



"IT'S EDUCATION... FOR PROFIT. I LIKE THIS INVESTMENT MORE THAN ANY ONE I GOT!"
Jack Welch – former CEO General Electric

Producers Institute of Technology
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Officers:

CEO: Jeffrey Glixman
Dean of Academic Affairs: Michael Reaves
EVP / Industry & Artist Relations: Phillip Ehart
COO: Bert Miuccio
CAO: Liliana Salinas

Vision: Over the next five years The Producers Institute of Technology will become the premier Media Arts Educational Institution in America. Dedicated to the instruction of Audio/Video Production and the related Multi-Media Arts and employing a unique combination of approach, faculty, associates, artist participants, students, truly unique facility, and state-of-the-art technology, PIT graduates enter the workforce as fully prepared Content Producers. Students are taught not only how and why, but are given the opportunity to participate directly in the business of production, and the creation and distribution of original content in an environment that correlates directly to their upcoming workplace.

Business Description: Established colleges that provide training in the field of 'content production' have significant gaps in overall curriculum, leaving graduates inadequately trained for the jobs they seek. There are very few, if any, options for individuals who desire the training necessary to produce content that will meet the needs and standards of the media industry.

The Producers Institute of Technology (PIT) management team is developing a core curriculum of 23 courses focusing on specific technical and artistic disciplines of media production, as well as courses that satisfy the general education and humanities requirements of the Accrediting Commission of Career Schools and Colleges, and for state licensure. The Associates Degree curriculum is uniquely

designed to enable graduates to enter the industry workforce at an entry-level or higher position. Certificate of Completion programs will be offered to those who are seeking specific or advanced training rather than a full Degree.

The Producers Institute will be the first private, for-profit college in which future producers of media are taught a comprehensive production curriculum by professional producers of content. PIT will offer a 12/24-month dual track program of blended learning. Students can take classes on-campus or online, and move seamlessly between the two. Online students are encouraged to participate in on-campus classes, labs, and other events.

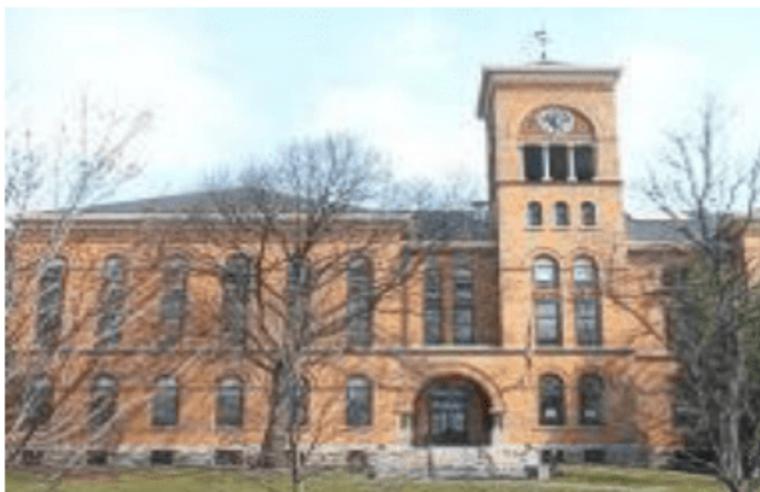
Management & Faculty: Three members of the senior management team are world renowned in distinct fields within the Entertainment Industry: Jeff Glixman – Audio and Video Production/all aspects of Media Studio Operations; Michael Reaves – Education/Audio Engineering; Phil Ehart – Live Performance/Artist Management. Each has extensive experience managing complex organizations and diverse groups of individuals. Reaves joins the PIT Founders following a 14-year stint at Full Sail University where he was deeply involved in the development of their Recording Arts and Online Education programs. Additionally, Glixman, Ehart and Bert Miuccio have been executives responsible for the management, direction, and operation of successful multi-million dollar corporate entities: *Ehart (the world-famous rock band KANSAS), Glixman (Universal Music Group), Miuccio (Center for Internet Security and several other companies).*

The faculty is comprised of working professionals highly accomplished in their fields; they are Grammy-winning and Grammy-nominated engineers, producers, and composers, many with multi-platinum albums to their credit. The business courses are taught by entertainment attorneys, artist managers, and former record label executives with impeccable credentials. In addition, the management team has access to world-renowned guest lecturers, musicians, record industry and talent management leaders who will also provide student instruction.

The following firms and professionals are engaged as business advisors and service providers:

Allen & Bright (Accounting/ Finance);
Judy Tint, Esq. (Legal);
Martin Pilchner – Pilchner Schoustal International (Facility Design);
Arcadia Properties (Facility Developer);
Susan Nash, PhD (On-Line Education Developer);
Joseph DiBenedetto – Lambert, Edwards & Associates (PR & Marketing).

The Campus: The PIT campus in Easton, Pennsylvania is just a few blocks from Lafayette University, approximately 75 minutes from New York City and Philadelphia, and within a one-day drive from about 50% of the U.S. population. The facility is a unique structure housing state-of-the art production technology, enabling learning in a post-education occupational environment.



Revenue Model: The Associate Degree tuition is competitively positioned approximately ten percent above the midpoint for comparable programs. The tuition for a PIT Associate Degree is \$49,900, and for Certificate of Completion programs is \$9,920. Forecasted revenue is based upon a maximum of 1,530 enrolled students at any given time.

	YEAR1	YEAR2	YEAR3	YEAR4	YEAR5	YEAR6
TOTAL REVENUE		7,810,483	21,836,595	31,374,387	39,113,087	46,654,676
TOTAL EXPENSES	<u>1,997,702</u>	<u>7,003,886</u>	<u>11,138,200</u>	<u>12,592,229</u>	<u>13,027,449</u>	<u>13,720,536</u>
EBITDA	(1,997,702)	806,597	10,698,395	18,782,158	26,085,638	32,934,140

Income statement, cash flow and balance sheet forecasts supporting the following are in the Producers Institute of Technology business plan, which is available upon request. Revenue Sensitivity: If 1,530 students are enrolled at only half the aforementioned tuition price points, PIT remains highly profitable. Alternatively, if student enrollment reaches only half of the projected maximum, PIT remains highly profitable at the aforementioned tuition price points.

External Capital Committed: Approximately \$4 million in external capital is committed to development of PIT for facility acquisition and exterior improvement.

Financing Sought: The management team is currently seeking additional investment of \$11 million (minimum \$0.5 million individual investments; a maximum of 22 total investment units) for working capital, internal facility renovation, and fit-out / interconnectivity for production spaces, sound stages, media labs and classrooms.

\$ 0.5 million (Phase 1 - working capital)

\$10.5 million (Phase 2 – additional working capital + facility and interconnectivity costs)

\$11 million total

Exit Strategy: Recapitalization, IPO or the sale of PIT to another learning organization are potential options if initial investors choose to exit the business. Specific exit plans and timing will be determined by the Board of Directors, which will be comprised of PIT founders and investors.