readable screen. The screen is 2.5" x 4". The device will vibrate when an object is detected. This allows for the person using the device to be warned of the threat without alerting the suspect. The advantage of having the millimeter scanner is that it will detect any object on a person, not just metal items. The user will press a button to start the scan, and once the person has been scanned entirely, the user will press stop and the collected image will be displayed. It saves the photos taken, has zoom capabilities on the image, and uses a

USB port to download them. On the following page, Figure 3 is an example of what would be displayed on the screen after a scan.

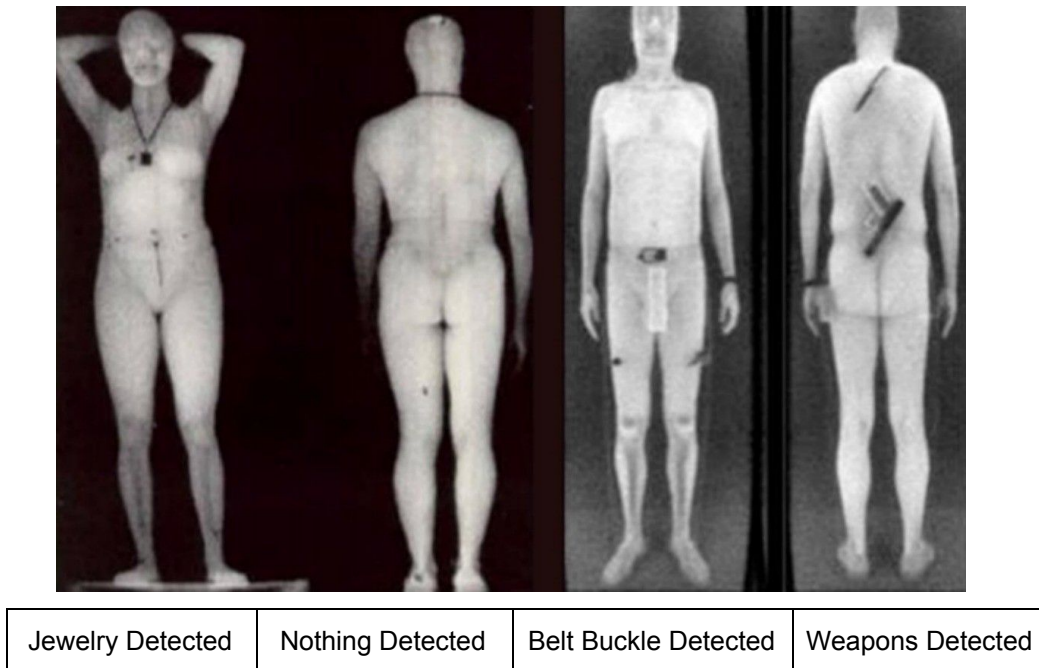


Figure 3

Features	Benefits
Handheld and Lightweight	Easily Carried at All Times
Implements Metal Detector	Detects Unauthorized Metal Objects
Implements Full Body Scanner	Detects Objects Anywhere on A Subject
Easily Readable Screen	Objects Can Be Seen Clearly
Vibration Alerts	User May Be Alerted Discreetly
Implements Millimeter Waves	Both Metal and Non-Metal Objects Detected

Figure 4

Primary Research

We interviewed Captain Chris Settle of the Culpeper Town Police Department and the Chief of Police John Clair of the town of Quantico Police Department, regarding the

equipment police officers use at their stations. We learned that our device would most likely not be carried by the officer and would remain stored in their cars in case of emergencies. Officers could use our product for the transporting of suspects, or for large events. Officers use their phones and applications to upload the information they collect onto Evidence.com. Evidence.com is a website used by all police stations throughout this country. On this website, officers can upload files, cases, images, and other data to a cloud that manages and organizes all the information that the police station collects. *Secure & Safe* is connected to this site so officers can easily transfer images for evidence collection. This website securely stores all the information that officers must gather and fill out for an investigation.

The officers we interviewed also gave insight on how products are found and chosen by stations. They suggested that we market our product at expo conferences and trade shows that expose police officers to new products. Each station phases in products, which means they try one product free for a year. To meet this need, we have included the purchase of 40 demo models in our startup cost. Afterwards, the stations buy one or two of the devices. However, as the need arises, they buy more products. Police departments spend an extraordinary amount of money on equipment that will improve their officers' safety and efficiency.

More and more technology is being used by police stations and security personnel daily due to the Ferguson effect. The Ferguson effect is named after the shooting of Michael Brown in 2014 in Ferguson, Missouri. This shooting started the increased scrutiny of police officers, catalyzing a desire for more technology at police departments nationwide.

Based on this research, we have found that we will have an advantage because there are no products on the market that function as a metal detector, full body scanner, and display all within a single handheld device. Additionally, we have also found that police stations would be willing to spend between \$4,000 and \$5,000 each, since they already spend that much money on other technology like our device. Our device has many advantages to justify the price. We shared our product with both officers and they've expressed how valuable this device would be.

We have conducted thorough research on the legality of our product and have found that we will have no problems selling it to private security companies. They are willing to use the product without the assumption of privacy while attending concerts, sports games, and other public events.

Secondary Research

Through our secondary research, we found that there are other products that only include a single aspect of our product. There are metal detectors, millimeter wave scanners, and full body scanners, but none are multifunctional. Not only did we find other products, but we also discovered that there is minimal radiation emitted from the millimeter waves. This draws our focus to this technology for our product, since it is entirely safe to use on subjects. All the technology for our product already exists, and we are combining it altogether in a low risk handheld device.

Our portable device is not harmful to people, including those with pacemakers and expecting mothers, nor does it require physical contact to the person being scanned. Some full body scanners use backscatter machines, which means that they use X-rays and form an image on the screen after the rays bounce off the person or object. Using X-rays could lead to more health problems and conflicts with certain privacy laws. For those reasons, we chose to use millimeter waves, which show what a full custodial search will uncover, as well as what a metal detector will not.

The power density for a millimeter wave scan is between 1×10^{-5} and 6×10^{-4} mW/cm². Health professionals have verified that millimeter scanner waves are at an un concerning level of danger because they emit non-ionizing radiation and do not create the potential for cancer causing DNA damage¹ (Cancer.org). In an experiment, scientists found that millimeter waves can travel up to ten kilometers, meaning that officers and security personnel do not have to be within an uncomfortable and unsafe distance to successfully scan someone.

Regulations and information for handheld and walk through metal detectors are all found on The National Institute of Justice website² (NCJRS.com). The Department of Homeland Security also provides documents detailing the regulations and applications of metal detectors.

The U.S. Transportation Security Administration (TSA) has conducted a survey about why full custodial searches are so strongly disliked by the public. It is a very intrusive process that could lead to additional friskings and screenings. Our product eliminates

¹ <https://www.cancer.org/cancer/cancer-causes/radiation-exposure/radiofrequency-radiation.html>

² <https://www.ncjrs.gov/pdffiles1/nij/184433.pdf>

the need for a full custodial search, which not only eases citizens' anxiety about a physical frisk, but protects officers from the potential danger of being close to a threatening object or situation.

A study done by Travel and Leisure reveals that on average, a single person will spend at least 15 minutes getting through security at the airport, but hundreds of people have spent up to two hours or more at airport security³ (Swiftpassservices.com). TSA even recommends arriving between two to three hours early in order to make it through security. This time could easily decrease with our mobile device, which could open up more lines at the airport. Our device would also decrease the amount of security officers per line. Each line has three officers per line: one with a metal detector, one woman to pat down other women, and one man to pat down other men. Instead of paying three people to check one line at security, the extra security officers can open up more lines with our device.

The false positive alarm rate on full body scanners is 54%, but this could decrease if the full body scanners could save images at airports. By saving the images, this will teach the software how to discriminate real threats from false threats⁴ (Propublica.com). Our product is mainly used to replace the initial full custodial search, and from there, if a threat is detected, officers will move forward with the normal procedure.

Our product can not only be used by police officers, transportation safety, and private security companies, but by schools that already spend money on metal detectors as well. There has recently been an increased number of school shootings, and more technology is being created to protect the future generations of students while they are in school. For these reasons, our product fits perfectly in the changing world.

Competition

There are "portable" full body millimeter scanners, but the image must be displayed on a separate computer. Three-dimensional camera body scanners are also offered, but they require a separate camera, which is difficult to move and very expensive. There are also handheld millimeter scanners that have no displays and are only battery powered, meaning they are not rechargeable like our device. Full size body scanners are offered,

³ <https://www.swiftpassportservices.com/blog/worst-airport-security-wait-times/>

⁴ <https://www.propublica.org/article/sweating-bullets-body-scanners-can-see-perspiration-as-a-potential-weapon>

but they are not portable. There are companies that bring in body scanners to events, but none are handheld. Below is Figure 5 and 6 showing the most common metal detectors and security scanners on the market today:

Competition	Secure and Safe	Garrett's SuperScanner V	L3 Safeview Imaging System	Millimeter Wave Camera
Metal Detection	X	X		
Millimeter Scanner	X		X	X
Display	X		X	X
Downloading Software	X			X
Portable	X	X		X

Figure 5

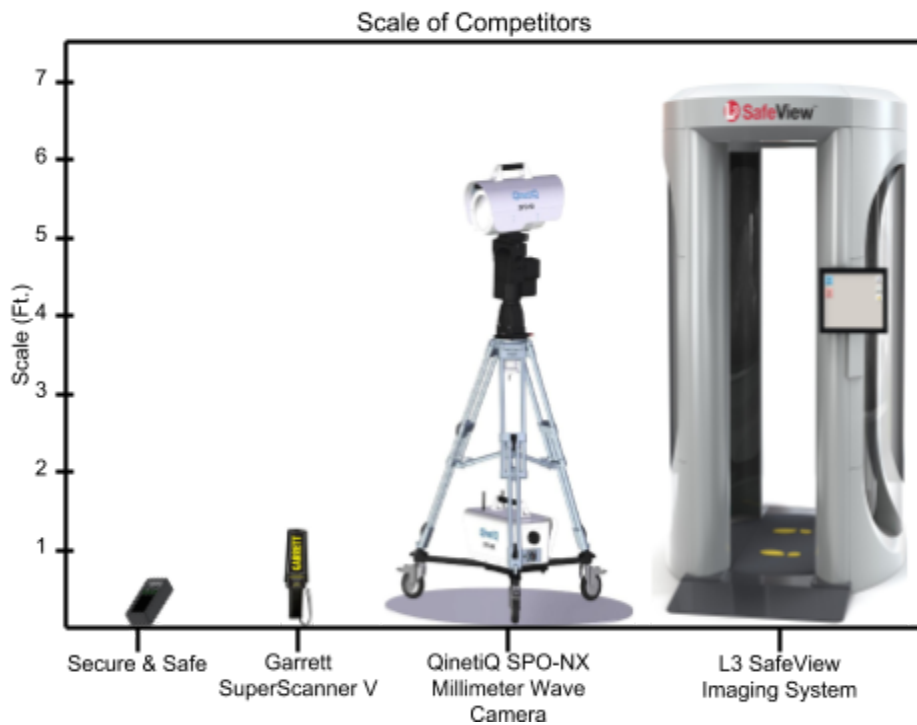


Figure 6

Niche

There are thousands of types of metal detectors, scanning wands, security scanners, handheld millimeter wave scanners, and security devices. However, what makes our product stand out is the ability to display the object detected, as well as the combination of the metal detector and millimeter scanner. The versatility of our 3-in-1 device is more advantageous than our competition. The software in our device registers the object shape and warns the user of the estimated danger level.

Market Economics

We will sell our product for \$5,000 for one unit based on our research. It will cost approximately \$1,150 (see Figure 7 for the breakdown of this cost) to make one unit. The unit includes the device and a charging station. We will partner with CEIA USA to manufacture our product and charger, which will then be shipped to our location. From there, we will take our product to the customer, where we will train the buyer on how to use the device. We have also chosen Protective Technologies International (PTI) to be our secondary producer to manufacture our product just in case CEIA is unavailable.

This technology will appeal to the younger generations of law enforcement and private security companies, as they are already adapted to using technology in their everyday lives. The pricing is comparable to other products already out on the market. Our customers are not relying solely on the price for the decision of buying our product, but on the quality, reliability, and life span of the product.

Factors	Costs
Screen	\$50
Manufacturer	\$50
Metal Detector	\$480
Millimeter Wave Scanner	\$550
Charger	\$50
Total Cost	\$1,150

Figure 7

Market Size:

- 17,980 police stations in the US
- 15,400 local police stations alone
- 1.13 million full time police workers
- 765,000 sworn in officers
- 100,000 part time employees; 14,000 of those are sworn in employees
- In Virginia alone, there are 340 law enforcement agencies
- TSA deployed many full body scanners and now uses 793 full-body scanners in 157 airports
- There are 15,095 airports in the United States
- Immigration and Customs Enforcement (ICE)- more than 20,000 employees

Bureau of Labor Statistics:

- 1,103,120 security guards employed
- 42,750 transportation security screeners
- 657,310 employed in Investigation and Security Services

Our target market is also expected to grow during the next few years. Law enforcement is expected to grow 11% from 2010 to 2020. Private security companies will also increase in growth by 20% by 2020.

There is a large demand for our product due to the Ferguson effect. As a result of this issue, many police stations are investing in advancing technologies. We can easily grow and expand to a national level and dominate the market. We will start marketing our product in Virginia, since it is one of the highest employers of security guards. We will capture just one percent of this market the first year. After starting in Virginia and the surrounding states the first two years, we will expand to the East Coast, and by year five we will expand across the United States. Starting in year one, we will be going through TSA's procedure on testing our product, and by year three, we will officially sign a contract with TSA for them to buy our devices and implement them into primary locations. We are not including the TSA contract into our financial plan because we want our projections to show what we can do with police stations alone. After year five, we will implement new technology for our customers to purchase including a new Bluetooth device and a charging dock station installed in police vehicles.

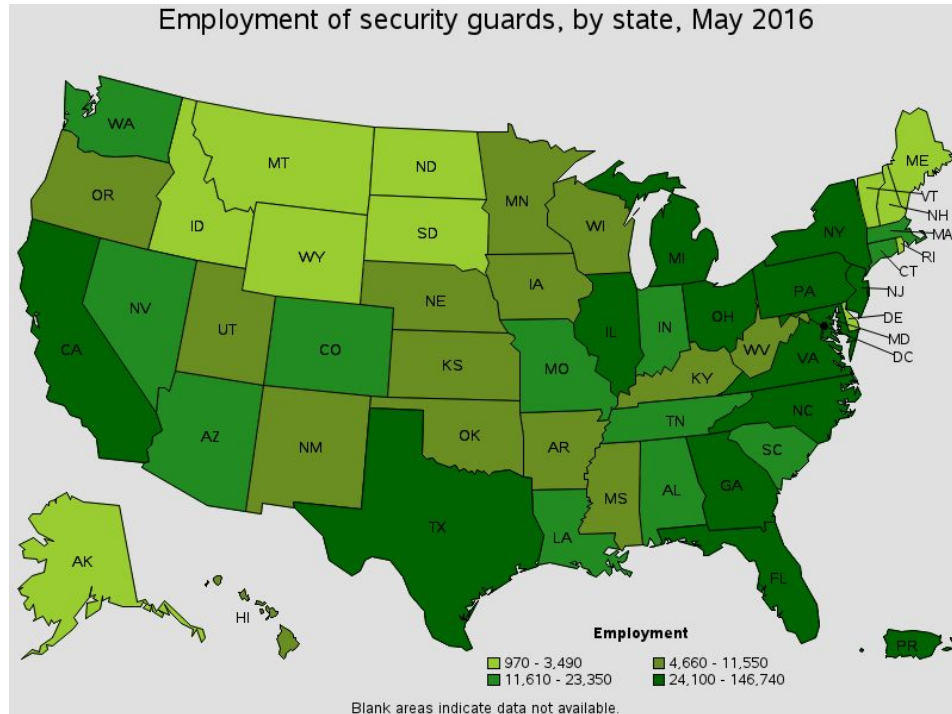


Figure 8

Affecting Factors

As new software and programming develops, we will adapt our technology to the changes. We will also advance our products over the years to make them easier and more accessible to the user. We will always be improving our product to stay ahead of our industry.

Customer Benefits

We will provide a lifetime warranty on our product to guarantee customer satisfaction. After training, we will follow up with our customers through emails and face to face contact to make sure that there are no problems with our product. Our refund policy will have strict guidelines to ensure that we will not lose an excessive amount of revenue. At our location, we will have customer service personnel man phone lines to provide help desk support. We will also include a demo period for businesses to test our product themselves.

Target Market

We are targeting security personnel moving towards new technology and improving safety and efficiency for their employees. These personnel include:

- Police stations and academies
- Areas that involve a high-risk situation daily and high crime rates

- Military bases
- Government facilities
- Schools
- Airports
- Jails and prisons
- Law enforcement agencies

Barriers

The first barrier we will face is high production costs, because we have another manufacturer producing our product. We will be selling *Secure & Safe* with a high profit margin to overcome this barrier.

There are also high marketing costs from attending trade shows, conferences, and the demoing of our products. Once we have our product out on the market, the marketing costs will decrease because we will have established a consumer base, and our devices will sell themselves once customers start to use them.

We want to make sure that our design and product are protected so that no other businesses can steal our concept. We will ensure that we file for the correct type of patents.

Promotion

We will promote our product through our website, trade shows, and conferences. Our website will require login information before a customer can purchase our device. This is to ensure that only trustworthy companies will buy our product. After each product is sold, it will contain a serial number that connects it to the company that bought it. We will periodically check and update all our devices to ensure that we know exactly where all our devices have gone. Two conferences we will be attending are the International Association of Chiefs of Police (IACP) and the Virginia Chiefs of Police conferences. Here, police officers come to see new products, meet with other police chiefs, and find new technologies.

We will not be using any social media to advertise because we feel that it will not target our market effectively. By starting out with a few trade shows, and mainly demoing our product to each police station, we will lower the costs of marketing.

We want to establish our company as reliable and recognizable to our customers. We will do this by documenting all our customers and interactions we have with potential

customers. Our logo is unique and recognizable, so that each customer will know what products are *Secure & Safe*.

Promotional Budget

The IACP conference that we plan to attend will cost about \$5,000 total when we register ahead of time, book flights, and a hotel. We have allocated \$30,000 in our startup for our promotional budget. Before startup, we will only spend money on the brochures for our products and meetings with local police stations. As we develop the company, we will attend about two trade shows a year, making sure that we are constantly advertising our new products and keeping up with new technology. Our current product and charger is found on our webpage as well as any future products.

Distribution Channels

We plan to sell our product through face-to-face interactions and on our website. Our products will be sold at the retail price. From year three and beyond, we will hire outside sales representatives who will demo our product to security personnel in order to sell it.

Sales Forecast

In year one and two, we are targeting Virginia and the surrounding states to sell our product. By attending trade shows and police stations in the startup phase and year one, we will establish our customer base and predict conservatively that 40 devices will be sold the first year and 55 the second year. We will also have sales representatives to help promote our product for year three and beyond. The sales representatives will receive three percent of the selling price, \$150, for each product they sell as an incentive to sell more devices, since they will be from an outside company. The outside company will have sales representatives that already sell other technological products.

In years three and four, we are planning on expanding to the East Coast and attending more trade shows. By year three, we will sell 90 devices and by year four we will sell 165.

Year five will be our largest year in terms of growth, as we are planning on expanding to the rest of the United States and selling 335 devices. All of these projections are conservative numbers based on estimating that a few stations will only buy one device. The number of devices sold could easily change if more stations buy our product, or even if the estimated police stations buy two or three devices as predicted. Our Sales Forecast is on the following page.

Five-Year Projected Unit Sales and Costs for a Product

Secure and Safe

	First Year				
	2020	2021	2022	2023	2024
Secure and Safe Scanner					
Sales in units	40	55	90	165	335
Selling price per unit	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00
Sales	\$200,000	\$275,000	\$450,000	\$825,000	\$1,675,000
Direct Material cost per unit	\$1,150.00	\$1,115.00	\$1,100.00	\$1,050.00	\$1,000.00
Direct labor cost per unit					
Other direct costs per unit					
Total unit cost	\$1,150.00	\$1,115.00	\$1,100.00	\$1,050.00	\$1,000.00
Total Cost of Sales	\$46,000	\$61,325	\$99,000	\$173,250	\$335,000
Gross Profit	\$154,000	\$213,675	\$351,000	\$651,750	\$1,340,000
	100.0%	100.0%	100.0%	100.0%	100.0%
	23.0%	22.3%	22.0%	21.0%	20.0%
	77.0%	77.7%	78.0%	79.0%	80.0%
Annual Maintenance Service					
Sales in units	40	95	185	350	685
Selling price per unit	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00
Sales	\$8,000	\$19,000	\$37,000	\$70,000	\$137,000
Direct Material cost per unit					
Direct labor cost per unit	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00
Other direct costs per unit					
Total unit cost	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00
Total Cost of Sales	\$4,000	\$9,500	\$18,500	\$35,000	\$68,500
Gross Profit	\$4,000	\$9,500	\$18,500	\$35,000	\$68,500
	100.0%	100.0%	100.0%	100.0%	100.0%
	50.0%	3.5%	4.1%	4.2%	4.1%
	50.0%	96.5%	95.9%	95.8%	95.9%
Empty Product					
Sales in units					
Selling price per unit					
Sales	\$0	\$0	\$0	\$0	\$0
Direct Material cost per unit					
Direct labor cost per unit					
Other direct costs per unit					
Total unit cost	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Cost of Sales	\$0	\$0	\$0	\$0	\$0
Gross Profit	\$0	\$0	\$0	\$0	\$0
	0.0%	0.0%	0.0%	0.0%	0.0%
	0.0%	0.0%	0.0%	0.0%	0.0%
	0.0%	0.0%	0.0%	0.0%	0.0%
Empty Product					
Sales in units					
Selling price per unit					
Sales	\$0	\$0	\$0	\$0	\$0
Direct Material cost per unit					
Direct labor cost per unit					
Other direct costs per unit					
Total unit cost	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Cost of Sales	\$0	\$0	\$0	\$0	\$0
Gross Profit	\$0	\$0	\$0	\$0	\$0
	0.0%	0.0%	0.0%	0.0%	0.0%
	0.0%	0.0%	0.0%	0.0%	0.0%
	0.0%	0.0%	0.0%	0.0%	0.0%
Empty Product					
Sales in units					
Selling price per unit					
Sales	\$0	\$0	\$0	\$0	\$0
Direct Material cost per unit					
Direct labor cost per unit					
Other direct costs per unit					
Total unit cost	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Cost of Sales	\$0	\$0	\$0	\$0	\$0
Gross Profit	\$0	\$0	\$0	\$0	\$0
	0.0%	0.0%	0.0%	0.0%	0.0%
	0.0%	0.0%	0.0%	0.0%	0.0%
	0.0%	0.0%	0.0%	0.0%	0.0%
GRAND TOTALS					
Sales	\$208,000	\$294,000	\$487,000	\$895,000	\$1,812,000
	100.0%	100.0%	100.0%	100.0%	100.0%
Direct Costs	\$50,000	\$70,825	\$117,500	\$208,250	\$403,500
	24.0%	24.1%	24.1%	23.3%	22.3%
Gross Profit	\$158,000	\$223,175	\$369,500	\$686,750	\$1,408,500
	76.0%	75.9%	75.9%	76.7%	77.7%

Operational Plan

Management and Organization



Figure 9

Production and Suppliers

Secure & Safe will conduct our testing period six months prior to the end of 2019, and will begin our company at the onset of 2020. *Secure & Safe* will be contracting with our partner company, CEIA USA, which will produce and distribute our products. We will travel to trade shows and conferences to present our product to targeted customers. We will use these trade shows and conferences to gain connections to catapult us into the market as a major competitor. The trade shows will develop our company further and allow us to receive feedback about our beginning product and the new products that CEIA USA will produce for us in the future.

After delivering the products to our customers, we will have a customer service team available for any questions presented by our consumer. Quality control is important to us, as these are life saving devices that are used by special personnel. We will ensure that all our devices uphold the highest standard of quality and safety. To do this, the distributor, CEIA USA, will conduct inspections for quality control, and we will periodically visit and inspect our products at CEIA USA.

We will charge a yearly service fee of \$200 to ensure that all their devices are renewed and working functionally. The devices will have software updates and casing will be replaced as needed. Each police department will send in all of their devices for the service updates once each year. This fee will also bring in guaranteed revenue.

Proposed Location

Secure & Safe will be located on 7213 Griffinsburg Road, Boston, VA 22713. This location will house our office space where we will handle our day to day business. The cost of rent is \$850 per month with power and utility costs included in the rent. We will be signing a five year lease with this location. Our manufacturer, CEIA USA, is located on 9155 Dutton Drive, Twinsburg, OH 44087, a prime area where they have access to multiple railroads, roads, and airways to distribute our product with ease.

Legal Environment

We will apply for a utility patent through the United States Patent and Trademark Office (USPTO). The utility patent is more applicable to our product because it is a patent that covers the creation of a device that involves machinery and technology. This entire patent process will cost approximately \$10,000. We will also ensure that there are no other patents that could potentially cause conflicts between companies. Our accounting profile will cost \$5,000. To protect ourselves and our company, we will work closely with our patent attorney, Mr. Gary Close. Mr. Close will guide us in the legal aspect of our company and the protection of our intellectual property. *Secure & Safe* will take great strides to ensure that our customers and company are protected.

After the examination from the USPTO, we will file an application through the patent office and have our product reviewed for patent eligibility. Eventually, we will obtain a patent pending status, which gives us protection for one year and allows us to push for a part of the market share. After receiving our patent, we will have protection for 17 years with *Secure & Safe*.

Due to *Secure & Safe* having a customer base in the law enforcement area, multiple legal questions present themselves. Arrests and searches that police officers conduct are subject to the Fourth Amendment, which prohibits unreasonable searches and seizures. However, the court system has upheld the right for police officers to arrest or search an individual without a warrant if probable cause is present. To allow police officers to arrest or search, the probable cause conditions must be met, or consequences may occur. However, there are times during a stop that can lead to a

search. A stop, otherwise known as a Terry stop, is the brief detention of a citizen by the police when they suspect that criminal activity is present, but is short of probable cause to arrest. Based on the evidence during the stop, the police officer then decides whether or not to make an arrest. Although the typical arrest without a warrant involves probable cause, there are instances where the police officer's suspicions have arisen due to certain activity, but the probable cause for arresting someone was inadequate. Under the court case *Terry v. Ohio*, the courts approved for police officers to conduct an "on the street" investigation that involves a frisk of the suspect in search of weapons, explosives, or any other harmful devices.

Due to the *Terry v. Ohio* court case and the protection of police officers conducting searches without infringing the citizen's Fourth Amendment rights, *Secure & Safe* is a protected and authorized device. Police officers and other personnel may use our device to protect themselves and their peers legally. The use of our device is explicitly up to the discretion of the police officer or other security personnel.

The legal environment that involves TSA, ICE, and private sector events such as concerts, assemblies, and sports games, has already implied that certain security measures will be taken to ensure safety. Doing so eliminates the threat of an infringement on the rights of citizens. The Fourth Amendment only allows for the protection of state or federal action, and not private entities. This allows for the *Secure & Safe* device to be used without any probable cause or previous information due to the warning label on tickets and implied searches within airports⁵ (TSA.gov).

Personnel

Our receptionist will be paid \$20,800 per year with benefits and our customer service team will make \$10 per hour. After the customer service team's first year, they will be paid \$10.50 per hour. Our customer service, officers, and our sales representatives will call on customers and will demonstrate our product to them. With each new year, we will add another sales representative due to the increased market we are capturing. Our customer service team will consist of three members, and we will add an employee every year. The team will be answering questions regarding our products and will inform the customers with additional information if needed. When we reach the fifth year of business, we add two sales representatives and two customer service team members (See Figure 10 on the following page for details of these costs).

⁵ <https://www.tsa.gov/travel/security-screening>

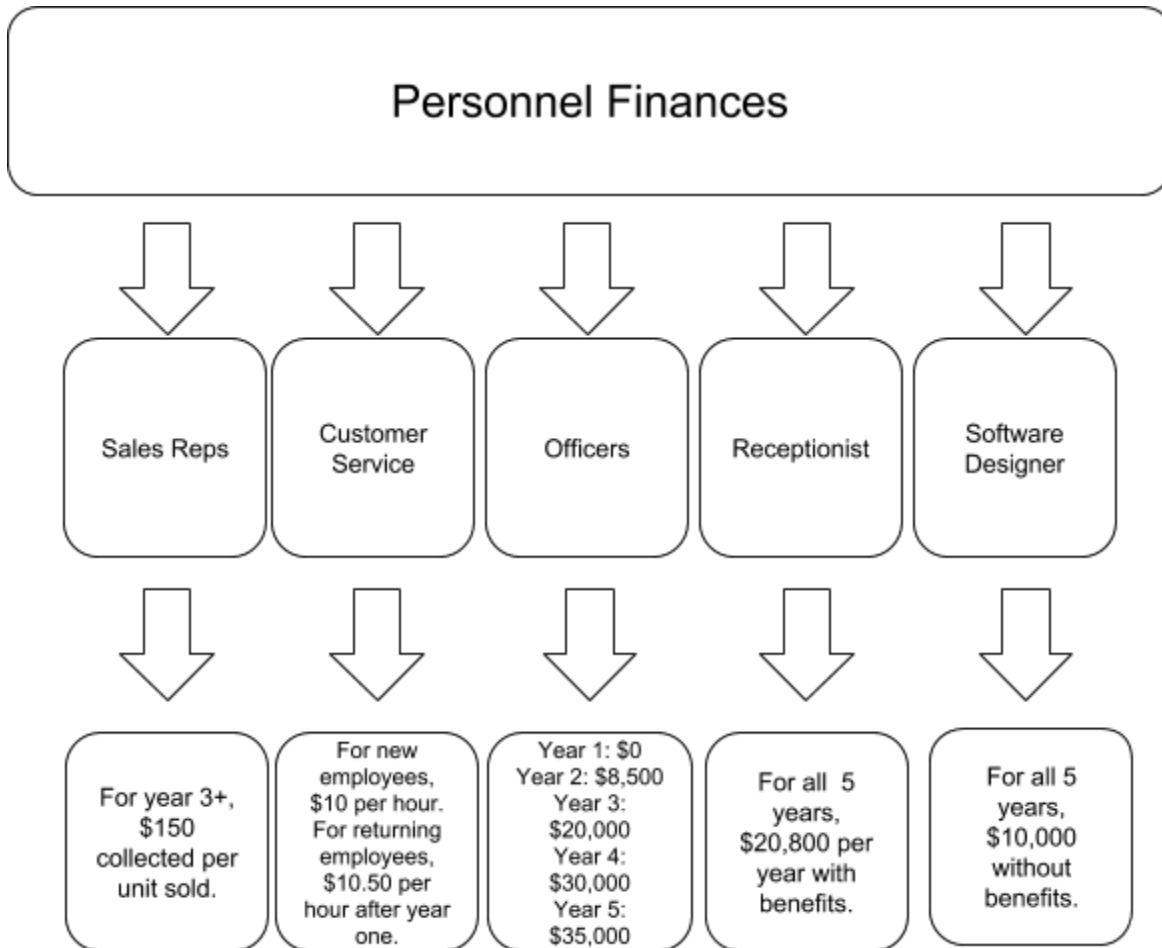


Figure 10

Our Chief Research Officer, Armani Hoffman, will continue to conduct research on our product's technology, operating system, and any changes that our customers wish to see in the new products. Our Chief Operating Officer, Ryan Eakins, will handle the day to day operations of the company. Our Chief Financial Officer and Chief Executive Officer, Maddelyn Ryckman, will handle the finances of the company and will work closely with our accountant, Samantha Fontaine. Ms. Ryckman will also be the head of our company and make executive decisions. Our Chief Design Officer, Jessica Janiszewski, will handle the updates and design of our product and website. For each of the Officers, we will not be collecting any income in our first year of business in order to funnel funds back into the company. In our second year of business, we will each collect an income of \$8,500. In our third year of business, we will each collect an income of \$20,000. In our fourth year of business, we will each collect an income of \$30,000. In our fifth year of business, we will each collect an income of \$35,000. Each of our Officers will not be collecting any benefits as we will still be under our parent's insurance plans. Our Software Designer will be freelance, meaning that he or she will be working

with multiple companies instead of exclusively working for our company. He or she will be making \$10,000 per year.

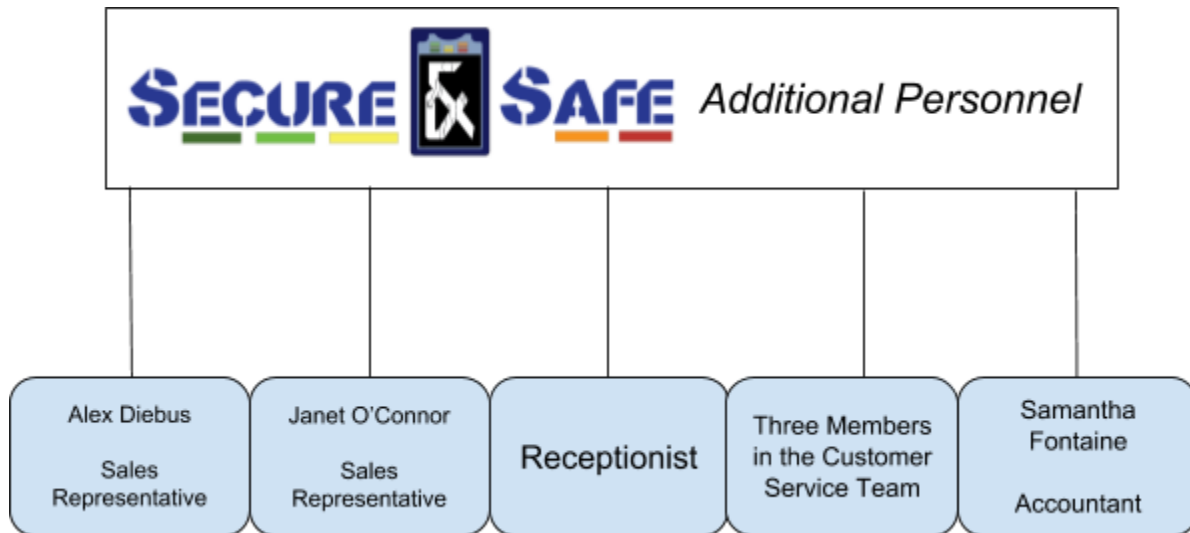


Figure 11

Inventory

We will keep forty full body scanners at our office for demo, which is valued at \$46,000. Our product will cost \$1,150 per unit to produce. Our device will take about two weeks to be packaged and sent to our customer.

Professional and Advisory Support

Venture capitalists are part of the board of directors for our business. They will act as advisors who will meet monthly for the first six months that our business is open. After the first six months, they will begin to meet quarterly to discuss the factors to improve our business (See Figure 12 for the summary of advisory support).

Person	Profession	Purpose
George Dasher	Retired Engineer	Advisor
Paul Pereira	General Manager	Advisor
Gary Close	Lawyer	Advice on patents and other legal information
Samantha Fontaine	Accountant	Work with finances

Figure 12

Financial Plan

In year one of our sales projections, the cost to produce our product is very conservative. From this point, the cost will decrease as CEIA finds new and more efficient ways to produce our product. By year five, our manufacturer will find the best way to make our product, resulting in the lowest cost of the device.

For the startup year and year one, we are demoing our product at police stations in Virginia and the surrounding area. There are 1,743 police stations in the area, and we are capturing a little over two percent, totaling in 40 units sold. In year two, we will capture three percent of the area, totaling in 55 units. In year three and four, we will expand to the East Coast and capture two to three percent of the market, totaling in 90 units and 165 units respectively. Year five, we plan to expand to the rest of the United States' 33,075 police stations, and only sell 335 units. These predictions are very conservative, as we are only estimating that a single police station will buy one. It is much more likely that they will buy two or three and keep buying more each year. Our projections are small to show the potential for extremely high profits in the sale of just a few units. Our numbers could also easily increase if we receive a contract with TSA.

Startup Expenses and Capitalization

In our startup year, we are spending a total of \$206,000. \$46,000 of the startup will be on demo devices for tradeshow, police stations, and for the next five years. We have a 20% reserve for contingencies. We also have \$30,000 for research and development for prototype testing. We chose \$30,000 because all of the technology already exists, and our manufacturer already works with the technology.

Startup Expenses						
Secure and Safe						
Company begins operations in:				2020 [1]		
Line	<i>If you plan to rent or lease an existing facility</i>	Note		Buildings Depreciate over 20 years	Equipment Depreciates over 5 years	Can generally be Mortgaged
1	Deposit & rent expense prior to operation		\$5,950			
2	Remodeling expenses [2]					
3	Enter item [3]					
4	Enter item					
5	Other					
<i>If you plan to buy an existing facility</i>						
6	Purchase cost allocated to land [4]					
7	Purchase cost allocated to buildings [5]					
8	Purchase cost allocated to equipment [6]					
9	Remodeling expenses [7]					
10	Enter item					
11	Enter item					
12	Other					
<i>If you plan to buy land and build a facility</i>						
13	Purchase cost of the land [8]					
14	Construction cost including parking, etc.					
15	Architectural & engineering fees					
16	Enter item					
17	Enter item					
18	Other					
Capital Equipment List				Total Facility	\$5,950	
19	Furniture & fixtures		\$1,000			
20	Office Equipment		\$4,800			
21	Production Equipment					
22	Other					
				Total Capital Equipment	\$5,800	<u>\$5,800</u>
Pre-opening Administrative Expenses						
23	Utility deposits [9]					
24	Legal, patent, and accounting fees		\$15,000			
25	Prepaid insurance [10]		\$360			
26	Pre-opening salaries [11]		\$38,320			
27	Other					
				Total Preopening Administrative Expenses	\$53,680	
Opening Inventory						
28	Demo Devices	40	\$46,000			
29	Enter item					
30	Enter item					
31	Enter item					
32	Enter item					
				Total Opening Inventory	\$46,000	
Pre-opening Advertising and Promotional Expenses						
33	Advertising					
34	Signage					
35	Printing		\$300			
36	Travel/entertainment		\$30,000			
37	Other					
				Total Advertising/Promotional Expenses	\$30,300	
Other Expenses						
38	Research and Development		\$30,000			
39	Enter item					
				Total Other Expenses	\$30,000	
40	Reser [12]		\$34,270			
				TOTAL STARTUP EXPENSES	\$206,000	
					\$0	\$5,800
						\$0

Five-Year Profit & Loss Projection

Five-Year Projected Profit and Loss (P&L)																
Secure and Safe																
First Year																
2020 2021 2022 2023 2024																
1	Sales	2	\$208,000	100.0%	2	\$294,000	100.0%	4	\$487,000	100.0%	8	\$895,000	100.0%	1	\$1,812,000	100.0%
2	Direct Costs	5	\$50,000	24.0%	7	\$70,825	24.1%	1	\$117,500	24.1%	2	\$208,250	23.3%	4	\$403,500	22.3%
3	Gross Profit		\$158,000	76.0%		\$223,175	75.9%		\$369,500	75.9%		\$686,750	76.7%		\$1,408,500	77.7%
Expenses																
Note																
4	Salaries & wages [1]		\$72,400	34.8%		\$108,480	36.9%		\$178,080	36.6%		\$189,000	21.1%		\$210,320	11.6%
5	Payroll expenses [2]		\$14,560	7.0%		\$14,924	5.1%		\$16,744	3.4%		\$18,655	2.1%		\$22,386	1.2%
6	Supplies (office & operating) [3]		\$1,500	0.7%		\$1,545	0.5%		\$1,591	0.3%		\$1,639	0.2%		\$1,688	0.1%
7	Repairs and maintenance [4]		\$500	0.2%		\$515	0.2%		\$530	0.1%		\$546	0.1%		\$563	0.0%
8	Marketing / Advertising		\$20,000	9.6%		\$20,000	6.8%		\$15,000	3.1%		\$15,000	1.7%		\$20,000	1.1%
9	Accounting and legal		\$11,800	5.7%		\$11,800	4.0%		\$12,154	2.6%		\$12,519	1.4%		\$12,895	0.7%
10	Technology [5]		\$4,800	2.3%		\$4,800	1.6%		\$4,800	1.0%		\$4,800	0.5%		\$4,800	0.3%
11	Telephone [6]		\$3,600	1.7%		\$3,600	1.2%		\$4,500	0.9%		\$5,400	0.6%		\$7,200	0.4%
12	Utilities and vehicle fuel [7]			0.0%			0.0%			0.0%			0.0%			0.0%
13	Insurance (property & liability)		\$720	0.3%		\$742	0.3%		\$764	0.2%		\$787	0.1%		\$810	0.0%
14	Rent		\$10,200	4.9%		\$10,200	3.5%		\$10,200	2.1%		\$10,200	1.1%		\$10,200	0.6%
15	Miscellaneous [8]		\$1,000	0.5%		\$1,000	0.3%		\$1,000	0.2%		\$1,000	0.1%		\$1,000	0.1%
16	Total Expenses		\$141,080	67.8%		\$177,606	60.4%		\$245,364	50.4%		\$259,546	29.0%		\$291,862	16.1%
17	EBITD - Earnings Before Interest, Taxes, & Depreciation		\$16,920	8.1%		\$45,569	15.5%		\$124,136	25.5%		\$427,204	47.7%		\$1,116,638	61.6%
18	Mortgage Interest		\$0	0.0%		\$0	0.0%		\$0	0.0%		\$0	0.0%		\$0	0.0%
19	Depreciation on Buildings (20 years)		\$0	0.0%		\$0	0.0%		\$0	0.0%		\$0	0.0%		\$0	0.0%
20	Depreciation on Equipment (5 years)		\$1,160	0.6%		\$1,160	0.4%		\$1,160	0.2%		\$1,160	0.1%		\$1,160	0.1%
21	Profit Before Taxes		\$15,760	7.6%		\$44,409	15.1%		\$122,976	25.3%		\$426,044	47.6%		\$1,115,478	61.6%
22	Taxes @ 35%		\$5,516			\$15,543			\$43,042			\$149,115			\$390,417	
23	Net profit after taxes		\$10,244	4.9%		\$28,866	9.8%		\$79,935	16.4%		\$276,929	30.9%		\$725,061	40.0%

Projected Cash Flow

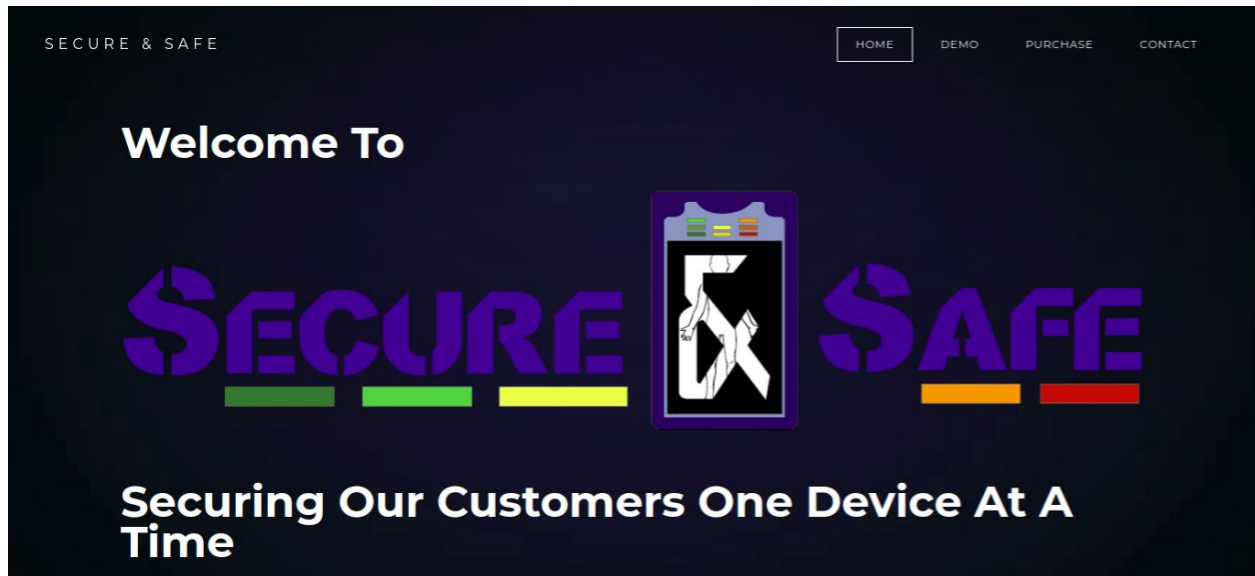
Five-Year Projected Cash Flow		Secure and Safe				
Line		2020	2021	2022	2023	2024
2	CASH ON HAND - Beginning of year		\$15,404	\$45,430	\$126,525	\$404,613
3	Cash from venture capitalists [1]	\$210,000				
4	Less (startup expenses - mortgage) [2]	\$206,000				
5	Cash on hand after startup expenses	\$4,000				
	CASH RECEIPTS					
6	Sales [3]	\$208,000	\$294,000	\$487,000	\$895,000	\$1,812,000
7	Total Cash Available	\$212,000	\$309,404	\$532,430	\$1,021,525	\$2,216,613
	CASH PAID OUT [4]					
8	Direct costs (Material, Labor, & Other)	\$50,000	\$70,825	\$117,500	\$208,250	\$403,500
9	Salaries & wages	\$72,400	\$108,480	\$178,080	\$189,000	\$210,320
10	Payroll expenses	\$14,560	\$14,924	\$16,744	\$18,655	\$22,386
11	Supplies (office & operating)	\$1,500	\$1,545	\$1,591	\$1,639	\$1,688
12	Repairs and maintenance	\$500	\$515	\$530	\$546	\$563
13	Marketing / Advertising	\$20,000	\$20,000	\$15,000	\$15,000	\$20,000
14	Accounting and legal	\$11,800	\$11,800	\$12,154	\$12,519	\$12,895
15	Technology	\$4,800	\$4,800	\$4,800	\$4,800	\$4,800
16	Telephone	\$3,600	\$3,600	\$4,500	\$5,400	\$7,200
17	Utilities and vehicle fuel					
18	Insurance (property & liability)	\$720	\$742	\$764	\$787	\$810
19	Rent	\$10,200	\$10,200	\$10,200	\$10,200	\$10,200
20	Miscellaneous	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
	Mortgage Interest	\$0	\$0	\$0	\$0	\$0
	Mortgage Principal repayment	\$0	\$0	\$0	\$0	\$0
	Taxes	\$5,516	\$15,543	\$43,042	\$149,115	\$390,417
21	Total cash paid out	\$196,596	\$263,974	\$405,905	\$616,911	\$1,085,779
22	Cash remaining at end of year [5]	\$15,404	\$45,430	\$126,525	\$404,613	\$1,130,834

Return on Investment (ROI)

<u>Projected Return on Investment (ROI)</u>					
Secure and Safe					
Year:	2020	2021	2022	2023	2024
EBITD from 5-Year P&L	\$16,920	\$45,569	\$124,136	\$427,204	\$1,116,638
Venture Capital Investment	\$210,000				
Percentage of stock given to Venture Capitalists	25%				
Venture Capitalists' EBITD Return on Investment (ROI)	2.0%	5.4%	14.8%	50.9%	132.9%

Exhibits

Secure & Safe Website



**QinetiQ SPO-NX Millimeter
Wave Camera**



**L3 Safeview Imaging
System**



Garrett Superscanner V