

Financial Infomatics Virgin Islands

BUSINESS PLAN

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EXECUTIVE SUMMARY

In the not too distant future there will be as many people on the internet as populated the world only 20 years ago. The applications of the academic field of informatics are one of the fastest growing segments of internet searches and research. Informatics encompasses the dynamic relationships of human-computer interactions and the forward-looking field of artificial intelligence. Heuristics strategies will be necessary to optimize and control problem solving in human beings and machines

In 2012, Financial Informatics' Virgin Islands ("FIVI") will seek approval to operate as a Protected Cell Company within the University of the Virgin Islands Research and Technology Park. FIVI's goal is to build a significant financial information catalog and biomedical database and develop data mining platforms for the database to be available through the internet. With over 200 million profiled US internet users and up to 2 billion worldwide users the goal of discovering trends related to investments and life sciences has vast possibilities.

FIVI's purpose is data acquisition and the development of predictive models using a comprehensive database to bridge fields of human appeal using genetic and financial algorithms. Every field of science has its own problems and requires efficient algorithms. Algorithmic advances in one field will improve and optimize those of other fields. Financial informatics is defined as the structure and behavior of systems for storing, processing and communicating financial data. Bioinformatics is the use of algorithms, databases, artificial intelligence and data mining for generating innovative knowledge of biology and medicine with the goal of improving and discovering new models of computation of DNA computing especially in researching the nucleotide sequences of DNA.

The FIVI target platform seeks to apply concepts, methodologies, and technologies to biomedical and financial informatics, including public health epidemiology, financial genetic algorithms, computational biology, genomics, proteomics, structural biology, disease modeling, and biomedical engineering. The purpose of DNA and biomedical data mining and graph data is to enhance the ability to access, interpret and utilize information related to biomedical and financial informatics in order to improve health and well being. Measured data provide valuable insight into product usage. It also brings challenges like large data files and it's crucial to make the most of measured data to understand product service, performance, and life.

FIVI will use accurate standard software architecture optimized for large data sets. The raw data will be separated from the metadata, increasing searching speed. There will be built-in automated analysis ensuring standard reports are readily available and we will use a security model that makes sure only the right people have access to the approved

data and information. Users can even configure the on-line analysis routines - and build powerful queries and reports.

- the right data, report or analysis
- to the right user
- at the right time.

FIVI's platform will be based on databases and information to be kept on servers located in the U.S. Virgin Islands, specifically St. Thomas. Corporate enterprises have discovered that data mining is a valuable mechanism in analyzing customer, operational and transactional data that they have collected and stored for many years for billing and auditing purposes which provides them with a mechanism that simulates the ability for larger enterprises to 'know your customers'. FIVI will deploy this mechanism to the human being creating a means for individuals to 'know your DNA'. The development of data mining methods is very sensitive and FIVI will adhere to privacy preservation and non-perfect matches. FIVI's strategy will be developed in consultation with leading privacy advocates and privacy professionals as part of its business process.

FIVI will be 100 percent capitalized by its Founder. Initial investment will be approximately \$650,000 in cash and equipment. Funds will be used for a build-out of office space, development of a secure server as well as other plant and equipment and start up costs.

FIVI 3 YEAR REVENUE PROJECTION

(Thousands)	Year 1	Year 2	Year 3
GROSS REVENUES	3000	3,600	4,500
OPERATING INCOME	971	1477	2307
STARTUP AND CAPEX	500	-	-
NET PROFIT	471	1477	2307

FIVI's founder, Mr. Jeffrey Epstein, is universally renowned for his complex mathematics skills and is an experienced entrepreneur who has built several highly profitable companies. He has successfully transferred these abilities to the world of high finance, having been one of the pioneers of derivative and option based investing. He looks now to shift his focus to the dynamic discipline of biomedical analysis. His relationships in the upper echelon of research and academia and advanced knowledge of both science and mathematics will enable FIVI to thrive in this technology-based environment.

MANAGEMENT AND ORGANIZATION

The Company will be managed by its Founder and Chief Executive Officer, Mr. Jeffrey Epstein. Mr. Epstein was born, raised and educated in New York City. He began his career teaching calculus and physics at the high school level and transitioned to his lucrative business career in 1976 at Bear Stearns & Company. He later founded his own financial consulting firm in 1981, which he brought to the Virgin Islands in 1999 when he opened Financial Trust Company, Inc. ("FTC"). FTC is a successful Virgin Islands Economic Development Commission Beneficiary and was recently approved for an extension of benefits by the EDC.

Mr. Epstein is a financial supporter of the sciences and through his three foundations: Epstein Interests, the J. Epstein Virgin Islands Foundation, Inc. and The C.O.U.Q. Foundation. His foundations have provided significant support to Harvard University's Program for Evolutionary Dynamics, which uses mathematics to study such subjects as evolutionary biology, viruses, and cancer. They have also funded, in part, the Institute for Advanced Study at Princeton University. The J. Epstein Virgin Islands Foundation has wholly sponsored and participated in scientific symposiums held in the U.S. Virgin Islands. Mr. Epstein and his foundations have also supported the research of Nobel laureates at postdoctoral and graduate levels. Additionally, Mr. Epstein's philanthropy has provided substantial support to individual scientists; including cognitive psychologists and scientists such as Marvin Minsky and Stephen Kosslyn, and Howard Gardner a theoretical biologist.

Mr. Epstein continues to passionately believe in the importance of academic research and continues to be an integral part in providing significant opportunities for scientific and technological explorations through his philanthropy. In his quest to bridge his support of the sciences, his pursuit of new frontiers and his financial acumen he became aware of the RT Park. Mr. Epstein believes that there would be perfect synergy between the RT Park/UVI model and FIVI's technology and science based venture.

FIVI management will include a team of professionals as follows: Chief Operating Officer, Chief Financial Officer, Director of Technology Integration, Chief Technology Officer, Network Engineer, Bioinformatics Analyst, Database Engineer, Accountant, and two administrative support staff.

Offices will be located within the University of the Virgin Islands Research and Development Park.

Chief Executive Officer

The primary skills for the person in this position are business development experience and an educational background in economics, business administration and accounting. Specific responsibilities will include: overall leadership of the company, revenue generation, profitability and growth as well as overseeing the operations to ensure production efficiency, quality service, and cost-effective management of resources. The CEO will also direct the planning and policy-making committees.

Chief Scientific Officer

The person in this position should have a Ph.D. in bioinformatics and/or a medical degree with possibly another degree in computer technology or engineering. Primary responsibilities will be as head of research and development and the development and implementation of bioinformatics algorithms, protein and DNA evolution, population genetics, and other areas. This position may have to liaise with governmental agencies and may need to present research updates. They may be responsible for hiring and firing their own staff, and assigning duties directly.

Chief Financial Engineer

The person in this position should have an advanced degree in financial engineering and or quant research. Primarily responsibilities will be develop operating plan and strategic objectives that support the company's Algorithmic team. This person will provides leadership to direct others in solving complex problems and will exercises authority to implement and initiate projects. They will be responsible for introduction of new technology enhancement into the research area and responsible for the scientific and career growth of employees.

Developer/Quantitative Analyst

This person will use quantitative techniques and apply them to statistical arbitrage, algorithmic trading, and electronic market making. This person should have a Pd.D. in physics, engineering, or mathematics and computer programming.

Employee Team

The Applicant cannot be successful in the U.S. Virgin Islands without the support of a qualified staff. A large majority of company employees will have advanced degrees in either computer science or bioinformatics. Skills will include: Bioinformatics, Molecular biology, Biochemistry, Statistics, Mathematics, Software Architecture and Design, Database Management and Human-Computer Interaction. Positions will be considered professional in nature and will be full time, while others may be strictly entry-level employees.

PRODUCTS AND SERVICES

FIVI is a firm which will specialize in the interpretation of biological and financial artificial intelligence and offer market intelligence to companies who operate in the financial, biomedical and pharmaceutical industries.

The primary goal of FIVI is to become a successful competitor in the field of artificial intelligence, specifically concentrated in bio and financial informatics algorithms and technology. Its initial focus will be on data acquisition with the locating and establishing of a wide-ranging, all inclusive biomedical and financial data information bases on servers located in the U.S. Virgin Islands.

- FIVI will retail DNA testing services providing information and tools to individuals to learn about and research their own DNA.
- FIVI will engage in the development of off the shelf bioinformatics software as well as custom-designed bioinformatics algorithms.
- FIVI will engage in the development of genetic and financial algorithms for stock market data mining optimization.
- FIVI will offer database solutions and server solutions.

Informatics studies may be commissioned privately by a single entity which will have exclusive rights to the data collected which will be considered custom research or studies may be published on a non-proprietary basis and sold to multiple companies which will be published research.

FIVI's customers will range from individuals seeking information about their own DNA, scientists buying desktop software for improving their academic research, health care organizations seeking solutions for optimizing work processes and sustaining a competitive edge in forward-looking scientific environment, to entities seeking investment strategies.

MARKETING PLAN

Geographic Location

FIVI target market will be the continent of Africa. As the Company believes Africa has tremendous revenue opportunity and provides a new frontier for data mining. Africa is the world's second largest and second most populous continent, after Asia. At about 11.7 million square miles, it covers six percent of the Earth's total surface area and twenty percent of the total land area. With 1.0 billion people (as of 2009) in 61 territories, it accounts for about fifteen percent of the world's human population. The continent has 56 sovereign states. The expected economic growth rate of Africa was approximately 5.5% in 2011.

Market Penetration

FIVI plans to penetrate the market through traditional marketing, such as a direct sales force, telemarketing and commercial advertising and promotion. In addition FIVI plans to maximize its business through social media marketing. The Company believes in the power of social and mobile marketing and intends to penetrate the market with various social media weapons such as Face book and Twitter.

Competition Profile

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FINANCIAL PLAN

	Year 1	Year 2	Year 3	Year 4	Year 5
REVENUES:					
Sales income	\$ 3,000,000	\$ 3,600,000	\$ 4,500,000	\$ 5,630,000	\$ 7,030,000
TOTAL REVENUES	\$ 3,000,000	\$ 3,600,000	\$ 4,500,000	\$ 5,630,000	\$ 7,030,000
OPERATING EXPENSES:					
Labor Costs(Full-time Employment)	\$ 1,540,000	\$ 1,620,000	\$ 1,700,000	\$ 1,790,000	\$ 1,880,000
TOTAL LABOR COSTS	\$ 1,540,000	\$ 1,620,000	\$ 1,700,000	\$ 1,790,000	\$ 1,880,000
General and Administrative					
Occupancy costs	\$ 119,000	\$ 124,000	\$ 129,000	\$ 134,000	\$ 139,000
Advertising and Marketing	100,000	104,000	108,000	112,000	117,000
Research and Development	100,000	100,000	75,000	60,000	15,000
Utilities and telecommunications	44,000	46,000	48,000	49,000	51,000
Professional Services	55,000	57,000	59,000	62,000	64,000
Office supplies and postage	26,000	27,000	28,000	29,000	30,000
Dues, Subscriptions and Licenses	7,000	7,000	8,000	8,000	8,000
Insurance	24,000	24,000	24,000	24,000	24,000
Travel	5,000	5,000	5,000	5,000	5,000
Repairs and Maintenance	9,000	9,000	9,000	9,000	9,000
	\$ 489,000	\$ 503,000	\$ 493,000	\$ 492,000	\$ 462,000
TOTAL OPERATING EXPENSES	\$ 2,029,000	\$ 2,123,000	\$ 2,193,000	\$ 2,282,000	\$ 2,342,000
NET PROFIT BEFORE TAXES	\$ 971,000	\$ 1,477,000	\$ 2,307,000	\$ 3,348,000	\$ 4,688,000

Sales, Expense and Income Projections

Sales over the first three years are projected to be \$3,000,000, 3,600,000 and 4,500,000. This represents an annual growth rate of 20 to 25 percent per annum. The Company expects to derive revenue from two sources; financial algorithms and bioinformatics algorithms.

FIVI projects labor expense to increase at an annual rate of 5 percent annual rate and operating expense to increase annually between 0 and 4 percent.

Net income projections are based on the premise that the Company expects its business to scale quickly with attractive margins as a greater part of its expense are fixed based technological labor.

CAPITALIZATION

FIVI will rely on initial equity financing from its Founder. The Company expects its business to scale quickly with attractive margin. Initial investment will be approximately \$500,000 in cash and \$ 150,000 in equipment.