

## APPENDIX 1

### 1. BUSINESS SUMMARY

#### 1.1. Executive Summary

Financial Algorithms, Inc. ("FAI") will establish and conduct a Category IIA "designated service business" as described in Section 703(g)(4) of the Virgin Islands Code. FAI will provide a broad range of investment, economic, financial, scientific and management consulting and advisory services to clients including but not limited to private clients and governments located in Africa, the Middle East and Asia. These services will be to assist with technical and investment services as well as infrastructure growth for developing countries.

#### 1.2. Relationship to Financial Trust Company, Inc.

Mr. Epstein is the President and sole shareholder of an existing Economic Development Commission ("EDC") beneficiary, Financial Trust Company, Inc. ("FTC") which is currently operating under an extension certificate which was executed by the Chairman of the EDC Chairman, Albert Bryan on October 3, 2010. The client base of and activities provided by FAI are much different than those of FTC, hence the desire to create a new entity which will meet all of the requirements of the EDC.

### 2. BUSINESS ACTIVITIES AND COMPENSATION

#### 2.1. Services to be Provided by FAI

The services provided by FAI will include, but not necessarily be limited to, the following:

- Investment advice, assistance, and negotiation with asset allocation, acquisition, disposition and diversification;
- Capital planning, forecasting and evaluation, resource allocation, structuring, and execution.

Can we expand upon the services? A more detailed discussion of services contemplated by FAI is discussed below in section 2.4.2.

## 2.2 Compensation for Services

FAI will charge a fee for services based a percentage of the assets for which it provides services and/or upon a percentage of the transaction price for transactions undertaken in connection with provided services. Title 29 Section 713b(a) of the Virgin Islands Code provides that the income tax liability of a Beneficiary is reduced on a current basis “for income derived from the business or industry of which the certificate is granted.” Therefore, in order for income to be eligible for the EDC benefits, it must be attributable to the business for which the EDC benefits are specifically granted. In addition, as provided in the currently effective rules of the Internal Revenue Code, the income must be also either USVI source income or income that is effectively connected with a USVI trade or business. It is anticipated that all of FAI’s income will be sourced or effectively connected to the USVI and therefore eligible for benefits.

## 2.3. Investment Activities

FAI’s initial focus will be on investments in the following countries in West and Central Africa which each have a common currency that is pegged to the Euro:

- Côte D’Ivoire and Senegal, both of which are governed by the Central Bank of West African State.
- Equatorial Guinea and Gabon, both of which are governed by the Central Bank of Central African State

It is likely that FAI’s activities would expand beyond these four countries if the initial phase of investment are successful.

## 2.4 Focus on Africa, Asia and the Middle East

### 2.4.1. Geography.

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 is surrounded by the Mediterranean Sea to the north, both the Suez Canal and the Red Sea along the Sinai Peninsula to the northeast, the Indian Ocean to

the southeast, and the Atlantic Ocean to the west. The continent has 56 sovereign states. The African expected economic growth rate is at about 5.5% in 2011.

### Côte D'Ivoire

Cote D'Ivoire has had close ties to France since 1960 and an increase in cocoa production for export has made this country one of the most prosperous West African states. However, in December 1999, a first ever military coup overthrew the government. Political turmoil and uncertainty ensued until April of 2011. Presently, several thousand UN troops and several hundred French remain in Cote d'Ivoire to support a peaceful transition process.

Cote d'Ivoire is heavily dependent on agriculture and related activities. Approximately 68% of the population is employed by the agricultural industry. This country is the world's largest producer and exporter of cocoa beans and a large producer and exporter of coffee. Cocoa, oil, and coffee are the country's top export revenue earners however, the country also produces gold.

Since the end of the civil war in 2003, political turmoil has continued to damage the economy, resulting in the loss of foreign investment and slow economic growth. GDP grew by more than 2% in 2008 and increased to 4% per year in 2009-10. Power cuts caused by a turbine failure in early 2010 slowed economic activity.

### Senegal

Senegal remains one of the most stable democracies in Africa. Senegal was ruled by a Socialist Party for 40 years until current President Abdoulaye Wade was elected in 2000 and reelected in February 2007. Senegal has a long history of participating in international peacekeeping and regional mediation.

Senegal is a secular republic with a strong presidency, bicameral legislature, reasonably independent judiciary, and multiple political parties. Senegal is one of the

few African states that have never experienced a coup d'état: power has, in its recent history, transferred peacefully and democratically.

President Wade has advanced a liberal agenda for Senegal, including privatizations and other market-opening measures. He has a strong interest in raising Senegal's regional and international profile. The liberalization of the economy is proceeding at a very slow pace. Senegal continues to play a significant role in regional and international affairs.

The country's key export industries are phosphate mining, fertilizer production, and commercial fishing. The country is also working on iron ore and oil exploration projects.

In 2010, the people of Senegal protested against frequent power outages and the government pledged to expand capacity by 2012 and to promote renewable energy. Until Senegal has more capacity economic activity will be hindered. As a member of the West African Economic and Monetary Union (WAEMU), Senegal is working toward greater regional integration and a more stable monetary policy. High unemployment, however, continues to prompt illegal migrants to flee Senegal in search of better job opportunities in Europe.

### Equatorial Guinea

Spanish, French, and Portuguese are the official languages, though use of Spanish predominates. The Roman Catholic Church has greatly influenced both religion and education and there are also a growing number of foreigners from neighboring Cameroon, Nigeria, and Gabon.

Equatorial Guinea's 1991 constitution was amended in 1995. The president has extensive powers, including naming and dismissing cabinet members and judges, making laws by decree, dissolving the Chamber of People's Representatives, negotiating and ratifying treaties, and calling legislative elections. The president is commander in chief of the armed forces and maintains close supervision of military activity. The Chamber of People's Representatives is comprised of 100 members elected by direct vote for 5-year terms. In practice, the Chamber has not demonstrated independence, and it rarely acts without presidential approval or direction. The other official branch of the government is the State Council. The State Council's main function is to serve as caretaker in case of death or physical incapacity of the president.

Equatorial Guinea gained independence in 1968 after 190 years of Spanish rule. The country is relatively small and composed of a mainland plus five inhabited islands. It is one of the smallest nations in the African continent.

President Teodoro Obiang Nguema Mbasogo has ruled the country since 1979 when he seized power in a coup. The president exerts almost total control over the political system and has discouraged political opposition. Equatorial Guinea has experienced rapid economic growth due to the discovery of large offshore oil reserves, and in the last decade has become Sub-Saharan Africa's third largest oil exporter. Despite the country's economic windfall from oil production resulting in a massive increase in government revenue in recent years, improvements in the population's living standards have been slow to develop.

The discovery of large oil and gas reserves have contributed to dramatic economic growth however fluctuating oil prices have produced huge swings in GDP growth in recent years. Subsistence farming is the dominate form of livelihood. There are undeveloped natural resources including gold, zinc, diamonds, and other base metals. Growth has remained strong in 2008, when oil production peaked, but slowed in 2009-10, as the price of oil and the production level fell.

## Gabon

Until recently, only two autocratic presidents had ruled Gabon since its independence from France in 1960. The recent president of Gabon, El Hadj Omar Bongo Ondimba - one of the longest-serving heads of state in the world - had dominated the country's political scene for four decades. President Bongo introduced a nominal multiparty system and a new constitution in the early 1990s. President Bongo died in June 2009 and new elections in August 2009 brought Ali Ben Bongo, son of the former president, to power. Despite political conditions, a small population, abundant natural resources, and considerable foreign support have helped make Gabon one of the more prosperous and stable African countries. In January 2010, Gabon assumed a nonpermanent seat on the UN Security Council for the 2010-11 terms.

Gabon enjoys a per capita income four times that of most sub-Saharan African nations. High income inequality has led to a large part of the population remaining poor. Oil was discovered in the early 1970s and it now accounts for more than 50% of GDP. Gabon continues to face fluctuating prices for its oil, timber, and manganese exports and the global recession led to a GDP contraction.

Gabon is one of the least densely inhabited countries in Africa, with a population that is estimated at 1,545,255. Almost all Gabonese are of Bantu origin. Gabon has at least 40 ethnic groups, with separate languages and cultures. The largest ethnicity is the Fang (about 30%). More than 10,000 native French live in Gabon, including an estimated 2,000 dual nationals. France dominates foreign cultural and commercial influences.

#### 2.4.2. Economic Outlook and Opportunity.

Each of the targeted countries exhibit important growth potential of more than 4% per annum, they have sustainable debt and political stability. In addition, they have a duly established legal framework for business which bolsters their potential for major investment programs. The African continent offers the best growth potential for the next 50 years. Most African countries have carried out structural reforms including significant debt restructuring and are now stimulating the development of their own economies. The fast developing economies of emerging countries are economically and culturally well positioned to contribute to unleashing the growth potential of the African continent.

Currently, commercial banking in West and Central Africa is dominated by foreign controlled institutions mainly involved in low complexity transactions (such as trade finance, Letters of Credit). Commercial banks react fairly slowly and the decision centre is usually geographically far away from countries of presence. In a number of "friendly" African countries (such as Senegal, Côte d'Ivoire, Gabon, Equatorial Guinea, Angola), there is a demand for improved corporate banking services with low decision time and understanding of complex, structured transactions. In addition, there is growing demand from both the Governments and the private sector for structured financings in sectors such as electricity, infrastructure development and real estate.

Structured transactions offer better security and higher up-front fees. Historically, one of the problems of these transactions is that traditional commercial banks take a long time to make investment decisions. There is room for a financial institution to bridge and underwrite these transactions. In addition to securing comfortable up-front fees of 20%+

and a generous interest rate of 7-9% per annum, a financial institution will also receive deposits / cash flows from the concerned companies or projects.

Targeted sectors for FAI include the following:

**Financial Institutions**

- Commercial banking
- Community banking
- Micro finance
- Insurance
- Stock exchange

**Oil & Gas**

- E&P
- Downstream

**Infrastructures**

- Toll roads
- Dry ports
- Airports
- Airline
- Airline services
- Sea ports

**Electricity**

- Generation
- Transportation
- Distribution
- Industrial
- Building material

**Mining**

**Real estate**

### 3. OWNERSHIP OF FAI

FAI will be wholly owned and managed by Mr. Jeffrey Epstein. Mr. Epstein started his business career in 1976 at Bear Stearns & Company, where over a very short period of time he became then the youngest partner in the firm's history. He subsequently started his own financial consulting firm in 1981, which he eventually brought to the Virgin Islands in 1999, when he opened Financial Trust Company, Inc. Mr. Epstein has been successfully providing these type of services to business for over 30 years. He draws upon any combinations of resources to best serve clients needs. He develops and maintains sophisticated expertise in all areas of business available to the market at any given time.

### 4. EMPLOYEE TEAM

FAI cannot be successful in the U.S. Virgin Islands without the support of a qualified staff. Therefore, FAI intends to hire multiple personnel to support its business plan. These positions will span a range of disciplines from legal, administration, analysts, to technology. Some positions will be considered professional in nature and be full time while others may be strictly entry-level employees.

## 5. FINANCIAL PLAN

A detailed financial analysis of FAI's expected profits and losses over the next five (5) years in the U.S. Virgin Islands has been included as Appendix 37 of the Application.

## 6. CORPORATE SOCIAL RESPONSIBILITY

In addition to its contribution of \$3,000 per year to the Territorial Scholarship Fund, FAI is committed to donating \$50,000 per annum to local charitable causes.

## **APPENDIX 3 – 20**

These can be completed once we have determined structure.

## APPENDIX 21

### JOB TITLES & SALARIES

#### President/CEO

##### Duties and Responsibilities

- Provide leadership to the company.
- Develop a strategic plan to advance the company's mission and objectives and to promote revenue, profitability, and growth as an organization.
- Oversee company operations to insure production efficiency, quality, service, and cost-effective management of resources.
- Plan, develop, and implement strategies for generating resources and/or revenues for the company.
- Approve company operational procedures, policies, and standards.
- Review activity reports and financial statements to determine progress and status in attaining objectives and revise objectives and plans in accordance with current conditions.
- Direct company planning and policy-making committees.

**Salary:** \$500,000

#### Chief Operating Officer

##### Duties and Responsibilities

- Responsible for the organization and coordination of office operations, procedures and resources to facilitate organizational effectiveness and efficiency.
- Allocation of resources to enable task performance.
- Coordinate office staff activities to ensure maximum efficiency.
- Recruit, select, evaluate and manage office staff and staff performance.
- Organize orientation and training of new staff members.
- Coach and discipline office staff.
- Design and implement filing systems.
- Ensure filing systems are maintained and current.
- Establish procedures for record keeping and monitor record keeping.
- Ensure security and confidentiality of data.
- Design and implement office policies and procedures.
- Ensure office policies and procedures are being adhered to.
- Analyze and monitor internal processes.
- Implement procedural and policy changes to improve operational efficiency.

- Review and approve office supply acquisitions.
- Maintain a safe and secure working environment.
- Manage internal staff relations.

### **Qualifications**

- A Bachelor's degree in business administration or equivalent.
- Knowledge of accounting, data and administrative management practices and procedures.
- Knowledge of clerical practices and procedures.
- Knowledge of human resources management practices and procedures.
- Knowledge of business and management principles.
- Computer skills and knowledge of office software packages.
- Strong personnel management background.
- Excellent communication skills.
- Problem analysis and assessment and judgment and problem solving.
- Decision making, planning and organizing.
- Work and time management and delegation of authority and responsibility.
- Attention to detail and high level of accuracy.
- Teamwork and collaboration.

**Salary:** \$200,000

## **Chief Financial Officer**

### Duties and Responsibilities

- Preparing financial reports, budgets, cost reports and financial forecasts on a regular basis.
- Overseeing the accounting staff.
- Ensuring that the financial records are accurate.
- Ensuring that every expense is properly documented.
- Ensuring that the books of accounts are compiled at the end of every month.
- Ensuring that the books of accounts are compiled at the end of every financial year.
- Ensuring that there is fiscal responsibility within the firm's operations.
- Ensuring that the decision makers in the firm understand the financial implications of the missions they set for the firm in a specific period.
- Approve finances to be used in specific projects by the firm based on estimates made by the accounting department.
- Responsible for the budgetary control in the firm.
- Correspond with the senior management regarding any financial decisions that are made.

## **Qualifications**

- A deep understanding of accounting principles.
- A CPA license or experience in public accounting or MBA is desirable.
- Microsoft Access and Spreadsheet knowledge is desirable.
- A degree in Financial Accounting and Management.
- Experience with Quick Books .
- Knowledge of word processing, email and presentation software, specifically the Microsoft suite of tools.
- Knowledge of spreadsheet software, specifically the Microsoft suite of tools.
- Experience with project management principles and tools.
- Proficient in use of financial, budgeting and accounting software, specifically Microsoft Office suite of tools.
- Proficient in the use of the internet.
- Strong communication and interpersonal skills.
- Strong organizational and time management skills.

**Salary:** \$185,000

## **Accountant/Bookkeeper**

### **Duties and Responsibilities**

- Responsible for managing operational data and ensuring data integrity and accuracy.
- Responsible for managing system hardware and software applications.
- Development of operational procedures and documentation of data flow.
- Development of system controls to ensure data integrity.
- Point person for troubleshooting system issues.
- Liaison with point-of-sale, accounting software, and other system vendors and consultants.
- Serve as project manager for any system implementation or upgrades.
- Assist the Controller in producing accurate and timely financial statements.
- Assist in the month end closing and financial reporting process including account analysis and reconciliation.
- Assist in special projects as necessary.

### **Qualifications**

- B.S. degree in Accounting preferred (not required).
- Two to four years of experience in public/private accounting preferred.
- Experience with Quick Books.
- Knowledge of word processing, email and presentation software, specifically

the Microsoft suite of tools.

- Knowledge of spreadsheet software, specifically the Microsoft suite of tools.
- Experience with project management principles and tools.
- Proficient in use of financial, budgeting and accounting software, specifically Microsoft Office suite of tools.
- Proficient in the use of the internet.
- Strong communication and interpersonal skills.

**Salary:** \$55,000

## **Attorney**

### **Duties and Responsibilities**

- Advise Company concerning business transactions, claim liability, advisability of prosecuting or defending lawsuits, or legal rights and obligations.
- Interpret laws, rulings and regulations for Company.
- Analyze the probable outcomes of cases, using knowledge of legal precedents.
- Evaluate findings and develop strategies and arguments in preparation for presentation of cases.
- Represent Company before government agencies.
- Study Constitution, statutes, decisions, regulations, and ordinances of quasi-judicial bodies to determine ramifications for projects.
- Prepare and draft legal documents, such as deeds, patent applications, mortgages, leases, and contracts.
- Confer with colleagues with specialties in appropriate areas of legal issue to establish and verify bases for legal proceedings.
- Perform administrative and management functions.☰

**Salary:** \$160,000

## **Natural Resources Analyst**

### **Duties and Responsibilities**

- Knowledge, skill and experience converting data stored in different formats to a geo data base format.
- Knowledge, skill and experience building and editing route systems, and populating and editing large data sets.

- Knowledge, skill and experience using geo data base rules to maintain data integrity.
- Knowledge, skill and experience creating metadata to document datasets.
- Knowledge, skill and experience in compiling and producing high quality maps.
- Knowledge, skill and experience in data collection, update and portrayal, including scanning, digitizing, conversion, migration, compression image processing, plotting, editing, maintenance, metadata and distribution of geospatial data. Experience with standard geospatial datasets such as DOQs, DEMs, DRGs, etc.
- Ability to communicate orally and in writing with personnel and clients.
- Knowledge, skill and experience using various associated software products such as ERDAS Imagine, Mr. Sid, Adobe Photoshop and Acrobat, Dreamweaver, Microsoft Excel and Access, etc.

### **Qualifications**

- Bachelor's degree required in Forestry, Ecology, Wildlife biology, Soils, Geology, Hydrology, Geography or Earth Science.
- Master's degree from an accredited college or university in GIS is highly desired.
- Basic Arc GIS skills.
- Basic knowledge of Access and Excel.
- Basic level knowledge of GIS technical subject matter.
- 1 year work experience minimum and a relevant university degree.
- Working knowledge of USFS GIS environment is desirable.

**Salary:** \$120,000

## **Deal Analyst**

### **Duties and Responsibilities**

- Perform custom analysis related to deals.
- Conduct margin and sensitivity analysis on deals.
- Conduct scenario analysis for renewals.
- Manage the pricing and margin tools.
- Manage deal review pipeline.
- Perform supporting analysis for solution modules.
- Publish KPI reports for the deal desk.

### **Qualifications**

- Bachelors or Masters degree, MBA preferred.
- Analytical thinker and problem solver.

- Experience managing projects and providing leadership to develop internal agreements.
- Ability to work under pressure and multi-task across projects.
- Excellent communication and presentation skills.
- Hands-on self-starter.
- Excellent in MS Office and financial modeling.

Previous experience structuring large deals.

**Salary:** \$120,000

## **IT Manager**

### **Duties and Responsibilities**

- Assist in the planning and implementation of additions, deletions and major modifications to the supporting infrastructure.
- Implement network security.
- Oversee the administration and maintenance of the Applicant's infrastructure
- Oversee the administration of the Applicant's WAN.
- Manage and develop upgrades to the Applicant's telephone system.
- Oversee all telephone changes, including routing for seating assignments.
- Oversee the administration and maintenance of computer stations and software for Applicant training programs.
- Oversee troubleshooting, systems backups, archiving, and disaster recovery.
- Work with project teams to help implement Internal Systems.
- Oversee the administration and maintenance of tracking software.
- Interact on all levels to help resolve IT-related issues and provide answers in a timely manner.
- Build and maintain vendor relationships and manage the purchase of hardware and software products.
- Manage the purchase all software, hardware and other IT supplies.
- Ensure that Applicant's assets are maintained responsibly.
- Initiate and implement improvements in all areas of IT responsibility.
- Serve as main point of contact on all IT-related matters.
- Respond/act on upper-management direction.
- Identify and provide standards for gathering information for use in trend analysis and report information to management.

### **Qualifications**

- A bachelor's degree in computer science, information science, or management information systems (MIS).

- A graduate degree preferred especially an MBA with technology as a core component.
- Also graduate courses in finance, marketing, accounting, and management, as well as database management, electronic business, and systems management and design.
- Demonstrate an understanding of the specific software or technology used on the job.
- Needs a thorough understanding of business practices.
- At least five years of work experience in this field along with a background in business management and consulting.

**Salary:** \$90,000

## **Administrative Assistant**

### **Duties and Responsibilities**

- Oversee all aspects of general office coordination.
- Maintain office calendar to coordinate work flow and meetings.
- Maintain confidentiality in all aspects of client, staff and agency information
- Interact with clients, vendors and visitors.
- Answer telephones and transfer to appropriate staff member.
- Open, sort and distribute incoming correspondence, including faxes and email.
- Sign for and distribute UPS/FedEx or similarly delivered packages.
- Prepare responses to correspondence containing routine inquiries.
- Perform general clerical duties to include, but not limited to, bookkeeping, copying, faxing, mailing and filing.
- File and retrieve organizational documents, records and reports.
- Coordinate and direct housekeeping services.
- Create and modify documents such as invoices, reports, memos, letters and financial statements using word processing, spreadsheet, database and/or other presentation software such as Microsoft Office, QuickBooks or other programs.
- Set up and coordinate meetings and conferences.
- Make travel arrangements for staff.
- Collect and maintain inventory of office equipment and supplies.
- Arrange for the repair and maintenance of office equipment.
- Support staff in assigned project-based work.

### **Qualifications**

- Must be computer literate with good writing, analytical and problem-solving skills
- Knowledge of principles and practices of organization, planning, records management and general administration.
- Ability to communicate effectively.

- Ability to operate standard office equipment, including but not limited to, computers, telephone systems, typewriters, calculators, copiers and facsimile machines.
- Ability to follow oral and written instructions.
- At least three (3) years experience in general office responsibilities and procedures.
- Knowledge of the basic principles and practices of bookkeeping.

**Salary: \$40,000**

## **Receptionist**

### **Duties and Responsibilities**

- Attend to visitors and deal with inquiries on the phone and face to face.
- Supply information regarding the Applicant to the general public, clients and customers.
- Answer telephone, screen and direct calls.
- Take and relay messages.
- Provide information to callers.
- Greet persons entering organization.
- Ensure knowledge of staff movements in and out of the office.
- Provide general administrative and clerical support.
- Prepare letters and documents.
- Receive and sort mail and deliveries.
- Schedule appointments.
- Maintain appointment diary either manually or electronically.
- Organize meetings.
- Tidy and maintain the reception area.

### **Qualifications**

- High school diploma generally required.
- Knowledge of administrative and clerical procedures and keyboard skills.
- Knowledge of computers and relevant software applications.
- Knowledge of customer service principles and practices.
- Verbal and written communication skills.
- Professional personal presentation, initiative, reliability.
- Customer service oriented.
- Information management.
- Organizing, planning and attention to detail.

**Salary: \$30,000**

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## APPENDIX 24

### EMPLOYEE/OWNER POSITIONS

Mr. Epstein, the sole beneficial owner of the company, shall serve as the President and CEO of the Company.

We need to discuss with Jeffrey as he can really only work for one of the companies.

## APPENDIX 27

### ORGANIZATIONAL CHART

This is an organizational chart of the positions noted in the Job Titles appendix, i.e. who reports to whom, etc.

If you can just let me know how that will work – I can have one of my assistants do the flow charts.

## APPENDIX 28

### EMPLOYEE BENEFIT PLAN

As a full-time or part-time salaried employee regularly scheduled to work 32 or more hours a week, employees will be eligible for paid vacation each calendar year. During the first calendar year if an employee is hired before July 1, they will be eligible for two weeks of vacation. Thereafter, they are eligible for three weeks per year. After five years of service they are eligible for four weeks of vacation.

Vacation time can be taken in weeks, days or half-days, depending on business requirements. Vacation time must be used in the calendar year in which the time is allotted. Generally, vacation carryover is not permitted.

#### *Personal Days*

In addition to paid vacation, FAI will provide personal days that you can use for religious observance or other personal matters. The work schedule determines the number of personal days for which one will be eligible each calendar year.

Full-time employees working either five or four days a week or a salaried part-time employees scheduled to work 32 or more hours a week, will be eligible for two paid personal days each calendar year.

Newly hired employees will be able to take personal days in the fourth month of service. The number of personal days depends on the hire date and work schedule. Those hired on or after July 1, are eligible for personal days in the next calendar year.

#### *Holiday Pay*

As a *full-time* employee regularly scheduled to work Monday through Friday in a business unit that typically closes on holidays, an employee will receive pay for the holidays that occur on the regularly scheduled workdays when the office closes because of the holiday. FAI will observe the following paid holidays:

*New Year's Day (January 1), Martin Luther King Day, President's Day, Good Friday, Children's Carnival Parade Day , Memorial Day Emancipation Day( July 3), Independence Day (July 4), Labor Day, Columbus Day, Veteran's Day (November 11),Thanksgiving Day, Thanksgiving 2<sup>nd</sup> Day, Christmas Day (December 25),Boxing Day (December 26)*

#### *Personal Emergency Days*

FAI recognizes that you may occasionally need time to deal with a sudden personal or family emergency that requires you to be away from work for a day or so. You may need to care for an immediate family member, who is ill, resolve problems with childcare, attend the funeral of a relative other than an immediate family member, or respond to a household emergency.

To help you cope with these situations, FAI provides up to five (5) personal emergency days in a 12-month period. Full time and part-time salaried employees regularly scheduled to work 32 or more hours a week are eligible to request personal emergency days after completing three months of service.

While these situations are often unpredictable, you should give the manager as much notice as possible. Be sure to let the manager know when you expect to come back to work.

### *Death in the Immediate Family*

The death of a friend or acquaintance is difficult. But when a member of your immediate family dies, the emotions can run much deeper and may be compounded by significant responsibilities, such as arranging memorial services.

To help you through this time, FAI provides you one of your regularly scheduled workweeks off. With three or more months of service, a full-time or part-time salaried employee receives regular salary for the week.

Under this policy, an immediate family member includes your spouse or domestic partner, your child or a child for whom you serve in the role of a parent, your parent or someone who served in the role of a parent for you when you were a child, your parent-in-law, your brother or sister, and a relative who is a member of your household.

### *Voting*

FAI gives you time off from work to vote in any territorial election if the polling hours in your district do not permit you to vote before or after work.

Generally, you receive time off if the polls are not open at least four hours before or four hours after your scheduled work hours. If time off is needed, your manager will give you up to two hours in which to vote.

### *Medical Leave*

Under the medical leave policy, you may have the financial protection of full pay for up to 26 weeks.

### *Total Leave Time*

Most employees get sick for only one or two days in any given year. If a serious illness or injury occurs, however, it is good to know that you have the time available. Two factors affect how much time you may be provided. The amount of medical leave time for which you are eligible depends on whether you have been with FAI for at least three months.

The pay received and the total leave-time available are two separate issues. Employees are eligible for the following total leave time each time you are absent for an illness or injury:

If you have less than three months of service, you are eligible for up to eight weeks of medical leave time.

If you are a full-time or part-time salaried employee regularly scheduled to work 32 or more hours a week and have three or more months of service, you are eligible for up to 30 weeks of medical leave time. During this period, you may continue your benefits at the employee rate if you continue making your benefits contributions.

For salaried employees, medical leave consists of two separate parts:

*Fully paid leave* that continues your salary for a number of weeks depending on your length of service.

*Unpaid leave* that extends your leave to the 30-week maximum and is available when fully paid leave is exhausted. During this portion of your medical leave, you may still continue your benefits at the employee rate. Unpaid leave can take you to the beginning of long-term disability.

### *Fully Paid Medical Leave*

The number of fully paid weeks available to salaried employees increases with years of service as shown on the chart.

As in other policies, a *week* refers to your regularly scheduled workweek. For example, if you have been with FAI for one year and are regularly scheduled to work a three-day week, you are eligible for four of your workweeks at full salary. Each day you are absent because of an illness or injury is subtracted from those weeks. So, if you were out ill for four days, you would have used one week and one day. When you return to work, you would have two weeks and two days of fully paid medical leave still available to you for the balance of that 12-month period.

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<u>Service</u>	<u>Weeks Fully Paid Within 12-Month Period</u>
Less than 3 months	None
3 months but less than 1 year	2 weeks
1 year but less than 2 years	4 weeks
2 years but less than 3 years	6 weeks
3 years but less than 4 years	8 weeks
4 years but less than 5 years	10 weeks
5 years but less than 6 years	12 weeks
6 years but less than 7 years	14 weeks
7 years but less than 8 years	16 weeks
8 years but less than 9 years	18 weeks
9 years but less than 10 years	20 weeks
10 or more years	26 weeks

### *Unpaid Medical Leave*

When all fully paid medical leave is exhausted, salaried employees who have three or more months of service are provided further time off as unpaid medical leave. The purpose of unpaid medical leave is to provide a full 30 weeks of leave time when needed. You may continue your elected benefits coverage at the employee rate provided you continue to make the necessary contributions.

Unpaid medical leave also provides additional time so that employees covered under a long-term disability (LTD) plan may apply for benefits. If you are not an LTD participant or if you fail to apply or qualify for LTD benefits, termination occurs following this portion of the medical leave.

### *Salary Administration*

At FAI, your salary reflects two primary dimensions:

Your job and its responsibilities along with the value the market places on the skills, knowledge and experience required to perform those responsibilities; and

Your performance – that is, how well you carry out your responsibilities and contribute to the success of the business as a whole.

### *Salary Reviews*

Salary increases recognize your performance in your job and any additional responsibilities you may take on when changing positions.

*A merit increase* is based on your performance and achievements as well as your current salary.

*A promotional increase* may be provided if you are promoted to a higher job. In this situation, the increase depends on your current salary compared to the new salary range for the job you are accepting as well as your knowledge and skills compared to the requirements of the new job.

Although salary reviews are scheduled regularly, they do not lead automatically to salary increases. We typically review salaries once a year, but for some individuals or jobs, the review may be conducted on a different timetable.

### *Overtime Pay*

There may be occasions when you are required to work additional time to help meet challenging business demands. Our overtime policies can reward you for extra efforts. Any overtime you work must be approved in advance by the manager. The manager will try to give you as much advance notice as possible if it is necessary to extend your work time to improve operating efficiency or to meet a deadline.

If you are required to work on a holiday, the manager determines whether you will receive a compensatory day off after the holiday has occurred.

Generally, FAI employees do not receive overtime pay. However, if you are required to work excessive workdays in addition to your regularly scheduled workdays, you may be eligible to receive a compensatory day off. It is up to the manager to decide what is considered excessive workdays. In addition, if you are required to work on a holiday, you may receive a compensatory day off after the holiday has occurred provided you work a minimum of 5 hours on the holiday.

|

**APPENDIX 29**

**PRINCIPAL REVENUE SOURCE**

Cote D'Ivoire

Senegal

Gabon

Equitorial Guinea

**APPENDIX 32 – 33**

**LEASED PREMISES**

FAI is in the process of negotiating for space on the East End of St. Thomas. Upon execution of the lease, all required documentation will be provided to the EDC.

**APPENDIX 34**  
**BANK REFERENCE LETTER**

Need letter for Jeffrey.

**APPENDIX 35**

**FINANCING OF INVESTMENT**

The company will be financed by the sole beneficial owner, Mr. Jeffrey Epstein.

**APPENDIX 37**  
**FIVE YEAR PROJECTION**

**APPENDIX 38**  
**BEGINNING BALANCE SHEET**

**APPENDIX 43**

**TAX RETURNS**

In order to preserve confidentiality of Mr. Epstein's personal tax returns, these will be submitted under separate cover.

## **APPENDIX 47**

### **MANAGEMENT TRAINING PLAN**

An important element of Financial Algorithms, Inc. (the Company) sustainability and success is to develop leadership and management capacity throughout the Company.

The successful development of staff requires that the Company provide a structured training plan which involves management and/or professional development in the area for which the staff is employed such as general management, finance, research, legal accounting and clerical while at the same time the staff is fulfilling a clearly defined role within the Company.

Trainees will be appointed to an established position and over the period of their development program will be expected to undertake all the work for that position. They will receive 'on the job' training and their review process will include the setting of work objectives against which their progress can be monitored. The number of roles identified as being suitable for management trainees, as against other general administrative or technical roles, is expected to be limited.

Recruitment to management trainee roles is open to all. A process will be followed to identify and appoint those individuals who display the attributes and competencies required to achieve their expected potential through the acquisition of a core set of transferable skills and professional competencies.

The attributes and competencies for management training are as follows:

- A high degree of initiative, resourcefulness, flexibility and a self-motivating approach to achieve both business objectives and personal success in order to succeed as a senior manager.
- Conceptual and innovative thinking which informs an analytical approach to complex problems and comprehension of practical options and solutions.
- The ability to communicate clearly and effectively through oral and presentational skills as well as excellent writing skills.
- Potential to develop a successful career as a professional or manager and leader.
- The ability to acquire the requisite professional and technical skills to succeed as a manager.
- Takes personal responsibility for own development and has a commitment to study towards further academic and or professional qualifications.
- Motivates and encourages others to achieve targets and works towards common goals
- Good team working skills and the ability to work effectively with staff.

The normal expectation is that individuals chosen for management trainee roles will have a first degree, which provides a platform to demonstrate their intellectual ability and the potential to progress as a senior manager, although it is recognized that in some specialist roles other forms of professional qualifications with relevant experience and a successful record of career progression could provide a similar indication. Management trainees will demonstrate progress by actually doing the job and fulfilling these tasks at the same time undertaking their development program.

### ***Identifying Opportunities***

Approval for management trainee positions will be a process through the Office Manager following a submission of a business case. The President will have final approval prior to proceeding with recruitment. This will allow for a consistent approach towards future development and training as well as ensure compliance with employment laws.

The department where the vacancy occurs is responsible for constructing the business case, which should include:

- The role the trainee will be filling in the department
- Why a trainee role is being proposed;
- Demonstrate need to recruit staff with aptitude, potential and desire to progress and succeed - Strengthen team expertise and / or specialist knowledge
- Allows other employees to experience different work through role rotation
- Succession planning;
- Identified need for new managers to progress in these areas given the strategic requirements
- Opportunity arises through restructuring.
- How the trainee's role fits with the Company's objectives.
- An outline of a development plan including examples of typical on the job training.
- Identification of appropriate additional qualifications which the trainee would be required to obtain as part of the development plan.
- Clear objectives and expectations of the position, as well as identifying any immediate tasks and responsibilities.
- Identification of effective supervision and/or management in place to develop the management trainee, in line with the development plan, to meet the expectations required for career progression.

It is expected that those chosen will be encouraged and supported by the Office Manager to attend and participate fully in appropriate development courses, such as those provided by:

- The University of the Virgin Islands
- Courses approved by Financial Industry Regulatory Authority
- Accredited E- Learning Courses and Webinars
- And other professional development bodies. In some cases it may be appropriate for the trainee to undertake further academic or professional qualifications during the period of their training program.

### ***Identifying Employee Training Needs***

Conduct a job task analysis of the employee (or group of employees) for those who are identified as having training needs. In order to provide effective training, it's necessary to know exactly what the expectations are for the job. Some of this information can be gathered by observation and by asking employees to provide with either verbal or written descriptions of what their jobs entail.

Compare employee performance to the job expectations and identify the areas in which there are discrepancies. Identify whether the discrepancy is due to work process issues, such as not knowing how to complete a specific task, or personnel issues, such as not wanting to complete a specific task. Work process issues can be addressed with employee training.

Schedule a meeting with all of the employees involved, asking them to bring with them lists of what they consider to be the top five areas in which they feel more training is needed. Share the lists as well as your own observations.

Prioritize training needs as a group, taking into account that those that have an immediate effect on business performance or employee safety are the most important. Discuss the Company's goals with employees. Knowing the desired outcome can assist employees expressing what they need to know in order to help the Company achieve its goals.

### ***Key Elements of a Management Trainee Development Plan***

Employee Profile - name, position title, office, grade/pay scale

- Career goals – short and long-term goals with estimated and actual completion dates
- Pre-Planning
- Employee/ Supervisor Meetings
- Evaluate Outcomes
- Prepare IDP

- Implement IDP

Development objectives – linked to work mission/ goals/objectives and employee's development needs and objectives

Training and development opportunities – specific formal classroom training, workshops, rotational assignments, shadowing assignments, on-the-job training, self-study programs and professional conferences/seminars that employee will pursue with estimated and actual completion dates

### ***Summary of Training Process***

The objective of the Management Training Program is to develop employees into strong operational and financial managers. The program is designed to ease the transition from the trainee's current position into a new position.

#### ***Month 1:***

Assigned to department where trainee will complete his/her initial training

Introduced Company as a management trainee

Rotate through departments throughout Company to gain an understanding of the complexity of the operation.

#### ***Months 2-7:***

Complete Training Program for assigned department

Train and work as an employee in department

Participate in departmental management meetings

Learn management responsibilities for the department

Complete management projects as assigned by supervisor.

Performance evaluation given at 90 days by supervisor

Assigned a Mentor to assist with career development

Complete at least sixty hours of in class or on-line course work associated with trainee role.

#### ***Months 7-12:***

Transfer to a new department for training

Complete training program for assigned department

Train and work as an employee in department

Participate in departmental management meetings

Learn management responsibilities for the department

Complete management projects as assigned by supervisor.

Complete at least sixty hours of in class or on-line course work associated with trainee role.

### ***Review Process***

Quarterly reviews of progress will be undertaken by the trainee's supervisor, and an annual report will be submitted to the Office Manager for approval. These reviews will focus on the extent to which the trainee is progressing in the role, review progress within the agreed training and development program, and monitor progress towards and achievement of agreed objectives. The period for management trainee roles will be one year.

## APPENDIX 48

### EDUCATIONAL ASSISTANCE

#### **Educational Assistance Policy**

Financial Algorithms provides its employees with an educational assistance program designed to assist employees in their professional development and in advancing their careers by encouraging voluntary academic studies that contribute to improved performance. Recognizing the mutual benefits for the company and its eligible employees, financial assistance is provided to employees for courses, certification programs, continuing profession education (CPE) courses, and examinations requested by management or voluntarily taken by employees interested in furthering their formal education. The courses, programs, and examinations covered under this policy must meet certain criteria established by the company. While successful completion of a course of study improves an employee's educational background, such accomplishment does not obligate the company to reward participants with promotion, transfer, reassignment, compensation increase, or other employment-related benefits.

#### **Employee Eligibility**

Educational assistance is available to full-time employees who meet the company's eligibility requirements.

#### **Maximum Annual Education Benefits**

The maximum assistance to be provided to an eligible employee during a calendar year is \$5000. To be eligible for educational assistance, employees must meet all requirements outlined in this policy. Employees should carefully read through the policy and obtain approval *before* enrolling in or registering for any educational program, examination, certification program, or CPE course.

#### **Participating in this Program**

Tuition reimbursement, employee training and continuing professional education courses will be provided for approved programs related to an employee's job function.

Requests to participate in this program must be made to a supervisor or manager in writing and must include a description of the course to be taken, the name of educational institution providing the course, the cost of the course and a brief description of how the course will assist the employee in better performing his or her job function at least 30 days before course or program registration.

Reimbursement to employees will be made at the time the course is completed and an official grade or transcript from the educational institution or proof of participation in CPE program, as well as receipt showing amount paid, is submitted.

Employees may be required to submit the course grade and related expense receipts for tuition reimbursement. Upon approval, payment will be made directly to the employees, based on the following percentages for grades attained:

Grade A- [or equivalent] or above = 100% tuition reimbursement

Grade B- [or equivalent] or above = 75% tuition reimbursement

Grade C- [or equivalent] or above = 50% tuition reimbursement

Grade D+ [or equivalent] or below = 0% tuition reimbursement.

The company reserves the right to receive a copy of the grade report. Reimbursements under this program are for tuition payments and the cost of books or training manuals only. Supplies, enrollment fees or other charges will not be reimbursed.

The maximum reimbursement is \$50.00 per credit.

The colleges and universities approved by the educational plan at the present moment are the following: The University of the Virgin Islands and correspondence courses accredited by the Middle States Association.

- Reimbursement will be subjected to the following conditions:
- Applies only to studies geared to obtain a bachelor's degree.
- The employee must have completed a year of service with a satisfactory performance of duties and responsibilities.
- The granting of a preliminary approval of the employee's request must be made by the employee's supervisor.

Educational Assistance may not be used by the employees who receive educational benefits offered by the Veteran's Administration or grants from the Territory of Federal government such as the Pell Grant.

Final payment will be made within 30 of receipt of all documentation.

APPENDIX 49 – 52

BACKGROUND INFORMATION

**EAK AND DKI TO RESPOND AS WE DID IN FTC EXTENSION APPLICATION**