Archimedes' Offspring

Business Plan as of March 1, 2020

Consisting of:

Archimedes' Offspring Grantor Business Trust
(a Massachusetts business trust);

•

AOS Management LLC
(a Utah limited liability company);

•

The Da Vinci Invention Investment Family
(an unincorporated organization); and

•

The Da Vinci Invention Investment Fund I
(a Delaware corporation)

Rev. 2

Confidentiality Agreement

The undersigned reader acknowledges that the information provided by Archimedes' Offspring in this business plan is confidential; therefore, reader agrees not to disclose it without the express written permission of the R. P. Burrasca, Executive Vice President and Chief Operating Officer of Archimedes' Offspring.

It is acknowledged by reader that information to be furnished in this business plan is in all respects confidential in nature, other than information which is in the public domain through other means and without the fault of the recipient hereof and that any disclosure or use of same by reader, may cause serious harm or damage to Archimedes' Offspring.

Upon request, this document is to be immediately returned to R.P. Burrasca.

____
Signature

____
Name (typed or printed)

____
Date

NO OFFER OF SECURITIES – DISCLOSURE OF INTERESTS

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AT THE PRESENT TIME, INFORMATION ABOUT INVESTING IN FUNDS SPONSORED BY ARCHIMEDES' OFFSPRING IS ONLY AVAILABLE IN THE FORM OF A MEMORANDUM OF TERMS AND OTHER OFFERING DOCUMENTS POSTED ON THE CROWDFUNDER FUNDNG PORTAL AT THE FOLLOWING ADDRESS: HTTPS://WWW.CROWDFUNDER.COM/ARCHIMEDES-OFFSPRING/INVEST. THESE DOCUMENTS CONTAIN INFORMATION TO HELP INVESTORS EVALUATE A FUND'S INVESTMENT OBJECTIVES, RISKS, CHARGES AND EXPENSES, AMONG OTHER FACTORS, BEFORE CONSIDERING AN INVESTMENT. FURTHER INFORMATION ABOUT ARCHIMEDES' OFFSPRING AND THE INVENTION INVESTMENT FUNDS IT HAS CURRENTLY SPONSORED, OR MAY SPONSOR IN THE FUTURE, IS AVAILABLE FROM BOTH THE AFORESAID CROWDFUNDER SITE AS WELL AS FROM THE ARCHIMEDES' OFFSPRING CURRENT WEBSITE, AT THE FOLLOWING ADDRESS: HTTP://WWW.ARCHIMEDESOFFSPRING.COM.

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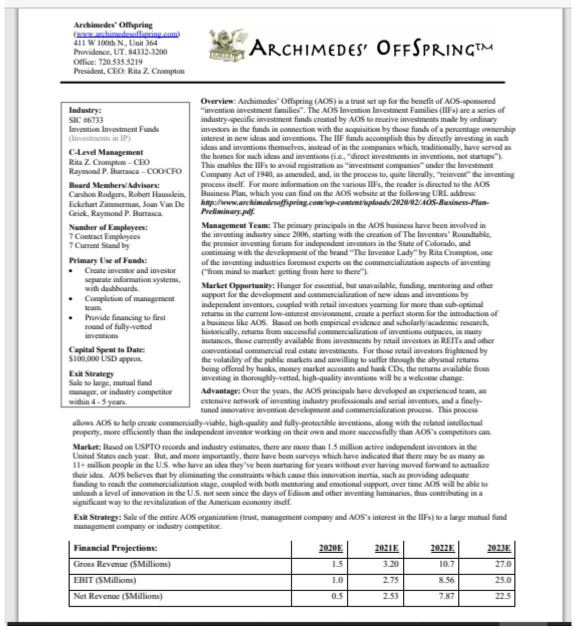


Archimedes' Offspring
(www.archimedesoffspring.com)
411 W 100th N., Unit 364
Providence, UT. 84332-3200
Office: 720.535.5219
President, CEO: Rita Z. Crompton

ARCHIMEDES' OFFSPRING™

Industry:
SIC #6733
Invention Investment Funds
(Investments in IP)

C-Level Management
Rita Z. Crompton – CEO
Raymond P. Burrasca – COO/CFO

Board Members/Advisors:
Carshon Rodgers, Robert Hausslein, Eckehart Zimmerman, Joan Van De Griek, Raymond P. Burrasca.

Number of Employees:
7 Contract Employees
7 Current Stand by

Primary Use of Funds:
- Create inventor and investor separate information systems, with dashboards.
- Completion of management team.
- Provide financing to first round of fully-vetted inventions

Capital Spent to Date:
$100,000 USD approx.

Exit Strategy
Sale to large, mutual fund manager, or industry competitor within 4 - 5 years.

Overview: Archimedes' Offspring (AOS) is a trust set up for the benefit of AOS-sponsored "invention investment families". The AOS Invention Investment Families (IIFs) are a series of industry-specific investment funds created by AOS to receive investments made by ordinary investors in the funds in connection with the acquisition by those funds of a percentage ownership interest in new ideas and inventions. The IIF funds accomplish this by directly investing in such ideas and inventions themselves, instead of in the companies which, traditionally, have served as the homes for such ideas and inventions (i.e., "direct investments in inventions, not startups"). This enables the IIFs to avoid registration as "investment companies" under the Investment Company Act of 1940, as amended, and, in the process to, quite literally, "reinvent" the inventing process itself. For more information on the various IIFs, the reader is directed to the AOS Business Plan, which you can find on the AOS website at the following URL address: ***http://www.archimedesoffspring.com/wp-content/uploads/2020/02/AOS-Business-Plan-Preliminary.pdf.***

Management Team: The primary principals in the AOS business have been involved in the inventing industry since 2006, starting with the creation of The Inventors' Roundtable, the premier inventing forum for independent inventors in the State of Colorado, and continuing with the development of the brand "The Inventor Lady" by Rita Crompton, one of the inventing industries foremost experts on the commercialization aspects of inventing ("from mind to market: getting from here to there").

Market Opportunity: Hunger for essential, but unavailable, funding, mentoring and other support for the development and commercialization of new ideas and inventions by independent inventors, coupled with retail investors yearning for more than sub-optimal returns in the current low-interest environment, create a perfect storm for the introduction of a business like AOS. Based on both empirical evidence and scholarly/academic research, historically, returns from successful commercialization of inventions outpaces, in many instances, those currently available from investments by retail investors in REITs and other conventional commercial real estate investments. For those retail investors frightened by the volatility of the public markets and unwilling to suffer through the abysmal returns being offered by banks, money market accounts and bank CDs, the returns available from investing in thoroughly-vetted, high-quality inventions will be a welcome change.

Advantage: Over the years, the AOS principals have developed an experienced team, an extensive network of inventing industry professionals and serial inventors, and a finely-tuned innovative invention development and commercialization process. This process allows AOS to help create commercially-viable, high-quality and fully-protectible inventions, along with the related intellectual property, more efficiently than the independent inventor working on their own and more successfully than AOS's competitors can.

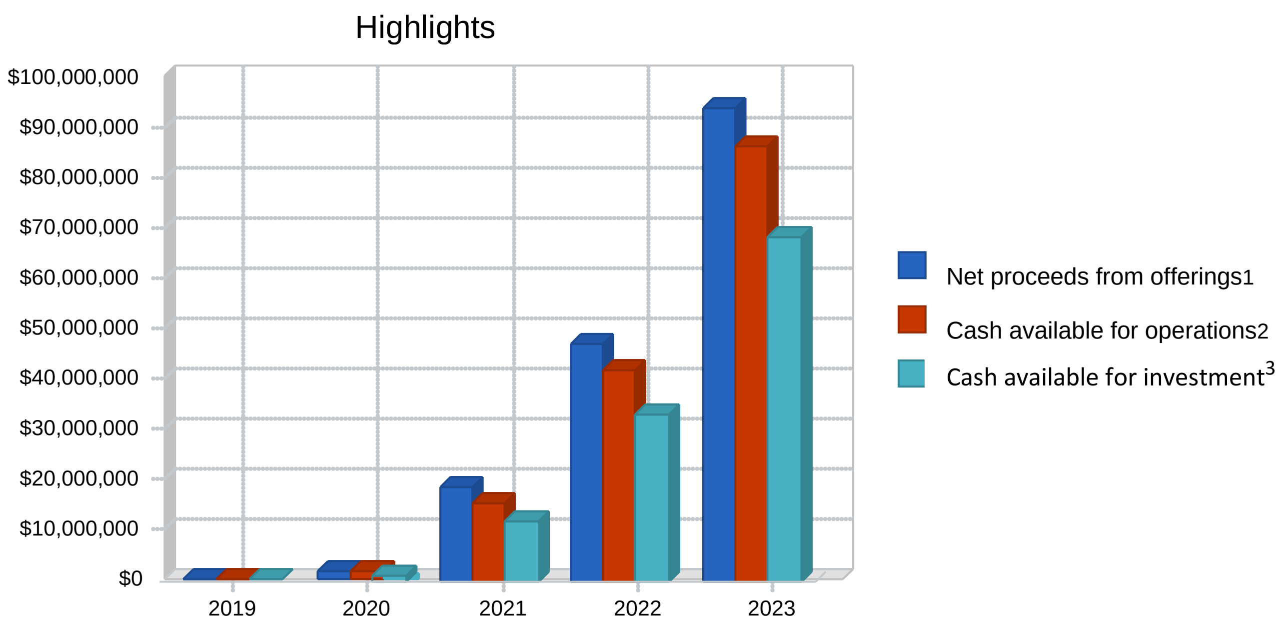
Market: Based on USPTO records and industry estimates, there are more than 1.5 million active independent inventors in the United States each year. But, and more importantly, there have been surveys which have indicated that there may be as many as 11+ million people in the U.S. who have an idea they've been nurturing for years without ever having moved forward to actualize their idea. AOS believes that by eliminating the constraints which cause this innovation inertia, such as providing adequate funding to reach the commercialization stage, coupled with both mentoring and emotional support, over time AOS will be able to unleash a level of innovation in the U.S. not seen since the days of Edison and other inventing luminaries, thus contributing in a significant way to the revitalization of the American economy itself.

Exit Strategy: Sale of the entire AOS organization (trust, management company and AOS's interest in the IIFs) to a large mutual fund management company or industry competitor.

Financial Projections:	2020E	2021E	2022E	2023E
Gross Revenue ($Millions)	1.5	3.20	10.7	27.0
EBIT ($Millions)	1.0	2.75	8.56	25.0
Net Revenue ($Millions)	0.5	2.53	7.87	22.5

Link: https://drive.google.com/open?id=1rUPgLzgOeQOA4i87G_F-2EpLQ8JIEHc8

Chart: Highlights



Footnotes

1 After payment of brokerage and other sales commissions

2 After deduction of additional direct costs of offering, other than brokerage and other commissions

3 After deduction of all overhead and other operating expenses

1.1 Objectives

- Unleash new innovation by unleashing the talent and ideas in a much larger segment of the U.S. population.

- Provide funding and mentoring for independent inventors to encourage unleashing more innovation in the U.S.
- Provide retail investors with an opportunity to play in the innovation field at the earliest possible stage to allow more value to flow to retail investors then is currently permitted by IPOs or the traditional public markets.
- To get ideas from "mind to market" without any detours.

1.2 Mission

To get ideas from mind to market without any detours

1.3 Keys to Success

Keys to Success:

1. Raise money from the retail investor (i.e., the general public, consisting mostly of non-accredited investors), rather than from private equity (i.e., venture capital, leveraged buyout funds, hedge funds, angel groups, etc.)
2. Employ that money in the investment of thoroughly-vetted, high-quality inventions
3. Avoid falling within the definition of an "investment company" as defined by the Investment Company Act of 1940, as amended, but run each Family fund with the same degree of due diligence, fidelity and fiduciary care as companies that are registered under the 1940 Act.
4. Provide management services to the Family funds at well-below market rates and have a single management group that provides management services to all of the various Families' funds in order to reduce overhead and provide an efficient managment method that gets replicated from fund-to-fund-to-fund.
5. Going from mind to market without any detours.

2.0 Company Summary

Who or what is Archimedes' Offspring?
Archimedes' Offspring and the Invention Investment Families
Archimedes' Offspring (AOS) is a trust[1] set up for the benefit of the Invention Investment Families.

What are the Invention Investment Families?
The Invention Investment Families (IIFs) are a series of investment funds created by AOS to receive investments made by ordinary investors in one or more of the IIFs in connection with the acquisition by the IIFs of a percentage ownership interest in new ideas and inventions. The IIFs accomplish this by directly investing in such ideas and inventions themselves, instead of the companies in which those ideas and inventions may be housed (i.e., "direct investments in inventions, not startups"). This enables each IIF to avoid registration as an "investment company" under the Investment Company Act of 1940, as amended, and, in the process to, quite literally, "reinvent" the inventing process itself. For more information on the various IIFs, the reader is directed to the AOS PowerPoint, which you can find on the AOS website at http://www.archimedesoffspring.com.

ARCHIMEDES' OFFSPRING

Because of the new way AOS will shepherd ideas and inventions through the developmental stage to commercialization, AOS is convinced that the returns on such investments will exceed those typically achieved by the average successful independent inventor (which historically has run, on average, at an 11.5% internal rate of return (IRR)), as well as those available, over the longer term, from other alternative investments, such as venture capital, private equity investing and real estate investment trusts.

AOS's targeted goal for such returns is 20% or higher. AOS believes that by applying the new AOS process (coupled with adequate funding), the returns typically realized by successful independent inventors can be nearly doubled.

To find out more about the IFFs, and how you can become an investor, please continue reading to the bottom of this page. In the alternative, you can read the "Investor FAQs" which you can find on the AOS website at

Archimedes at that moment of "illumination"

Introduction

ARCHIMEDES' OFFSPRING

As we are all well aware, the world economy is changing fundamentally at a dizzying pace. Countries like Brazil, Russia, India and China (the so-called "BRIC" Block that we've heard so much about over the past several years) have become potent economic adversaries and, until most recently, have been growing their economies at double digit rates. At the same time, while at present the U.S. economy is excelling, this (temporary) national resurgence is not being evenly shared among the various state economies. In addition, as a mature economy, the U.S. over the past several decades has only experienced modest rates of growth.

Unfortunately, the American way of doing business has been successfully duplicated at this point in each of these accelerated economies; our traditional competitive advantages (i.e., technology superiority, educated workforce, economies of scale, manufacturing efficiency, etc.) are disappearing as foreign economic fortunes improve and educational and employment opportunities increase abroad. The U.S. economy, for the first time in its history, finds itself under siege by a tidal wave of competition that shows no signs of abating.

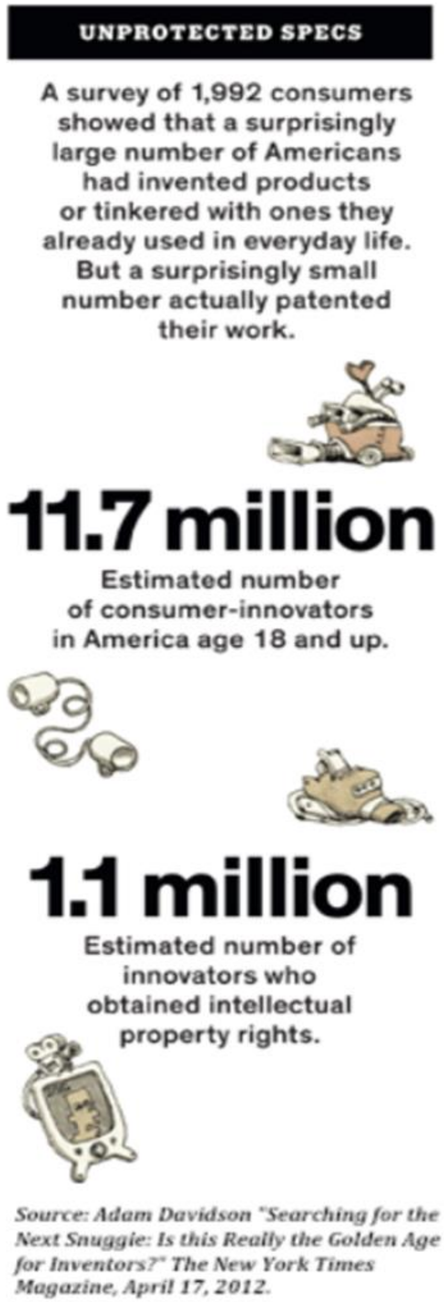
Consequently, as we look to our economic future here in this country, it's essential that we uncover, or rediscover, ways in which to inject vitality and genuine competitive advantage into an economy that has seen better times. An important avenue for gaining such vitality and advantage is through innovation: the inventor is an essential part of this process.

The American Inventor

"Inventors are visionaries with a poorly developed sense of fear and no concept of the odds against them. They make the impossible happen."
———Robert Jarvik (first artificial heart)

In the past, American inventors have shown that they know no limits. Inventors of any age, and all genders and races, have contributed to the creative genius that is the American inventing process. The technology envisioned by American inventors has improved our standard of living and linked us across both physical and cultural divides.

For some perspective on the magnitude of the inventing community in America, note that from 1790 (when the U.S. Patent Office was first established) up through the middle of November of 2018, the U.S. Patent and Trademark Office had granted more than 10 million patents. By some calculations, at any point in time, there are over 1 million active inventors in the United States (i.e., individuals who have gone as far as to file for a patent), with an additional 11 million who consider themselves as "innovators" but, for one reason or another (e.g., fear of failure, lack of money, lack of support among family members, etc.) have failed to take those important first steps toward realizing their inventing dreams.[2]



Innovation and the inventing process, along with the inventors themselves, have been the key ingredients in driving the growth of the American economy over the past two hundred years. They are a vital component of the U.S. competitive arsenal. And, as important is the fact that inventors don't just innovate; they create wealth, use the services of other providers and give back to the community. They are both drivers and users of the economy; they both create and consume.

We at AOS believe it's time to encourage and support these innovative people who are dedicated to the inventing process. We believe that supporting them and their processes holds the potential for revitalizing our economy. It's the recognition of this inescapable fact that has served as the impetus for the creation of Archimedes' Offspring.

U.S. Patent Activity Calendar Years 1972 to 2015

Calendar Year	Utility Patent Applications (e) (Inventions)	Design Patent Applications	Plant Patent Applications	Utility Patents (e) (Inventions)	(notes)	Design Patents	Plant Patents	Patent Grants to Foreign Residents (a)
2015	589,410	39,097	1,140	298,407		25,986	1,074	169,763
2014	578,802	35,378	1,063	300,678		23,657	1,072	166,999
2013	571,612	36,034	1,406	277,835		23,468	847	154,891
2012	542,815	32,799	1,149	253,155		21,951	860	142,180
2011	503,582	30,467	1,139	224,505		21,356	823	125,998
2010	490,226	29,059	992	219,614		22,799	981	122,694
2009	456,106	25,806	959	167,349		23,116	1,009	96,677
2008	456,321	27,782	1,209	157,772		25,565	1,240	92,929
2007	456,154	27,752	1,049	157,282		24,062	1,047	89,007
2006	425,967	25,515	1,151	173,772		20,965	1,149	93,942
2005	390,733	25,553	1,222	143,806		12,951	716	75,046
2004	356,943	23,975	1,221	164,290		15,695	1,016	87,051
2003	342,441	22,602	1,000	169,023		16,574	994	88,258
2002	334,445	20,904	1,144	167,331		15,451	1,133	87,101
2001	326,508	18,280	944	166,035		16,871	584	85,173
2000	295,926	18,292	797	157,494		17,413	548	78,871
1999	270,187	17,761	863	153,485		14,732	420	74,877
1998	243,062	17,107	720	147,517		14,766	561	72,398
1997	215,257	16,546	621	111,984		11,414	394	54,107
1996	195,187	15,161	665	109,645		11,410	362	52,267
1995	212,377	15,409	452	101,419		11,712	387	49,327
1994	189,857	15,774	459	101,676		11,095	499	49,224
1993	174,743	13,635	361	98,342		10,630	442	48,531
1992	173,075	13,078	354	97,444		9,269	321	48,572
1991	164,306	13,061	463	96,511		9,569	353	48,944
1990	164,558	11,288	418	90,365		8,024	318	46,094
1989	152,750	12,615	383	95,537		6,092	587	47,804
1988	139,825	11,289	377	77,924		5,679	425	39,625
1987	127,917	11,153	385	82,952		5,959	229	41,588
1986	122,433	9,912	320	70,860		5,518	224	34,780
1985	117,006	9,551	231	71,661		5,066	242	33,796
1984	111,284	8,739	253	67,200		4,938	212	30,388
1983	103,703	8,082	255	56,860		4,563	197	25,334
1982	109,625	8,174	188	57,888		4,944	173	25,534
1981	106,413	7,375	178	65,771		4,745	183	27,757
1980	104,329	7,830	220	61,819		3,949	117	25,392
1979	100,494	7,519	196	48,854		3,119	131	19,462
1978	100,916	7,538	194	66,102		3,862	186	25,715
1977	100,931	7,258	188	65,269		3,929	173	24,684
1976	102,344	7,061	175	70,226		4,564	176	27,134
1975	101,014	6,292	150	72,000		4,282	150	36,271
1974	102,538	5,318	155	76,278		4,304	261	26,514
1973	104,079	5,425	118	74,143		4,033	132	23,344
1972	99,298	5,867	135	74,810		2,901	199	23,815

What's in it for the Investor?

Historically

— Chances for Inventor Success

Unaided, on their own, and without professional mentoring (other than, perhaps, a patent attorney whose interests in the client's financial welfare may be a secondary consideration next to the fees available for the rendering of patent preparation and prosecution services), independent inventors have an extremely difficult row to hoe. While estimates of independent inventor success rates vary all over the lot, from less than 0.1 percent by some estimates to as high as 50% by others, independent, impartial and empirical studies have placed the number at closer to 6.5% ([+ or -] 0.7%).[3]

Thus, without:

- the benefit of close-monitoring of the inventor's inventing process by experienced and knowledgeable mentors who serve as "task masters";
- involvement by reputable professionals from the specific industry being targeted as "vetters" of the idea / invention; and
- the funds necessary to carry out the basic tasks and functions required to bring the invention and its related intellectual property to fruition,

less than 7% of independent inventors will ultimately be successful in commercializing their invention.

— Internal Rate of Return (IRR)

Consistent with the above, additional independent, impartial and empirical research has determined that without in-depth support, the average independent inventor who ultimately proves to be successful on his or her own (i.e., conditional on successful commercialization), can be expected to receive approximately a 16% internal rate of return on their investment.[4]

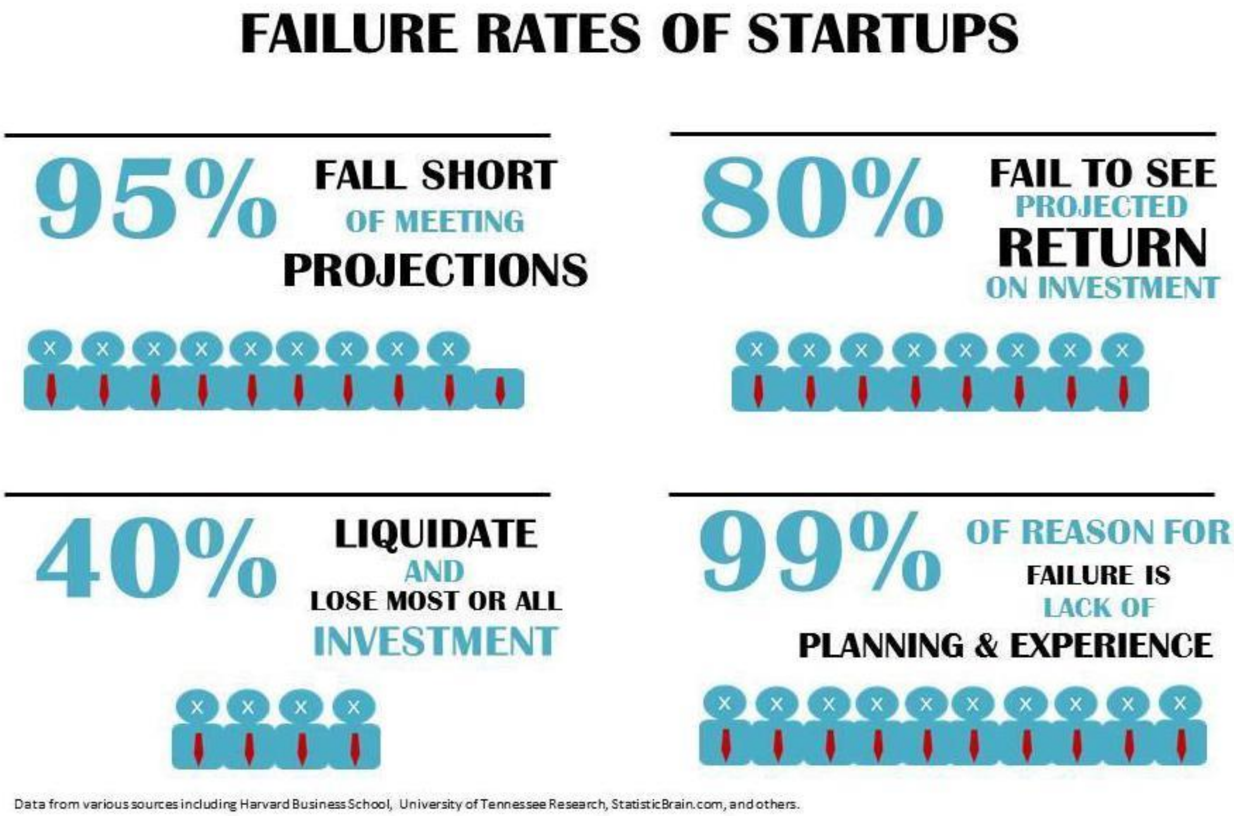
Although this number drops down to 11.4% when you factor in the traditional concerns about the probability of successful commercialization and the quality of the inventive efforts, what this demonstrates more than anything else is the need for (i) expert and reputable professional help, mentorship and supervision, (ii) extraordinary involvement by industry professionals in the vetting process, and (iii) sufficient monetary resources to see the project through to fruition.

Comparison with Other Investments

– Comparison with Speculative Investments (Venture Capital)

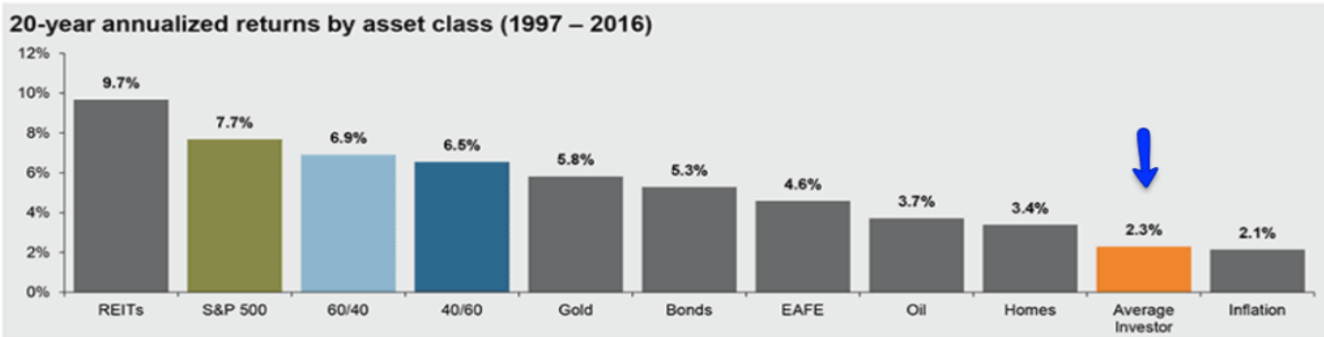
Admittedly, the foregoing might not be the type of return of which venture capitalists and high-net-worth investors dream. However, once you factor in the extremely high risk profile (i.e., rate of failure of startups in general) attributable to the average venture capital investment, it is clear that, at least from the perspective of the ordinary investor, investing directly in inventions holds out the promise of producing superior returns.

Along these lines, it is a well-known fact that, on average, only 1 out of 10 companies in which venture capitalists invest will produce an out-sized return, with the performance of the balance of the venture capitalist's portfolio proving disappointing. When you couple that with an 80% to 90% failure rate of venture capital firms themselves, the risk from investing in inventions is far lower, with the promised benefit, more often than not, clearly outweighing the risk. Lastly, it's important to note that portfolio companies, not infrequently, absorb several millions of dollars before failing. By comparison, the maximum loss an investor in one of the AOS Invention Investment Families can experience with respect to a single invention is small, i.e., $75,000.



– Comparison with Traditional Investments

Unfortunately, when it comes to traditional alternatives such as the public markets, REITs, stock/bond mixed portfolios, gold, straight bonds, etc., the comparison with investing directly in inventions suffers even more. See the chart on the following page.



Source: J.P. Morgan Asset Management; (Top) Barclays, FactSet, Standard & Poor's; (Bottom) Dalbar Inc.
Indexes used are as follows: REITS: NAREIT Equity REIT Index, EAFE: MSCI EAFE, Oil: WTI Index, Bonds: Barclays U.S. Aggregate Index, Homes: median sale price of existing single-family homes, Gold: USD/troy oz, Inflation: CPI. 60/40: A balanced portfolio with 60% invested in S&P 500 Index and 40% invested in high quality U.S. fixed income, represented by the Barclays U.S. Aggregate Index. The portfolio is rebalanced annually. Average asset allocation investor return is based on an analysis by Dalbar Inc., which utilizes the net of aggregate mutual fund sales, redemptions and exchanges each month as a measure of investor behavior. Returns are annualized (and total return where applicable) and represent the 20-year period ending 12/31/16 to match Dalbar's most recent analysis.
Guide to the Markets – U.S. Data are as of September 30, 2017.

J.P.Morgan
Asset Management

How AOS Will Re-Invent Inventing and Drive Performance and Return

One thing upon which everyone can agree is that having professionals onboard, with real expertise, who can evaluate new concepts (whether those concepts involve landing on the moon, designing and manufacturing a new fighter jet, executing the legal, business, accounting and tax strategic planning required to create, grow and sustain a complex, new business entity, or even making investments in the venture capital or private equity markets), is always a good thing and a very smart move.

And, while the mere involvement of an experienced professional in a process won't, by itself, assure a positive outcome, when present, that professional significantly helps to increase chances for success. When you couple that expertise and professional diligence with the additional industry and financial resources needed to bring an idea to fruition, the chances for success increase exponentially and the failure rate plummets. It's this approach that drives the business model undergirding the AOS project.

Once you apply a team of extremely experienced, reputable and honest service provider professionals (consisting of experts in patent and product searching; patent evaluation; preparation and prosecution of patent applications; prototyping and design engineering; short-run manufacturing; and trade show attendance and marketing) to the process and, then, cap it with a vetting system that ensures product industry participation in the final decision-making, the picture (and the chances for success) looks very different.

This is the central premise of the AOS business model: that honest and reputable professional expertise, coupled with committed and diligent mentorship and supervision and sufficient funds to see the project to completion, will increase the success rate by several orders of magnitude, resulting, not only in a greatly improved success rate, but a success rate with a much greater return, not only for the inventor, but for whomever invests alongside that inventor.

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Top 12 Reasons for Investing with Archimedes' Offspring

Thus to sum up, here's some of the major reasons why investing with one or more of the AOS Invention Investment Families instead of existing speculative, or even traditional, investments makes eminent sense:

1. Lower Risk Investments: The money is invested in "lesser-risk" inventions (i.e., maximum investment per invention limited to $75,000) versus "higher-risk" startups (i.e., downside, potential, the loss of several million dollars per failed startup).
2. Direct Investment in Inventions, Not. Startups: Investments made in inventions is for something "concrete" i.e., partial ownership (% subject to negotiation) of title to an invention and its related intellectual property, not securities in a startup company.
3. Investment Levels Capped: Maximum capital invested in any single invention is $75,000, invested in three separate tranches – for each tranche for which investment is approved, an additional % of ownership in the invention is surrendered (projected aggregate average: 20%)
4. Inventor Commits to Exit Strategy Before Funding Occurs: Inventor must agree to exit through licensing or outright sale to a third party – but is permitted to (i) repay the amount with interest at a rate negotiated at the time the "bridge loan" is made (i.e., 15% per annum or above), or (ii) come back to AOS if the invention is "one in a million" and the inventor is seeking permission to create a company to commercialize the invention by seeking private funding (other than AOS) to grow it. In such a case, the inventor must "buy back" his invention and the related IP rights at a price to be determined at the time of "buy back" based on the valuation of the idea or invention existent at the time of such buy back, determined by a professional appraisal and reaching a mutually-satisfactory "buy-back" agreement.
5. "Well-Below Market" Management Compensation: Under the terms of the Management Contract, investment managers (which includes all senior-level staff positions) will get reasonable, but modest, compensation (payable by AOS Management, Inc., but subject to reimbursement by the IIFs acting on a joint and several basis), of up to, but no more than, $5,000 per month per individual, with such monthly compensation permanently capped at that level, subject to increase only in the event of a vote to increase that amount which is favored

by at least 51% of all of the shareholders of all of the IIFs voting, collectively, as a single class. It is anticipated that, initially, there will be 6 such positions, but in any event, not more than 10 positions at any point in time.

6. Management "Carried Interest" is Modest and Below Industry Norms: Under the terms of the Management Contract AOSM will receive nineteen percent (19%) of each IIF's outstanding capital in the form of shares of Series B Preferred Stock. Such stock will possess an anti-dilution preference, but will otherwise be subject to a liquidation preference in favor of the Series A Preferred Stock described in Item No. 10 below. AOS intends that all shares of Series A Preferred Stock will be owned by the investors in an IFF's initial securities offering, which AOS believes will consist of members of the general investing public.
7. Administrative Overhead for the IIF Funds is Eliminated: AOSM Managers manage day-to-day operations of the IIFs' funds, subject to supervision and approval by IIF's funds' Boards of Directors. No officers or staff required for the IIFs or their funds.
8. Early Investors are Rewarded by Preferences, Protections and Discounts: Since each of the IIFs can raise multiple rounds of capital, doing offerings, on average, every 12 months and, under extraordinary circumstances, as often as every 6 months, early investors are rewarded by both preferred terms and subsequent rounds of capital supporting their initial investment.
9. The General Public Can Invest; Investments Are Not Limited to the Very Rich: Money is raised from the general public through innovative use of new Federal Title III and Title IV "public offerings" under the JOBS Act.
10. Early Investors Get Their Capital Back First: In every initial securities offering by an IIF, the investors in such initial offering (which, in every case, will be a Series A Preferred Stock offering), will receive one hundred percent (100%) of their capital back prior to any distribution to the investment managers or the remaining shareholders.
11. No Additional or Hidden Fees: There are no additional fees. AOSM is entitled to receive reimbursement of moderate, reasonable and necessary business expenses incurred by AOSM on behalf of the IIFs (i) in the running and maintaining the IIFs' businesses, and (ii) for capital expenditures incurred to improve the IIFs' business operations.
12. Enhanced, Above Market Returns with Lower Risk: Given the smaller, maximum amount of money invested (i.e., $75,000) per investment opportunity, AOS represents, potentially, a tremendous opportunity for a greatly enhanced rate of return at a much lower risk profile than, say, speculative securities or venture capital-funded portfolio companies).

To put it simply, in the opinion of AOS and its designee, AOSM, the invention portfolio pool is much more favorable than either traditional investments or even other speculative alternative investments since with the AOS invention portfolio pool risk is spread over many, many more investments than is possible under, say, the venture capital model, where the average venture capital fund cannot invest in more than 30 portfolio companies per fund raised.

We believe that investments in AOS-sponsored IIFs will prove to be, over the longer-term, a superior investment over both traditional and speculative alternative investments. We're excited to bring this brand new, innovative concept to investing within the next few months. Stay tuned to learn more about AOS-sponsored IIF opportunities to be offered in the near future.

In the meantime, if you'd like to better understand the AOS business model, take a gander at the AOS PowerPoint, which you can find here ->

"Testing-the-Waters" – Potential Future Offerings

In the future, we intend to work with one or more of the IIFs in one or more "testing-the-waters" campaigns in connection with potential future securities offerings under the exemption from registration afforded by Regulation A, as amended, of the Federal Securities Act of 1933, as amended. For details pertaining to such potential future securities offering, the reader is directed to subscribe to the newsletter sent out from time-to-time to regular subscribers to this website.

Footnotes:

1 Archimedes' Offspring is an unincorporated business organization (commonly referred to as a "Massachusetts Business Trust" or "MBT") formed pursuant to that certain Trust Agreement dated as of the 31st day of March, 2019 (the "Trust Agreement"), by and between FLC LLC, a Colorado limited liability company doing business as "FLeCusa International," as Grantor (the "Grantor"), Windom Peaks Capital, LLC, a Colorado limited liability company, as Trustee (the "Trustee"), and the Invention Investment Families identified elsewhere on this website (the "IIFs"), each of which has been designated a beneficiary / beneficial owner under the terms of the Trust Agreement.

Under the terms of the Trust Agreement, the Trustee (subject to approval by the Board of Directors of each of the IIFs at the time of the First Organizational Meeting of such IFF's Board) has appointed AOS Management, Inc. ("AOSM") as the management company designee for each of the IIFs. The compensation to be paid to AOSM for the management tasks which it will be required to perform under the management agreement to be entered into between AOS and AOSM on behalf of the Trust, for the benefit of the IIFs (the "Management Contract"), which includes the equity participation by AOSM in each of the IIFs, is detailed, in each case, in the disclosures pertaining to the Management Contract which can be found in the forms required to be filed with the Securities and Exchange Commission prior to the commencement of an offering of any securities by any of the IFFs.

2 Source: Adam Davidson "Searching for the Next Snuggie: Is this Really the Golden Age for Inventors?" The New York Times Magazine, April 17, 2012. The United States Patent and Trademark Office (the "USPTO") issued a report in February 2016, in which, based on official records, they indicated that there were a total of 739,264 Independent Inventors in the United States as of 2015. See "Independent Inventors by State by Year All Patents, All Types Report January 1, 1977 - December 31, 2015", U.S. Patent and Trademark Office, February 2016.

3 Source: Thomas Astebro, "Basic statistics on the success rate and profits for independent inventors", Entrepreneurship: Theory and Practice, December 22, 1998. Also, see, Andrew Spriegel, "Invention Success Rates | Odds of Inventor Success", Andrew.Spriegel's Blog, November 24, 2010.

4 Source: Thomas Astebro, "The Return to Independent Invention: Evidence of Unrealistic Optimism, Risk Seeking or Skewness Loving", The Economic Journal, Volume 113, Issue 484, 1 January 2003, Pages 226–239.

2.1 AOS Management LLC - Company Ownership

Owner	Percentage of AOS Management LLC's Equity
Rita Z. Crompton	45%
George Peters	10%
Joan Van De Griek	10%
Carshon Rodgers	5%
Reserved Units	30%
Total	100%

2.2 Startup Summary

Table: Startup

Startup	
Requirements – Startup expenses incurred:	
Legal expenses and costs	$50,000
Rent expense	$1,350
Computer - initial hardware and software systems	$400
Creation of AOS Server	$4,500
Costs for AOS website creation and landing page for first offering (Da Vinci)	$2,500
Travel expenses	$1,735
Accounting costs	$1,000
Incorporation, state qualification and conversion costs	$300
Printing	$175
Website hosting account costs	$135
Professionals fees for Da Vinci	$30,000
Marketing and tradeshows for Da Vinci	$7,451
General administrative for Da Vinci	$12,560
Depreciation expense for Da Vinci	$95
Total Startup Expenses	**$112,201**
Startup assets contributed	
Cash Required	$80,000
Other Current Assets	$0
Long-term Assets	$100,000
Total Assets	**$180,000**
Total Requirements	**$292,201**

The costs and expenses described above relate primarily to the following items:

- Legal services and related fees
- Accounting services and related fees
- Staff computer hardware - desktops, laptops, tablets and smartphones
- AOS Server and routers
- Software for both staff devices and for the AOS Server

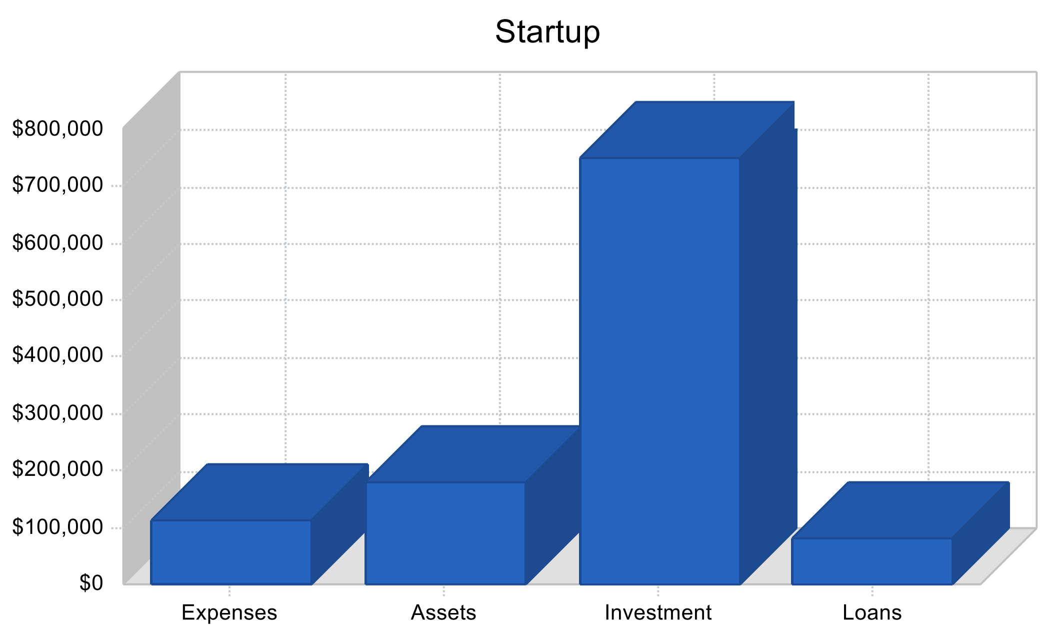
- Travel
- Printing
- State incorporation, qualification and conversion (AOS Inc. to LLC) costs
- Set up headquarters office in Providence, Utah
- Set up shared office space in other states

Cash invested comes primarily from five sources:

- Rita Z. Crompton
- Raymond P. Burrasca
- Katherine R. Crompton
- Andrea Blocher
- Rennae Beilke

Long-term assets consist primarily of property (and use of property) owned by third parties without charge to AOS by those third parties.

Chart: Startup



Assumes that AOS is successful in raising $750,000 in the first raise by the first AOS-sponsored invention investment fund, the Da Vinci Invention Investment Fund I.

3.0 Services

- We provide funding and mentoring to independent inventors and help guide them through the invention development and commercialization stages on their way to market without hitting those traditional bumps in the road and without any detours

- We provide a way for the retail investor to invest in innovation, including technology breakthroughs, at the earliest possible stage in the innovation process enabling them to capture more of the value from that process.

4.0 Market Analysis Summary

Two Primary Markets

1. **The American Independent Inventor**

"Inventors are visionaries with a poorly developed sense of fear and no concept of the odds against them. They make the impossible happen."

————Robert Jarvik (first artificial heart)

In the past, American inventors have shown that they know no limits. Inventors of any age, and all genders and races, have contributed to the creative genius that is the American inventing process. The technology envisioned by American inventors has improved our standard of living and linked us across both physical and cultural divides.

Innovation and the inventing process, along with the inventors themselves, have been the key ingredients in driving the growth of the American economy over the past two hundred years. They are a vital component of the U.S. competitive arsenal . And, as important is the fact that inventors don't just innovate; they create wealth, use the services of other providers and give back to the community. They are both drivers and users of the economy; they both create and consume.

For some perspective on the magnitude of the inventing community in America, note that from 1790 (when the U.S. Patent Office was first established) up through the middle of November of 2018, the U.S. Patent and Trademark Office had granted more than 10 million patents. **By some calculations, at any point in time, there are over 1 million active inventors in the United States (i.e., individuals who have gone as far as to file for a patent), with an additional 11 million who consider themselves as "innovators" but, for one reason or another (e.g., fear of failure, lack of money, lack of support among family members, etc.) have failed to take those important first steps toward realizing their inventing dreams.** [1]

We at AOS believe it's time to encourage and support these innovative people who are dedicated to the inventing process. We believe that supporting them and their processes holds the potential for revitalizing our economy. It's the recognition of this inescapable fact that has served as the impetus for the creation of Archimedes' Offspring.

2. **The Retail Investor in the United States**

The retail investor, also known as an individual investor, is a non-professional investor who buys and sells securities, mutual funds, or exchange traded funds (ETFs) through traditional or online brokerage firms or other types of investment accounts. Retail investors purchase securities for their own personal accounts and often trade in dramatically smaller amounts as compared to institutional investors like pensions, endowments or mutual funds.

Understanding Retail Investors
Retail investors invest much smaller amounts than large institutional investors, such as mutual funds, pensions, and university endowments, and trade less frequently. But wealthier retail investors can now access alternative investment classes like private equity and hedge funds.

Because of their small purchasing power, retail investors often have to pay higher fees on their trades, as well as marketing, commission, and other related fees. By definition, the SEC considers retail investors unsophisticated investors, who are afforded certain protections and barred from making certain risky, complex investments.

The Retail Investment Market

The retail investment market in the United States is huge. Over 50 million households are retail investors of some kind and over 50% of households have savings accounts or investment plans like 401(k)s. And while Americans gravitated to savings accounts and passive investing in the aftermath of the financial crisis, the number of households which own stocks is rising again. According to the Federal Reserve's survey of consumer finances, 54% of households owned stocks in 2017.[2] Unlike institutional traders, retail traders are more likely to invest in small-cap stocks because they can have lower price points, allowing them to buy many different securities in an adequate number of shares to achieve a diversified portfolio.

Footnotes:

1 *Source: Adam Davidson "Searching for the Next Snuggie: Is this Really the Golden Age for Inventors?" The New York Times Magazine, April 17, 2012.*

2 *Adam Hayes, "The Retail Investor" Investopedia, October 1, 2019.*

4.1 Market Segmentation (AOS Management LLC Business)

Table: Market Analysis

Market Analysis							
		2019	**2020**	**2021**	**2022**	**2023**	
Potential Customers	Growth						CAGR
Invention Indentification, Development and Commercialization Services	0.81%	12,000,000[1]	12,097,200[1]	12,195,187[1]	12,293,968[1]	12,393,549[1]	0.81%[2]
Outsourced Management and Consulting Services	0.81%	50,000,000[3]	50,405,000[3]	50,813,281[3]	51,224,869[3]	51,639,790[3]	0.81%[2]
Total	**0.81%**	**62,000,000**	**62,502,200**	**63,008,468**	**63,518,837**	**64,033,339**	**0.81%**

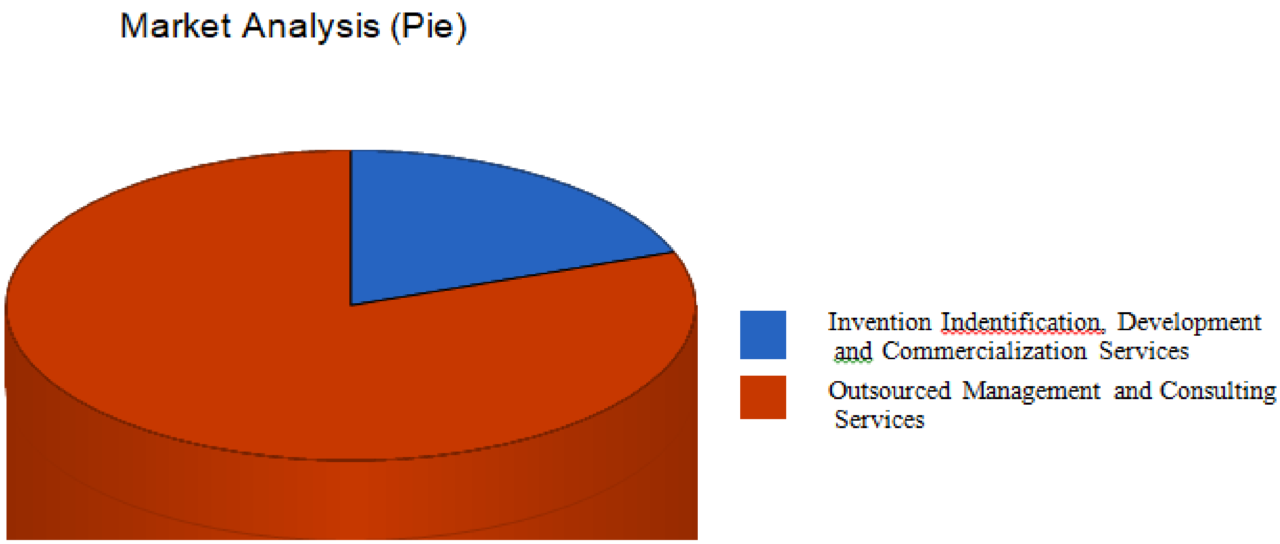
Footnotes:

1 *Based on total pool of independent inventors and "wanna be" independent inventors; it does not reflect AOS management's view of the real number of possible applicants who are likely to have their invention both pass vetting and get funded. That number is approximately 480,000.*

2 *Based on current U.S. population growth of less than 1%.*

3 *Based on the number of U.S. households currently engaged in investing in the public market, not the number of actual customers of AOS Management LLC which will be dictated by the number of AOS-sponsored invention investment funds that get formed and ultimately are successful in raising money.*

Chart: Market Analysis



4.2 Target Market Segment Strategy

Invention Identification, Development and Commercialization Services

AOS management believes that less than 5% of all potential customers for this business service will be able to qualify for funding after going through the AOS vetting process. In addition, notwithstanding an invention having successfully made it through the vetting process, only 80% of the inventions surviving the process will likely end up being funded by any invention investment fund.

Accordingly, AOS management anticipates that the meaningful number of potential customers for this service is far, far lower than the 12,000,000 independent inventors / wannabe inventors in the U.S. population. Applying the assumptions made by AOS management this would yield a realistic number of customers in the range of 480,000 individuals (12,000,000 x 5% = 600,000; 600,000 x 80% = 480,000.

Outsourced Management and Consulting Services

Since this segment of the AOS business is "captive" to the the various AOS-sponsored Invention Investment Families and their multiple funds, the number of "customers" will range over time dependent on several factors including (a) the creation of new funds; (b) the success in securing investments in a newly-created fund; (c) the relative success of correctly identifying inventions worthy of investment by a fund; and (d) successful commercialization or other monetization of the intellectual assets in which a fund has invested.

At the outset of the operation of this business segment, there will only be a single fund. Over time it is anticipated that there will be at least three funds in each of the six currently designated Invention Investment Families, with multiple raises within each of such funds. It is also anticipated that in a four to five-year period, the total assets under the management, collectively, of the Invention Investment Families will be in the $350 million to $400 million range.

4.3 Service Business Analysis

<u>The IP Mass Aggregator Marketplace</u>

Several years ago, a Stanford law review article co-authored by Robin Feldman, a law professor at University of California's Hastings Law School, and Tom Ewing, a member of Silicon Valley's elite legal community, announced that the patent world was quietly undergoing a change of "seismic proportions" , a veritable tsunami.[1]

According to the authors, in a few short years, a handful of entities had amassed vast collections of intellectual property, including patents, trademarks, copyrights and trade secrets; a collection which according to the authors, was on an unprecedented scale.

Their research showed that in a little more than five years, the most massive of these entities, Intellectual Ventures (IV), had accumulated 30,000-60,000 patents worldwide, which, at the time, made it the 5th largest patent portfolio of any domestic US company and the 15th largest of any company in the world.

The authors then examined the size of the collection, which was important in understanding the nature of the shift. More importantly, they also examined the method of organization and the types of activities that were causing the paradigm shift in the world of patents and innovation.

That article, which discusses both the brilliant insights and the glaring defects inherent in the Intellectual Ventures business model, along with several other articles about, and references to, Intellectual Ventures and its business model that have appeared over the years since publication of the Ewing Feldman article (many of which are listed at the end of this whitepaper), provides compelling evidence of a substantial market that Archimedes' Offspring is ideally poised to disrupt to the same extent (or, perhaps, to an even greater extent) then the market that existed before Intellectual Ventures and its imitators disrupted the then current model of intellectual property monetization. In this regard, Archimedes' Offspring strategy and business model will both embrace the successful elements of the Intellectual Ventures strategy while at the same avoiding the pitfalls that have caused the Intellectual Ventures model to flounder.

Introduction: Attributes of Mass Aggregagtors

As Ewing and Feldman point out, unlike operating companies, mass aggregators do not engage in the manufacturing of products nor do they conduct much research. Rather, they pursue other goals of interest to their founders and investors. These mass aggregators, historically denominated "non-practicing entities" (or "NPEs") have been around the patent world for eons.

However, in the past, they fell into one of two broad categories. The first category included universities and research laboratories, those types of institutions which tend to have engineers and scientists engaged in basic research, with their monetization limited to the licensing of the inventions to third party licensees, rather than manufacturing products on their own.

The second category included individuals or small groups who purchased patents to assert them against existing, successful products. As the article explained, those in this second category often were able to extract a disproportionate return, far beyond the value that the patented invention added to the commercialization of the product, if it added anything at all.

However, the impetus for the Ewing Feldman article wasn't these traditional mass aggregators, but a relatively new kind of aggregator, the new kid on the block: Intellectual Ventures. In the eyes of the authors, this new type of mass aggregator was "an entirely different beast".

Intellectual Ventures- The Emergence of a Newer Model: Invention Capital

So how was this new aggregator changing the game? To begin with, funding sources for these newer aggregators, including Intellectual Ventures, consisted of some of the most successful and respectable organizations in the world, including companies such as Apple, eBay, Google, Intel, Microsoft, Nokia, and Sony. Additionally, the authors indicated that academic institutions, among them the University of Pennsylvania and the University of Notre Dame, along with international entities such as the World Bank, were also among the group of investors in these new entities. Even countries, such as China, France, South Korea, and Taiwan, had become players in this space.

The portfolios of these new mass aggregators consisted of inventions that cover vast areas of innovation, spanning everything from "computers to telecommunications to biomedicine to nanotechnology." Here's how the authors, in their own words, describe the scene:

> ***"The types of returns promised to investors and the types of benefits offered to participants are also quite different from garden-variety non-practicing entities, as are some of the tactics used in organizing the entities and in asserting the patents. Finally, the scale itself is simply mind-boggling. Mass aggregators operate on a scale and at a level of sophistication and complexity that would have been unimaginable a decade ago. They have taken the prototype strategies pioneered by a prior generation of non-practicing entities and changed them into some of the cleverest strategies yet seen in the intellectual property rights field."***

The Basic Philosophy Behind the Intellectual Ventures Business Model

According to Intellectual Ventures , ***invention per se*** is its product, and both Nathan Myhrvold and Peter Detkin, two of the four founders, have referred to the company's business model as "Invention Capitalism." They define Invention Capitalism as applying concepts from venture capital and private equity to develop and commercially exploit new inventions.

Although Intellectual Ventures is designed to make money from trading in patent rights, the founders describe their activities as ones that will incentivize research and development in all technical subjects. Myhrvold, for example, has been quoted as saying that:

> ***"Most …. people don't view [research] ….as a for-profit venture …. [O]ur goal is to make research something you can invest in…. it's a valuable investment if you know what you're doing … if we supply capital and expertise in the right way, then we can make a hell of an investment ….".***

Although Intellectual Ventures has never divulged the precise nature and extent of its portfolio, the company has reported that it holds some 35,000 "invention assets." The company does not define the term, but the commentary about their business operates on the assumption that this phrase refers not only to utility patents, but also to patent applications, non-filed invention disclosures, design patents, trademarks, and any trade secrets owned or licensed by the company.

Intellectual Ventures - Funding Sources

To finance its acquisitions and operations, Intellectual Ventures raised $5 billion. The company's initial funding came from operating companies such as Microsoft, Intel, Sony, Nokia, Apple, Google, and eBay. Subsequent funding sources included financial investors, comprised heavily of institutional endowments and wealthy individuals, among them William and Flora Hewlett Foundation, the University of Pennsylvania, the University of Notre Dame, Grinnell College, and Charles River Ventures.

Separately, the Bill and Melinda Gates Foundation had asked Intellectual Ventures to perform some contract research related to antimalarial devices; this appears to have been the only physical product made by the company, apart from some prototype work on a nuclear reactor co-invented by Myhrvold. Intellectual Ventures' investments are distributed among more than five funds, and the investors have not necessarily invested in each fund or in each fund equally.

The company claims that it has been structured to operate in a manner resembling that of venture capital and private equity funds. Thus, the company strives to receive approximately a 2% management fee plus 20% on the carried interest; although, actual terms may vary significantly from fund to fund and acquisition to acquisition.

Intellectual Ventures - Return on Investment

With mass aggregators, what do their investors get in return? While it is difficult to generalize, in the case of Intellectual Ventures, the investors vary tremendously, as do the types of deals they make. Some investors are interested both in financial returns and in access to Intellectual Ventures' vast pool of patents. For investors that are technology companies, Intellectual Ventures provides a defensive function in the form of access to patent licenses. In fact, some of IV's technology company investors are interested in specific technology areas where they're able to direct Intellectual Ventures to acquire patent rights in order to obtain license rights.

However, another category of investors have little interest in access to patents. In fact, the company has confirmed that their investor pool includes some purely financial investors, who typically have no need for patent licenses. In fact, the company believes that some of these financial investors have chosen Intellectual Ventures and the general category of intellectual property as an investment option because it's believed to be uncorrelated to other investment classes (i.e., an asset that is acquired precisely in order to help create greater diversity in the investment portfolio).

For investors who get access to the patent pool, that access provides something far more sophisticated and complex than the patent licenses that would be necessary to produce a product. Consider the story of Verizon, which paid $350 million for patent licenses and an equity stake in one of the Intellectual Ventures Funds in 2008. TiVo sued Verizon for infringement. Verizon purchased a patent from one of Intellectual Ventures' shell companies, which was then put to work as a counterclaim in the TiVo suit, in a program that Intellectual Ventures calls "IP for Defense."

(**Note**: Such transactions would be even more interesting if the arrangements allowed the purchaser to sell the patent back to the aggregator at the conclusion of the litigation. This would resemble a leasing program, or perhaps a form of a patent library, in which those who invest in mass aggregators could obtain just the right patent needed at just the right moment, returning the patent when the need has passed. The former owner after the repurchase might even be able to make a profit on the transaction, given that a litigation-tested patent is presumably more valuable than an untested patent)

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1 *Ewing & Feldman, "The Giants Among Us", Stanford Technology Law Review, 2012 Stan. Tech. L. Rev. 1*

4.3.1 Competition and Buying Patterns

Competition in the Mass Aggregator Marketplace

In the mass aggregator marketplace an aggregator's ability to compete is based primarily on the following factors:

- Reputation of the individual principals in, and operators of, the mass aggregator
- Identity of the investors (both reputational and type)
- Efficiency ($$ of cost) of the aggregation process selected for use
- Effectiveness of the aggregation process (i.e., success in identifying and securing aggregation targets)
- Effectiveness in monetizing the resulting aggregated targets

Here's how Archimedes' Offspring will be able to compete against "giants" like Intellectual Ventures:

Nature of Attribute	Intellectual Ventures Model	Archimedes' Offspring Model
Mass aggregator model?	Yes	Yes
Primary means of mass aggregation?	Acquisition of mature IP from third parties (primarily dependent on "after the fact", "hit-or-miss" due diligence, with higher acquisition costs	Organic IP development over time, utilizing experts at each stage of the development / commercialization process with overall lower acquisition costs (max. $75k per invention)

Funding model's investor type?	Venture capital / angel groups (sophisticated accredited investors), with promise of 8 to 10 times money back in 7 to 10 years	• First stage, individual accredited investors who are given preferences, priorities and higher, effective returns; • Second & subsequent stages, public (mostly, non-accredited), mutual fund industry model w/ returns consistent with higher-quality real estate deals – 11% to 15%, based on independent inventor historical norm returns [1] [2]
Degree of investment liquidity available to the individual investor?	**Permanently low** • non-litigation strategy: dependent on sale, licensing or leasing of IP assets coupled with declaration & distribution of resulting sale proceeds or licensing/lease fees • litigation strategy: dependent on success of litigation and declaration and distribution of resulting licensing fees or damage awards	• **Initially, low** (re: private deal with accredited investors; **Note:** however, these investors can convert to publicly-traded common stock to mitigate liquidity problem) • **Ultimately, high** (continuous rollouts of public offerings by each of the Invention Investment Families' funds over time)
Fees and Carried Interest?	**Fee**: • 1-1/2% to 2% of total invested by all investors. Example: aggregate of $100 million invested = annual fee of $1.5 million on a 1-1/2% fee.	**Fee**: • Between $1,000 and $5,000/month for each AOS manager (between 5 - 10 managers at any point in time); average monthly cost per manager - $3,000. Approx. annualized cost of fees at 10-manager level: $360,000

[1] See, Thomas Astebro, "Basic statistics on the success rate and profits for independent inventors", Entrepreneurship: Theory and Practice, December 22, 1998

[2] Also, see, Andrew Spriegel, "Invention Success Rates | Odds of Inventor Success", Andrew Spriegel's Blog, November 24, 2010, and Thomas Astebro, "The Return to Independent Invention: Evidence of Unrealistic Optimism, Risk Seeking or Skewness Loving", The Economic Journal, Volume 113, Issue 484, 1 January 2003, Pages 226–239.

Fees and Carried Interest?	**Carried interest**: 20% (no vesting)	• This single, total monthly fee is shared proportionately among the IIF funds, based on each fund's quarterly NPV (i.e., funds with a higher NPV, bear a higher percentage of the monthly cost) **Carried interest**: less than 20% (approx. 19.19%); however, in addition, AOS's "carried interest" is subject to a 4-year cliff-vesting (i.e., right to carried interest accrues upon 4th anniversary of issuance date of underlying Restricted Stock
Utilization of litigation "monetization" strategy in addition to other methods of generating revenue?	Yes, as detailed in "Intellectual Ventures IP Litigation Strategy" described above.	Yes, as detailed in "Intellectual Ventures IP Litigation Strategy" described above, subject to one addition. In addition to incorporating the successful Intellectual Ventures litigation strategy, AOS will supplement this strategy by incorporating a "litigation leasing" strategy. This will entail AOS maintaining a sort of "patent library" in which it will lease to third parties IP rights that will enable those third parties to sue other third parties who are infringers, returning the patent to AOS when the need has passed. Additionally, this will increase the value of "leased" IP, given that a litigation-tested patent is presumably more valuable than an untested patent.
Preferences / priorities given to first money in?	No	Yes. Series A investors get both liquidation and capital repatriation preferences.

Multiple funds?	Yes	Yes (e.g., the AOS IIFs' various funds) (**Note**: Within a particular Family of funds, the funds within that family will be dedicated to a single industry or, with larger industries, a single industry segment).
Pursue litigation strategies?	Yes, as described in the section entitled "Intellectual Ventures IP Litigation Strategy" cited above	Yes, as described in the section entitled "Intellectual Ventures IP Litigation Strategy" cited above + Over time, by creating a powerful, in-house litigation capability second to none

5.0 Strategy and Implementation Summary

5.1 SWOT Analysis

5.1.1 Strengths

1. The Inventor Lady, with her entire network of relationships and her Rolodex file make her an irreplaceable (and un-replicable) asset
2. The participation in the venture by George Peters, one of America's prominent, awarded and recognized independent inventors provides another powerful element to the Invention Identification, Development and Commercialization segment of our business
3. The more than 40 years of experience in securities, corporate finance and private equity possessed by AOS Management LLC's Executive Vice President and Chief Operating Officer, Raymond P. Burrasca, who oversees the Investor-Facing Division of AOS's business
4. The AOS team's ability to appeal to both (i) the independent inventor, and (ii) the retail investor, due to the AOS team's untarnished and outstanding reputation and standing in the inventing, corporate, startup, finance and investor communities
5. The strategy and business model adopted by AOS to improve upon the business model originally created by Intellectual Ventures
6. The collective wisdom of more than 120 years of management experience possessed by the AOS team collectively, including in the areas of product development and commercialization, marketing, corporate finance, inventing, startups, business creation, entrepreneurship, securities compliance and crowdfunding

7. The excitement and enthusiasm exhibited by the junior members of the AOS management team in carrying out and executing upon the vision and strategy of the senior members of the team identified above.

5.1.2 Weaknesses

Entering a marketplace dominated by players with far greater assets and standing with existing owners of IP than AOS possesses at present.

However, the original concepts and enhancements that AOS will bring to the new business will prove to be an effective competitive weapon against the industry's entrenched interests. These concepts and enhancements include:

1. Money for inventions, not startups
2. Investments made for partial ownership acquisition (% subject to negotiation)
3. Maximum capital invested in any single invention - $75,000, invested in tranches – for each tranche, an additional % of ownership in the invention is surrendered (on average: 20%)
4. Inventor must agree to exit through licensing or outright sale to a third party – but is permitted to come back to AOS to buy back the interest sold to AOS if invention is "one in a million" and is seeking permission to create a company to commercialize the invention and seek private funding (other than AOS) to grow it
5. Investment management staff (includes all staff) get reasonable compensation (initially 10, but no more than 14 people), with a cap at $5,000/mo. per manager/staff. Average per staff member = $3,000/mo.
6. Managers manage "Investment Families" each of which is dedicated to a particular industry segment
7. Investment Families' funds can raise capital (i.e., do an "offering") as many as three times every 12 calendar months
8. Money is raised from general public through innovative use of new Federal Title II, Title III and Title IV private and "public" offerings" under the JOBS Act.
9. First investors in each Invention Investment Family fund get capital back plus, before dilution from subsequent raises, the right to receive more than 80% of the capital appreciation; investment managers share just under 20% of such capital appreciation.

5.1.3 Opportunities

Due to the tremendous appetite in the independent inventor community for both funding and mentoring assistance and support, coupled with the tremendous appetite that risk-averse (i.e., people frightened by the volatility in the public markets) retail investors have for reasonable returns, the business model should take the inventor and retail investing communities by storm.

5.1.4 Threats

Larger competitors with considerably more resources and existing market presence.

Also, once we're successful, the likelihood that a stock aggregator or other type of raider will seek to gain control of the organization we manage as a consequence of, ultimately, the very public, relatively non-volatile, and very liquid nature of the market for the funds' securities.

5.2 Competitive Edge

See prior discussion of the comparison between Intellectual Ventures and AOS, as well as the discussion of AOS's "Strengths" and "Weaknesses" which appears above.

5.3 Sales Strategy

The Invention Identification, Development and Commercialization Business Segment

The "intake" aspect of our invention identification, development and commercialization business involves the offer of potential funding for new ideas and innovation. Independent inventors are encouraged to submit their idea, a fully-developed invention with intellectual property attached, or intellectual property with no current product, to a formal application process for vetting. The charge to the inventor is extremely low (currently fixed at $25.00).

This segment of our business is promoted to the independent inventor community and the general public by means of:

- Participation as an ambassador and member of the board of directors of the United Inventors Association;
- Promotion of the AOS funding opportunity through ongoing streaming videos produced four times a week by AOS's President and CEO, Rita Crompton.
- Referrals from the related "The Inventor Lady" business
- Advertisements on bulletin boards, through journals and articles published in business and inventing channels primarily directed toward the independent inventor and the gadget and technology hobbyist sectors.

The Outsourced Management and Consulting Services Business Segment

Since this portion of our business is dedicated, on an exclusive basis, to servicing the various Invention Investment Families and the multiple investment funds created within each of these Families, there is no effort or monies expended on marketing. This portion of our business is "captive" to servicing the needs of every one of the Invention Investment Family funds initially sponsored by AOS.

When a new fund is sponsored by AOS, AOS makes a recommendation to that fund's Board of Directors that the Board, approve and ratify, on behalf of the fund's shareholders, the appointment of AOS Management LLC as the outsourced management firm to manage the business affairs and day-to-day operation of the fund, subject to the approval of the fund's Board of Directors.

■ **Acquisition of New Investors and Enhancing Shareholder Value**

As provider of "Outsourced Management and Consulting Services" to the Invention Investment Families' funds, AOS Management LLC's is responsible for assisting AOS in "growing its business". In the case of an investment fund, increasing its size can only be accomplished one of three ways: (i) increasing profits, (ii) securing more investors for each of the funds, or (iii) acquisition of other companies, i*ncluding the acquisition of their asset base and customer base.

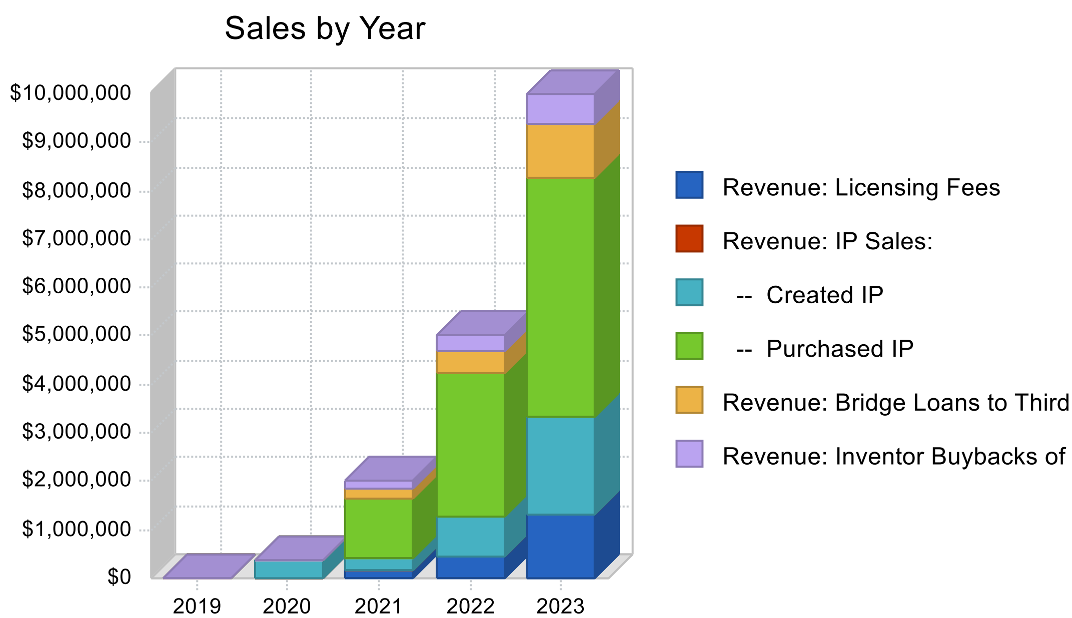
In this regard, it is AOS's intention to support those Invention Investment Families, i.e., Da Vinci, Henry, Volta, Pasteur, Babbage and Donovan, in their efforts to raise funds using multiple investment funds. Assuming each Family sponsors three funds each, that would lead to a total of 18 funds over time. In addition, if each fund does three raises, that translates to a total of 54 raises over the next five years.

In addition, AOS management is currently undertaking a review of the "inventing industry" and determining which businesses within the inventing industry may be complimentary to the AOS business and which, assuming resulting synergies, could enhance and optimize the AOS business model over the longer term. No decisions have yet been made as to whether such a strategy would or would not be useful to enhancing the funds' value to its shareholders.

5.4 Sales Forecast

Table: Sales Forecast

Sales Forecast					
	2019	2020	2021	2022	2023
Sales					
Revenue: Licensing Fees	$0	$0	$150,000	$450,000	$1,320,000
Revenue: IP Sales:	$0	$0	$0	$0	$0
-- Created IP	$0	$350,000	$250,000	$825,000	$2,000,000
-- Purchased IP	$0	$0	$1,250,000	$2,975,000	$4,950,000
Revenue: Bridge Loans to Third Parties (1) (Available only for Market Ready IP)	$0	$0	$200,000	$435,000	$1,100,000
Revenue: Inventor Buybacks of Partial Ownership Interests	$0	$0	$150,000	$315,000	$630,000
Total Sales	$0	$350,000	$2,000,000	$5,000,000	$10,000,000
Direct Cost of Sales	2019	2020	2021	2022	2023
Cost of IP Licensed to 3rd Parties (1) (amortized annually over the life of license)	$0	$0	$3,750	$22,500	$66,000
Cost of IP Sold to 3rd Parties	$0	$0	$0	$0	$0
-- Internally-Developed IP	$0	$75,000	$75,000	$350,000	$750,000
-- Purchased IP	$0	$0	$675,000	$1,635,000	$2,000,000
Cost of Bridge Loans (3) (available only to those inventors with "market-ready" inventions)	$0	$0	$100,000	$200,000	$650
Cost of IP Transferred Back to Inventor (3) (Inventor "buybacks" of partial ownership interests)	$0	$0	$25,000	$99,000	$275,000
Subtotal Direct Cost of Sales	$0	$75,000	$878,750	$2,306,500	$3,091,650



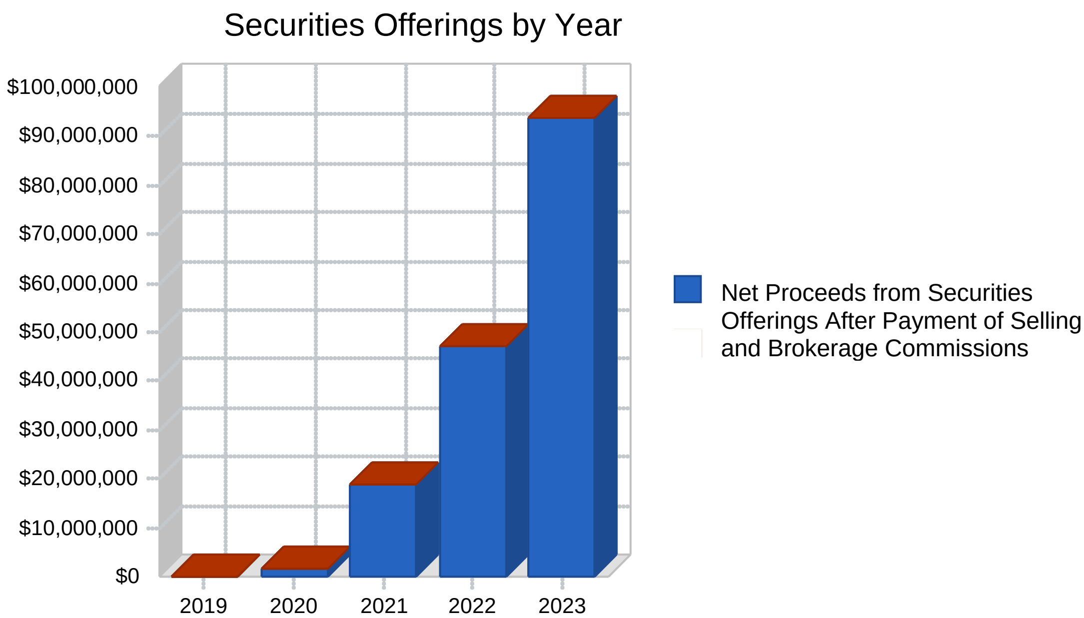
6.0 Funds To Be Raised (Offerings)

6.1 Proceeds Raised in Securities Offerings: Forecast

Table: Forecast

Funds Raised Forecast					
	2019	**2020**	**2021**	**2022**	**2023**
Funds Raised:					
Total Amount Raised	**$0**	**$1,820,000**	**$21,000,000**	**$50,000,000**	**$100,000,000**
Direct Cost of Funds Raised:					
Brokerage and sales commission	$0	$175,000	$2,037,000	$3,000,000	$6,000,000
Legal expenses	$0	$10,000	$25,000	$75,000	$150,000
Marketing consultants	$0	$5,000	$25,000	$75,000	$200,000
Travel	$0	$5,000	$25,000	$50,000	$65,000
Accounting and auditing	$0	$10,000	$100,000	$250,000	$400,000
Cost of board approval process	$0	$8,000	$12,000	$36,000	$48,000
Cost of IP valuation appraisals	$0	$33,000	$110,000	$330,000	$500,000
Total - Direct Cost of Funds Raised	**$0**	**$246,000**	**$2,334,000**	**$3,816,000**	**$7,363,000**
Net Proceeds Available for Investment	**$0**	**$1,574,000**	**$18,666,000**	**$46,184,000**	**$92,637,000**

Chart: Funding Raised by Year



6.2 Details of First Offering: The Da Vinci Invention Investment Fund I

6.2.1 Financial Statements (Unaudited) for the Period Ended December 31, 2019

DA VINCI INVENTION INVESTMENT FUND I
FINANCIAL STATEMENTS (UNAUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2019

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DA VINCI INVENTION INVESTMENT FUND I
BALANCE SHEET (UNAUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2019

ASSETS

Assets:		
Cash and cash equivalents	$	48
Property, plant and equipment, net	-	4,469
Total Assets:	$	4,517

LIABILITIES AND SHAREHOLDER EQUITY

Liabilities:		
Convertible promissory notes	$	30,000
Related party payable		24,829
Total Liabilities	$	54,829

Shareholder Equity:		
Common stock	($	206)
Class A preferred stock		-
Class B preferred stock		-
Net income	(	$ 50,106)
Total liabilities and shareholder equity	$	4,517

See notes to the financial statements.

DA VINCI INVENTION INVESTMENT FUND I
STATEMENT OF OPERATIONS (UNAUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2019

Expenses:		
Professional fees	$	30,000
Marketing and tradeshows		7,451
General and administrative		12,560
Depreciation expense		95
Net income (loss)	($	50,106)

Earnings per share	
Basic earnings per common share	$0.00

See notes to the financial statements.

DA VINCI INVENTION INVESTMENT FUND I
STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2019

Cash flows from operating activities:		
Net income	($	50,106)
Change in net cash from operating activities:		
Depreciation expense		95
Related party payable		24,829
Net cash from by operating activities	(	25,182)
Change in net cash from investing activities:		
Purchase fixed assets	- (	4,564)
Net cash provided by investing activities	(	4,564)
Change in net cash from financing activities:		
Members' equity	(	206)
Convertible promissory notes	-	30,000
Net cash provided by financing activities		29,794
Net increase in cash		48
Cash at beginning of year	-	-
Cash at end of year	$	48

See notes to the financial statements.

DA VINCI INVENTION INVESTMENT FUND I
STATEMENT OF SHAREHOLDER EQUITY (UNAUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2019

Balance at January 1, 2019	$	-
Issuance of common stock		206
Net income (loss)	(	50,000)
Balance at December 31, 2019	($	49,794)

See notes to the financial statements.

6.2.2 Notes to Financial Statements (Unaudited) for the Period Ended December 31, 2019

1. Description of organization:

Da Vinci Invention Investment Fund I ("Da Vinci"), the first invention investment fund to be sponsored by AOS, was formed on October 16, 2019 as a Delaware corporation. Da Vinci provides direct investments in thoroughly vetted, high-quality inventions.

Da Vinci is managed by AOS Management LLC ("Manager"), a Utah limited liability company, which has been retained by AOS to manage the day- to-day operations solely for Da Vinci and for any future invention investment funds that may be sponsored by Archimedes' Offspring, a Massachusetts business trust ("AOS"), in the future.

As an AOS-sponsored invention investment fund, Da Vinci is poised to conduct future offerings of securities to members of the general public using Crowdfunder, Wefunder or StartEngine, three "funding portals", each of which is registered as such with both the Securities and Exchange Commission ("SEC") and the Financial Industry Regulatory Authority ("FINRA").

As of December 31, 2019, Da Vinci has not begun operations.

2. Summary of significant accounting policies:

Basis of presentation:

The accompanying financial statements are prepared on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Da Vinci has adopted a calendar year for the basis of its reporting.

Use of estimates:

The preparation of financial statements in the conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Management makes these estimates using the best information available at the time the estimates are made; however, actual results could differ from these estimates.

Concentration of credit risk:

The investment in financial instruments by Da Vinci of uninvested investor cash in order to generate income during the period prior to the investment of that cash in vetted and approved inventions could potentially subject Da Vinci to significant concentrations of credit risk. In addition, even in the case of uninvested cash remains uninvested, while it is not expected to be a regular occurrence, at times cash balances could conceivably create risk to the extent that those balances are in excess of the Federal Deposit Insurance Corporation insured limit. However, with respect to any uninvested cash, management believes investment the uninvested cash in commercial paper and other non-"investment securities" will reduce both the occurrence and magnitude of such loss.

Cash and equivalents:

All highly liquid debt instruments purchased with an initial maturity of three months or less are considered cash equivalents.

Risks and uncertainties:

During its initial years of operation, Da Vinci's capital raising efforts will be confined to raising such capital utilizing the federal exemptions available to small business issuers under the federal Jumpstart Our Business Startups Act (the "JOBS Act"), including Rule 506(c) (Title II of the JOBS Act) of Regulation D under the Securities Act of 1933, as amended; Regulation Crowdfunding (Title III of the JOBS Act); and, Regulation A, as amended (Title IV of the JOBS Act). Such efforts will consist of the posting of public offerings of its securities on "funding portals" registered with the SEC and FINRA, or in the case of later stage Regulation A deals, on Da Vinci's own website created specifically for that purpose.

In such initial years of operation, any change in investing patterns by investors who typically invest in companies using "funding portals" to effect their investments would affect Da Vinci's ability to fund its operations.

However, management intends to shift capital raising efforts to more traditional venues for raising capital as soon as is reasonably practicable thereafter, consisting of the use of experienced initial and direct public offering professionals, including experienced securities counsel, registered broker-dealer networks, investment banks and public relations firms.

Stock classification:

Under Board of Directors' resolutions adopted pursuant to a unanimous written consent executed by all board members, variously, on November 10th through November 13th (the "Written Consent"), Da Vinci has been authorized to issue up to 1,400,000 shares of common stock with a par value per share of $0.0001, of which 100 shares have been issued to the Manager as of December 31, 2019, with 1,399,900 remaining unissued as of such date. When issued and outstanding, each share of common stock has one non-cumulative voting right.

Pursuant to such Written Consent, Da Vinci's Board of Directors has also authorized, but Da Vinci has not yet issued, up to 406,187 shares of preferred stock with a par value per share of $0.0001. Each share of preferred stock has one non-cumulative voting right and is convertible. Pursuant to Board action approving the Da Vinci's Amended and Restated Certificate of Incorporation, the preferred stock is denominated into 140,187 shares of Series A stock and

266,000 shares of Series B stock. Unlike the Series B stock (which has no similar preferential rights), Series A stock has both preferential liquidation and capital repatriation rights.

Organizational, Offering and Related Costs

Organization and offering costs of Da Vinci are initially being paid or incurred by AOS, or by the Manager for AOS, on behalf of Da Vinci. These organization and offering costs include all expenses to be paid by Da Vinci in connection with the formation of Da Vinci and the qualification of Da Vinci's first private and public offerings of its securities, and the marketing and distribution of shares, including, without limitation, expenses for printing, and amending offering statements or supplementing offering circulars, mailing and distribution costs, telephones, Internet and other telecommunications costs, all advertising and marketing expenses, charges of experts and fees, expenses and taxes related to the filing, and the registration and qualification of the sale of shares under federal and state laws, including taxes and fees and accountants' fees.

Da Vinci anticipates that, pursuant to the provisions for compensation of the Manager under the Management Services Agreement proposed by AOS and presented to Da Vinci's Board of Directors for consideration and possible approval and ratification, overtime Da Vinci will be obligated to reimburse the Manager for all expenses incurred by AOS or the Manager on behalf of, and for the exclusive benefit of, Da Vinci, including the costs of organization and offering costs paid by AOS or by the Manager for AOS on behalf of Da Vinci, subject to a minimum offering raise, as described below.

Da Vinci's management has determined that in its initial raise under Title II of the Jumpstart Our Business Start-ups Act (the "Initial Offering"), Da Vinci will attempt to raise $750,000 (the "Maximum Raise"). However, upon Da Vinci raising at least $500,000 (the "Minimum Raise"), effective as of the date of the closing of the Minimum Raise, Da Vinci will commence operations. At such time, Da Vinci will commence the reimbursement, over time, to AOS or the Manager, as the case may be, without interest, for these organization and offering costs incurred both before and after that date.

Unless Da Vinci raises at least the Minimum Raise under the Initial Offering, Da Vinci will not commence operations. In the event the minimum number of the Da Vinci's Series A Preferred Stock shares is not sold to the public within 12 months after commencement of the Initial Offering, the Da Vinci will terminate the Initial Offering, will have no obligation to reimburse AOS or the Manager or any of its or their affiliates for any organization and offering costs and will release all investors from their commitments. As of December 31, 2019 AOS and the Manager have, collectively, incurred organization and offering costs of approximately $24,829 on behalf of the Da Vinci.

Income taxes:

Income tax expense is based on reported income before income taxes. Da Vinci assesses the likelihood of the financial statement effect of a tax position that should be recognized when it is more likely than not that the position will be sustained upon examination by a taxing authority based on the technical merits of the tax position, circumstances, and information available as of the reporting date. Management does not believe that there are any tax positions that would result in an asset or liability for taxes being recognized in the financial statements.

Da Vinci's policy is to recognize interest and penalties accrued on any unrecognized tax positions as a component of income tax expense. As of December 31, 2019, Da Vinci did not have any accrued interest or penalties associated with any unrecognized tax positions, nor was there any interest expense or penalties recognized during the period ending December 31, 2019.

Share redemptions

At present, and for the currently foreseeable future, there will be no share redemptions, other than the redemption of the 100 shares of Da Vinci's Common Stock held by the Manager, which shares will be redeemed upon the issuance to the Manager of the 266,000 shares of Series B Preferred Stock of Da Vinci and immediately thereafter the closing of the sale of the 140,187 shares of Series A Preferred Stock to members of the general public under the Initial Offering.

Property, plant and equipment:

Equipment purchased by Da Vinci is recorded at cost. Depreciation and amortization are computed using the straight-line method over the assets estimated useful life.

Recently issued accounting pronouncements:

The management of Da Vinci is evaluating the impact of the pending adoption of the new standard on the financial statements.

Under Section 107 of the Jumpstart Our Business Startups Act of 2012, Da Vinci is permitted to use the extended transition period provided in Section 7(a)(2)(B) of the Securities Act of 1933, as amended (the "Securities Act") for complying with new or revised accounting standards. This permits Da Vinci to delay the adoption of certain accounting standards until those standards would otherwise apply to private companies.

Da Vinci has elected to use the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date that Da Vinci (i) is no longer an emerging growth company or (ii) affirmatively and irrevocably opts out of the extended transition period provided in Section 7(a)(2)(B). By electing to extend the transition period for complying with new or revised accounting standards, these financial statements may not be comparable to companies that adopt accounting standard updates upon the public business entity effective dates.

In August 2016, the FASB issued Accounting Standards Updated 2016-1 ("ASU 2016-15"), *Statement of Cash Flows: Classification of Certain Cash Receipts and Cash Payments*, which provides guidance on the presentation and classification in the statement of cash flows for specific cash receipt and payment transactions, including debt prepayment or extinguishment costs, contingent consideration payments made after a business combination, proceeds from the settlement of insurance claims and corporate- owned life insurance policies, and distributions received from equity method investees. This standard is effective for fiscal years beginning after December 15, 2018, including interim periods within that reporting period. The management of Da Vinci is currently in the process of evaluating the impact of the adoption of this standard on our financial statements.

In November 2016, the FASB issued Accounting Standards Updated 2016-18 ("ASU 2016-18") *Statement of Cash Flows: Restricted Cash*, which clarifies the presentation requirements of restricted cash within the statement of cash flows. The changes in restricted cash and restricted cash equivalents during the period should be included in the beginning and ending cash and cash equivalents balance reconciliation on the statement of cash flows. When cash, cash equivalents, restricted cash or restricted cash equivalents are presented in more than one-line item within the statement of financial position, an entity is required to calculate the total cash amount in a narrative or tabular format that agrees to the amount shown on the statement of cash flows. Details on the nature and amounts of restricted cash are also required to be disclosed. This standard is effective for fiscal years beginning after December 15, 2018, including interim periods within that reporting period. This standard will have no material impact on the presentation of these financial statements.

3. Related party transactions

Subject to certain restrictions and limitations, and assuming Da Vinci's Board of Directors approves the Management Services Agreement upon its presentation by AOS to such Board, then, upon such approval, the Manager will be responsible for managing Da Vinci's affairs on a day-to-day basis and for identifying and making recommendations to the Da Vinci's Board of Directors regarding the investment in various inventions and other intellectual property. Under the terms of the proposed Management Services Agreement, the Manager will directly receive, and through the Manager, certain subcontractors to the Manager will indirectly receive, fees and compensation for services rendered in connection with the acquisition, management, commercialization (including licensing and sale) and ultimate disposition of the various inventions and other intellectual property in which Da Vinci invests. The Manager will also be reimbursed for any organization and offering expenses incurred in conjunction with the Initial Offering, subject to achieving the Minimum Raise.

Additionally, Da Vinci will reimburse the Manager for actual expenses incurred on behalf of Da Vinci in connection with the vetting process conducted by the Manager in an effort to identify invention candidates for recommendation to Da Vinci's Board of Directors for approval, whether or not Da Vinci ultimately acquires, develops or successfully commercializes the invention candidate. This includes out-of-pocket expenses paid by the Manager on behalf of Da Vinci to third parties (other than the subcontractors referred to in the preceding paragraph) in connection with the providing of services to Da Vinci. Expense reimbursements payable to the Manager may also include reimbursement of Da Vinci's allocable share of the expenses incurred by the Manager on behalf of Da Vinci or the AOS organization as a whole for such items as insurance and the like attributable to the overall management or operation of the AOS organization as a whole.

More specifically, Da Vinci will pay the Manager monthly management fees varying between $1,000 and 5,000 per each subcontractor retained by the Manager to provide one or more services to Da Vinci, with a maximum of 14 such subcontractors over time, commencing upon the date that Da Vinci has achieved and closes the Minimum Raise. In no event will any such subcontractor receive more than $5,000 per month, with several receiving monthly fees, at the outset, that are much lower but nevertheless still within the $1,000 to $5,000 range previously set under the terms of the Management Services Agreement.

As of December 31, 2019, except for immaterial amounts incurred by certain of the principals of AOS on behalf of Da Vinci and accounts payable to support services provided by individuals to AOS for the benefit of Da Vinci (as well as for the benefit of all future funds to be sponsored by AOS) no reimbursable management expense has been incurred to date.

Effective as of the date of approval by the the Da Vinci Board of Directors of the Management Services Agreement, the Manager shall be deemed to have entered into a Restricted Stock Purchase Agreement with Da Vinci for the purchase by the Manager of 266,000 shares of Da Vinci's Series B Preferred Stock, at a purchase price of $0.001 per share (the "Series B Shares"). Notwithstanding the actual percentage of the total outstanding shares of Da Vinci owned by the Manager at a point in time, now or in the future, it is Da Vinci's intention that the Manager ownership of such Series B Shares shall never constitue more than 19.19% of all issued and outstanding stock of Da Vinci, on a continuous basis into the future. In addition, such shares will be subject to a vesting period of four years, with all of such shares vesting upon the fourth anniversary of the issue date of such shares, which issue date shall be deemed to have occurred immediately prior to the Closing Date of the Initial Offering.

4. Economic uncertainty

Upon adoption of the Management Services Agreement by Da Vinci's Board of Directors, acting upon the recommendation of AOS, Da Vinci will engage the Manager to provide, through its various subcontractors, certain services essential to Da Vinci, including asset management services, asset acquisition and disposition support services, services pertaining to the sale of shares of Da Vinci's capital stock to the extent authorized and available for issue to purchasers, as well as other administrative and operational responsibilities for Da Vinci including, without limitation, legal, accounting, public relations and investor relations services. As a result of this relationship, Da Vinci will be dependent upon the Manager and its subcontractors. In the event these companies are unable to provide Da Vinci with the respective services, Da Vinci would be required to find alternative providers of these services.

5. Property, plant and equipment:

Property, plant and equipment stated at cost is as follows:

	Useful Lives	December 31, 2019
Servers	5 years	$ 1,946
Software	3 years	1,711
Computers	3 years	907
Less: Accumulated depreciation		(95)
Total		$ 4,469

For the year ended December 31, 2019, the Da Vinci expensed $95 of depreciation.

6. **Convertible promissory notes**

Da Vinci issued convertible promissory notes to three contractors in exchange for professional services on October 16, 2019. Interest on the notes accrues at 3% per annum, compounded annually. Each note will mature upon closing of the Initial Offering. At such time, the outstanding balance of these notes may convert in whole into equity securities in a conversion prices equal to 80% of the per share price paid by investors in a future round of financing, if any.

As of December 31, 2019, the aggregate principal amount of such promissory notes was $30,000

7. Personnel Plan

Table: Personnel

Personnel Plan					
	2019	**2020**	**2021**	**2022**	**2023**
Management ("C" Level)	$0	$105,000	$300,000	$360,000	$360,000
Director and Manager Level	$0	$52,000	$132,000	$132,000	$132,000
Support Staff Level	$0	$0	$24,000	$24,000	$24,000
Future (Part-time) Contract Employees	$0	$0	$120,000	$150,000	$200,000
Total Payroll	**$0**	**$157,000**	**$576,000**	**$666,000**	**$716,000**
Total People	**7**	**10**	**25**	**35**	**40**

8.0 Financial Plan

8.1 Startup Funding

AOS commenced operations on January 1, 2019. Over the course of the year that followed, and up to and including the present day, the entire effort of the AOS team has been to bring the organization to a place of operational readiness so that AOS can accept outside funding and not misuse or misspend any of the monies raised in that process.

Accordingly, with the exception of any expenditures pertaining to the setup and organization of the Da Vinci Invention Investment Fund I itself (along with a bill for outside legal services (in the amount of $50,000) and promissory notes (in the aggregate, $30,000 principal amount) all of the organization expenses of the AOS organization up to the present time have been self-funded out of the pockets of the two main principals, Rita Z. Crompton and Raymond P. Burrasca, without expectation of repayment from Da Vinci. Supporting them have been a small, but agile team, of loyal, committed AOS staff members, including, most importantly, Joan Van De Griek, Katherine Crompton, Andrea Blocher and Rennae Beilke.

Late in the year, Rita Crompton brought in George Peters, a preeminent and respected member of the elite group of independent inventors who have been wildly successful with their invention (George was one of the invitees to the U.S. White House in celebration of the "Made in America" Week. In addition, also late in the year, Ray Burrasca was able to recruit Carshon Rodgers, a licensed and registered independent financial advisor, to serve as outside consultant to the company on financial advisory matters and to lead those independent, outside Board of Directors members for the first, AOS-sponsored Invention Investment Family fund, the Da Vinci Invention Investment Fund I.

Given the progress achieved by AOS management over the past 14 months in creating a model and management team capable of shepherding the company into the future, it is now time to raise significant additional, amounts of cash in order to allow the company and its business to move to the next level. Accordingly, it is the intention of AOS's management to raise $750,000 through the AOS-sponsored Da Vinci Invention Investment Fund I, and with those proceeds to begin to fully implement the operational plan already fully-fleshed out, including such items as: (i) creating the technology that will enable the AOS sponsored funds to fully, quickly, scale-up (to achieve economies that scaling up will allow the organization to enjoy); (ii) to recruit the additional members of the AOS team required for its intended exponential growth over the next 4 to 5 fiscal years; and (iii) to finally begin funding some of the thoroughly-vetted, high-quality projects that have already been identified by AOS's management for presentation to the Da Vinci Board of Directors.

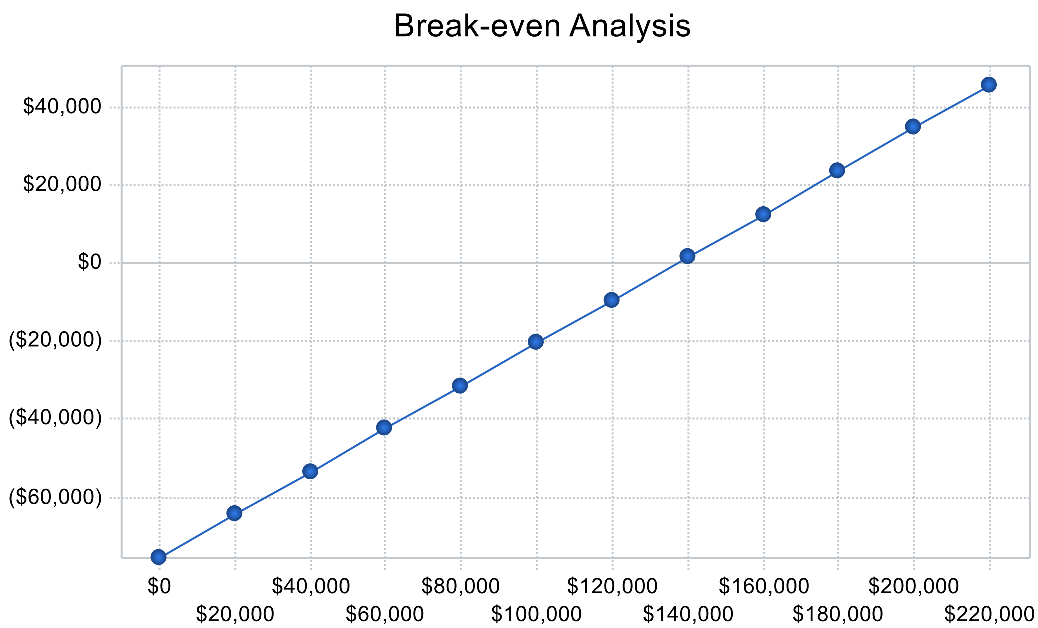
Table: Startup Funding

Startup Funding	
Startup Expenses to Fund	$112,201
Startup Assets to Fund	$180,000
Total Funding Required	**$292,201**
Assets	
Non-cash Assets from Startup	$100,000
Cash Requirements from Startup	$80,000
Additional Cash Raised	$537,799
Cash Balance on Starting Date	$617,799
Total Assets	**$717,799**
Liabilities and Capital	
Liabilities	
Current Borrowing	$30,000
Long-term Liabilities	$0
Accounts Payable (Outstanding Bills)	$50,000
Other Current Liabilities (interest-free)	$0
Total Liabilities	**$80,000**
Capital	
Planned Investment	
JOBS Act, Title II (Accredited Investor Crowdfunding)	$750,000
JOBS Act, Title III (Regulation Crowdfunding)	$0
JOBS Act, Title IV (Regulation "A+")	$0
Direct Public Offering (S-1) Investors	$0
Total Planned Investment	**$750,000**
Loss at Startup (Startup Expenses)	($112,201)
Total Capital	**$637,799**
Total Capital and Liabilities	**$717,799**
Total Funding	**$830,000**

8.2 Break-even Analysis

Table: Break-even Analysis

Break-even Analysis	
Monthly Revenue Break-even	**$137,273**
Assumptions:	
Average Percent Variable Cost	45%
Estimated Monthly Fixed Cost	**$75,500**



8.3 Projected Profit and Loss

Table: Profit and Loss

Pro Forma Profit and Loss					
	2019	**2020**	**2021**	**2022**	**2023**
Sales	$0	$350,000	$2,000,000	$5,000,000	$10,000,000
Direct Cost of Sales	$0	$75,000	$878,750	$2,306,500	$3,091,650
Total Cost of Sales	$0	$75,000	$878,750	$2,306,500	$3,091,650
Gross Margin	$0	$275,000	$1,121,250	$2,693,500	$6,908,350
Gross Margin %	0.00%	78.57%	56.06%	53.87%	69.08%
Expenses					
Payroll	$0	$157,000	$576,000	$666,000	$716,000
Legal expenses	$0	$50,000	$100,000	$200,000	$400,000
Marketing consultants	$0	$15,000	$100,000	$250,000	$250,000
Travel	$0	$25,000	$30,000	$37,500	$40,000
Accounting and auditing	$0	$25,000	$50,000	$100,000	$150,000
Costs of appraisals	$0	$25,000	$50,000	$75,000	$100,000
Total Operating Expenses	$0	$297,000	$906,000	$1,328,500	$1,656,000
EBITDA *(Profit Before Interest and Taxes)*	$0	($22,000)	$215,250	$1,365,000	$5,252,350
Interest Expense	$3,000	$3,000	$3,000	$3,000	$3,000
Taxes Incurred	$0	$0	$63,675	$408,600	$1,574,805
Net Profit	($3,000)	($25,000)	$148,575	$953,400	$3,674,545
Net Profit/Sales	0.00%	-7.14%	7.43%	19.07%	36.75%

8.4 Projected Cash Flow

Table: Cash Flow

Pro Forma Cash Flow					
	2019	2020	2021	2022	2023
Cash Received					
Cash from Operations					
Monetization of IP (from licensing, sales, loans and inventor buybacks)	$0	$350,000	$2,000,000	$5,000,000	$10,000,000
Total - Cash from Operations	$0	$350,000	$2,000,000	$5,000,000	$10,000,000
New Investment Received	$0	$1,820,000	$21,000,000	$50,000,000	$100,000,000
Expenditures					
Expenditures from Operations					
Cash Spending	$0	$157,000	$576,000	$666,000	$716,000
Bill Payments	$52,758	$200,324	$1,188,513	$3,207,572	$5,426,261
Total - Spent on Operations	$52,758	$357,324	$1,764,513	$3,873,572	$6,142,261
Additional Cash Spent					
Purchase Long-term Assets	$0	$1,150,000	$18,400,000	$46,184,000	$92,637,000
Dividends	$0	$0	$0	$0	$450,000
Total – Additional Cash Spent	**$52,758**	**$1,507,324**	**$20,164,513**	**$50,057,572**	**$99,229,261**
Net Cash Flow	($52,758)	$662,676	$2,835,487	$4,942,428	$10,770,739
Cash Balance	**$565,041**	**$1,227,717**	**$4,063,203**	**$9,005,632**	**$19,776,370**

8.5 Projected Balance Sheet

Table: Balance Sheet

Pro Forma Balance Sheet					
	2019	2020	2021	2022	2023
Assets					
Current Assets					
Cash	$565,041	$1,227,717	$4,063,203	$9,005,632	$19,776,370
Other Current Assets	$0	$0	$0	$0	$0
Total Current Assets	$565,041	$1,227,717	$4,063,203	$9,005,632	$19,776,370
Long-term Assets					
Long-term Assets	$100,000	$1,250,000	$19,650,000	$65,834,000	$158,471,000
Accumulated Depreciation	$0	$0	$0	$0	$0
Total Long-term Assets	$100,000	$1,250,000	$19,650,000	$65,834,000	$158,471,000
Total Assets	$665,041	$2,477,717	$23,713,203	$74,839,632	$178,247,370
Liabilities and Capital	2019	2020	2021	2022	2023
Current Liabilities					
Accounts Payable	$242	$17,918	$104,829	$277,858	$461,051
Current Borrowing	$30,000	$30,000	$30,000	$30,000	$30,000
Other Current Liabilities	$0	$0	$0	$0	$0
Subtotal Current Liabilities	$30,242	$47,918	$134,829	$307,858	$491,051
Long-term Liabilities	$0	$0	$0	$0	$0
Total Liabilities	$30,242	$47,918	$134,829	$307,858	$491,051
Paid-in Capital	$750,000	$2,570,000	$23,570,000	$73,570,000	$173,570,000
Retained Earnings	($112,201)	($115,201)	($140,201)	$8,374	$511,774
Earnings	($3,000)	($25,000)	$148,575	$953,400	$3,674,545
Total Capital	$634,799	$2,429,799	$23,578,374	$74,531,774	$177,756,319
Total Liabilities and Capital	$665,041	$2,477,717	$23,713,203	$74,839,632	$178,247,370
Net Worth	$634,799	$2,429,799	$23,578,374	$74,531,774	$177,756,319

9.0 Milestones

Table: Milestones

Milestones				
Milestone	**Start Date**	**End Date**	**Manager**	**Department**
Launch first offering - Series A Preferred Stock to Accredited Investors Exclusively	2/19/2020	5/31/2020	R.P. Burrasca	Investor-Facing Division
First investment in inventions and related IP	2/1/2020	6/30/2020	R.Z. Crompton	Inventor-Facing Division
Initiate program to put in place databases and dashboards for inventors and investors	6/1/2020	7/31/2020	R.P. Burrasca/Joan Van De Griek	Investor-Facing Division
Secure audit firm for subsequent Title III and Title IV Offerings	9/1/2019	9/1/2020	R.P. Burrasca / J. Van De Griek	Investor-Facing Division
Begin planning for year-end Title III (Regulation Crowdfunding) offering	10/1/2020	12/15/2020	R.Z. Crompton / R.P. Burrasca / J. Van De Griek	Inventor- and Investor-Facing Divisions
Launch Title III Offering for Da Vinci	12/31/2020	3/30/2021	R.Z. Crompton / R.P. Burrasca / J. Van De Griek	Inventor- and Investor-Facing Divisions
Invest in next round of inventions and related IP	4/1/2021	4/30/2021	R.Z. Crompton	Inventor-Facing Division
Start planning for first Title IV (Regulation A+) offering for Da Vinci	1/1/2021	3/31/2021	R.Z. Crompton / R.P. Burrasca / J. Van De Griek	Inventor- and Investor-Facing Divisions
Launch Title IV Offering for Da Vinci	6/1/2021	9/30/2021	R.Z. Crompton / R.P. Burrasca / J. Van De Griek	Inventor- and Investor-Facing Divisions
Invest in third round of inventions and related IP	10/1/2021	12/31/2021	R.Z. Crompton	Inventor-Facing Division
Totals				