

**The Capital Market System for
Entrepreneurial Public and Private Companies.™**



Entrex

An exchange for the better.™

A flexible security structure. A corporate finance solution. An expansive capital market.

Entrex was founded to create an alternate capital market system for companies that are beyond the limits of financing through friends and family, yet leery of risks and obligations associated with the existing public equity capital markets.

Entrex is the place to find, research, track, manage and trade securities of entrepreneurial public and private companies.

It's known that issuing equity securities for growth funding is not always an effective financing solution for the majority of mid-market and micro-cap companies.

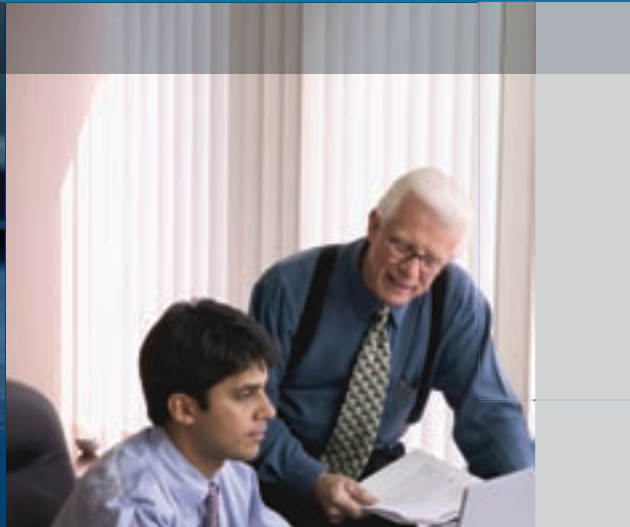
Entrex created a security structure called the TIGRcub™ that solves multiple problems commonly associated with growth capital investment, for both investors and company issuers.

The Entrex Capital Market System is comprised of key elements that work together to offer unprecedented, turn-key issuer and investor support for TIGRcub™ financing transactions – especially for companies with annual revenues between \$5M–\$250M.

Entrex TIGRcubs,™ or Top-line Income Generation Rights Certificates, offer investors and issuers an alternative security structure that derives investor returns from issuer top-line revenues.

TIGRcubs™ are revenue participation securities that substitute for debt or equity issuances and provide current income and liquidity for the investor.

The TIGRcubs™ security grants the investor the right to a monthly percentage of the issuer's top line (GAAP) gross revenues in exchange for lump-sum capital.



Serving Companies (Issuers)

The non-dilutive characteristics of TIGRcub™ security structures is appealing to companies that wish to retain ownership control. It's a flexible security that can provide either term or permanent financing. These features, coupled with a variable cost of capital and the absence or mitigation of governance controls, make TIGRcubs™ a win/win for companies who don't want the pressure of a forced exit—and a way to attract investors who want to avoid liquidity event risks and seek current income.

Serving Investors

TIGRcubs™ provide investors a new asset category with which to diversify. Investors benefit from current income, potential growth in current income, liquidity and access to a large universe of issuances. In addition, an investment allocation to TIGRcub™ securities can bring improved portfolio transparency, high yields and inflation hedge features that add balance and diversity to a portfolio.

Serving Investment Bankers

Entrex supports a network of independent investment bank licensees that are knowledgeable about pricing and structuring TIGRcub™ transactions to best suit the needs of their clients. TIGRcub™ security structures allow investment banks to create additional corporate finance solutions for their corporate clients and attractive investment products for investors. Additional investment bank licensees are welcome. Please direct inquiries to econefry@entrex.net.



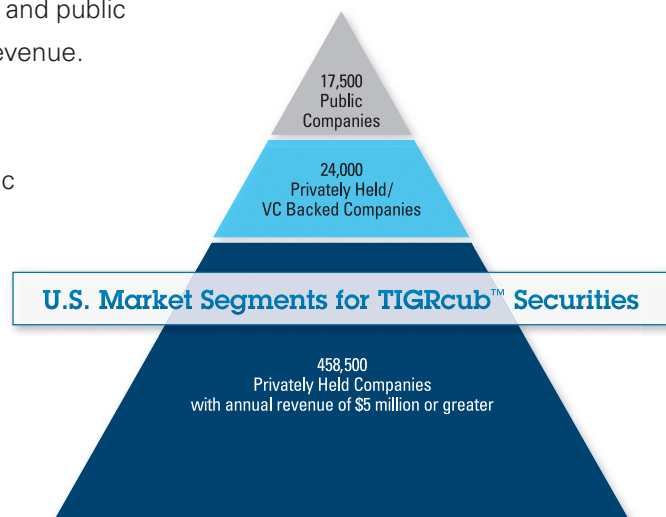
THE SECURITY FOR MARKET LEADERS™



TIGRcubs™ service a vast segment of companies that Wall Street overlooks.

As illustrated by the pyramid below, TIGRcub™ security structures represent an effective corporate finance solution for a large number of companies, including private companies with greater than \$5 million in revenue, VC backed companies, and public micro-cap companies with up to \$250 million in revenue.

Today, the public equity and debt capital markets operate around an elite and small number of public companies (top of the pyramid). Meanwhile, there are approximately 500,000 private business in the U.S. with revenues of \$5M or greater. The absence of a security structure that meets institutional investor requirements, and a capital market system that supports liquidity for the security designed for the large universe of private companies, have prevented efficient capital flow into these companies.





Recent statistics show that 33% of today's GDP contribution came from companies that did not exist in 1980.

What does this mean? Companies have life cycles, and the length of a company's operating history is not always an indicator of their growth potential or stability. TIGRcub™ investment decisions should be based upon an evaluation of the issuer's ability to maintain profitable operations and sustain necessary growth for the investment period, not on judgment of a company's ability to be viable for several decades into the future.

TIGRcubs™ operate simply by exchanging a sum of capital for a percentage of a company's top-line revenue for an agreed upon period of time.

Similarly, public micro-cap companies have struggled for access to additional capital due to tightened credit markets and weak equity capital markets. Companies struggling to stay on the big boards, and the many who have fallen to pink sheet status, are viable firms with attractive revenue growth but need access to capital to make significant advancements.

TIGRcubs™ and the Entrex Capital Market System represent a corporate finance solution geared to a broad range of investors and companies. TIGRcubs™ feature simplicity and transparency with institutional standards of indenture, disclosure and cash distribution.

TIGRcubs™ provide a transparent and simple structure for capital transactions as small as \$1-10 million and are equally effective for transactions in excess of \$100 million.

TIGRcub™ features.

TIGRcubs™ are simply an evolution and institutionalization of an investment method that has existed since the Egyptian pyramids. Revenue-participation agreements (sometimes known as royalties), as a means to derive returns on investment, have proven successful in the oil and gas, music, and pharmaceutical industries. They have been used by some prominent brands and corporations. Listerine®, Sears®, Arby's®, Dunkin' Donuts®, The Beatles™ and Steven Spielberg, have used revenue participation as the basis of investment contracts.

TIGRcubs™ are a standardized and institutionalized form of revenue participation securities, providing investors a right to a fixed percentage of the top line GAAP gross revenues of the issuing enterprise. TIGRcubs™ are a versatile solution and have applications including project finance, oil and gas, consumer goods, and real-estate development. TIGRcubs™ are a substitute for issuing equity or debt securities and can easily be structured to adapt to existing capital structures.

The flexible features of TIGRcub™ securities provide opportunities to structure a solution that meets both investor and issuer requirements. Some examples include:

10-Year Debt-like TIGRcub™ – repayment of principal with a risk-based return over a 10-year period.

High Yield Variable Annuity TIGRcub™ – high risk/high reward model where return of principal and investment income depend solely upon revenue performance.

Fixed-Annuity TIGRcub™ – pre-determined IRR where maturity is subject to the achievement of the agreed upon IRR.

Floor/Ceiling TIGRcub™ – minimum and maximum monthly distribution amounts are established for the duration of the contract.

Perpetual TIGRcub™ – investment income is derived perpetually from monthly revenues, and principal is recovered at a liquidity event or on redemption (similar to a preferred equity).










When structured as an equity substitute in high-growth companies and unsecured, the TIGRcub™ is priced to deliver comparable investor returns to those of venture or private equity investments. Conversely, when structured as a debt substitute, (senior and secured) its pricing is more comparable to mezzanine debt, but without the equity dilution from warrants. Floor and ceiling annual return parameters can also be established.

TIGRcubs™ are flexible securities that can adapt to existing capital structures

TIGRcub
DEBT-LIKE¹
STRUCTURES

TIGRcub
EQUITY-LIKE¹
STRUCTURES

Senior Debt		
Senior-Subordinated Debt		
Convertible-Subordinated Debt		
Redeemable-Preferred Stock		
Equity		

1. Accounting and tax treatment for debt-like and equity-like TIGRcub™ securities can vary substantially depending on facts and circumstances of the issuer and the characterization of the issued security. See Entrex literature and FASB and technical references for further information.



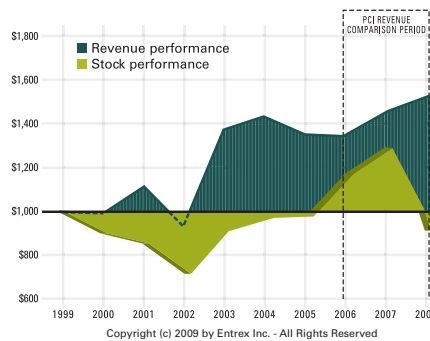
Capturing revenue means capturing returns.

TIGRcub™ security structures give investors access to top-line revenues, a metric that's proven to show more growth and significantly less volatility than stock values in both the public and private sectors.

Entrex market research below compares the past decade of public company revenue performance to stock price. Separate analyses of the Dow Jones Industrial Average (DJIA) companies and a subset of OTC companies reflect negative correlations, over time, between growth in revenues and growth in the stock prices of these enterprises.

Dow Jones Industrial Average (DJIA) Companies

\$1,000: Revenue Performance vs Stock Performance
10-year Study

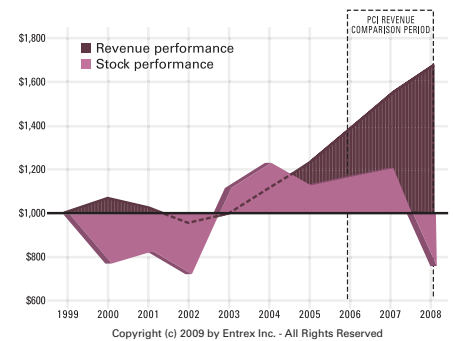


The Dow Companies Stock vs. Revenue

10 year revenue performance can be non-correlative to stock activity in periods of extreme volatility.

Entrex Micro Cap Review Index (EMRI)

\$1,000: Revenue Performance vs Stock Performance
Top 50 Compliant Micro Cap Public Companies
10-year Study



OTC Companies Stock vs. Revenue

10 year stock price has shown a great deal of speculative volatility compared to revenue performance.

The aggregate revenue performance of constituents of these company groups was then compared to the four year-old Entrex Private Company Index (PCI). Results show that the constituent private companies in the mid-market space exhibited even steeper aggregate revenue growth than these two public groups – illuminating a way for investors to participate in the private sector, realize high yield current income and avoid the dependence on liquidity events that are most often associated with equity investments.

Your banker can contact Entrex
at 877-4-ENTREX (877-436-8739)
to learn more and become involved.



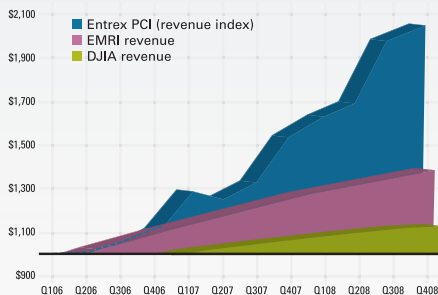
Entrex's investment bank licensees are knowledgeable in structuring, pricing, distributing, marketing and providing aftermarket support for TIGRcub™ issuances. Member investment banks are educated by Entrex about new developments, applications and transaction execution matters concerning the TIGRcub™ security.

Companies issuing TIGRcub™ securities work with Entrex's investment bank licensees to bring their offering to the market. To date, more than 800 public and private companies have been identified by investment bankers, at both well known financial institutions and boutique firms throughout North America, as prospective TIGRcub™ issuers.

PCI Revenue Comparison

Entrex Private Company Index (PCI)

\$1,000: Performance on Quarterly Index Movement
As compared to DJIA and EMRI



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Private Companies vs. Public Companies

Three year private company revenue performance outperforms public company revenue growth.

TIGRcub™ Issuance Illustration

Company revenue:	\$50,000,000 ¹
TIGRcub™ capital amount raised:	\$ 5,000,000
TIGRcub™ monthly remittance:	1%–2.5% ²
TIGRcub™ maturity:	10 years



Key terms:

- Does not require governance changes
- Certain information rights, including financial and special revenue audits
- Redemption provisions
- Negative covenants

1. Assumes a historical CAGR of 20%
2. Depending on sustainable CAGR outlook

Entrex management is a group of individuals with combined leadership experiences in the capital markets and finance industry. As successful entrepreneurs, their diverse skill sets and backgrounds create a team that is uniquely capable of building and supporting this emerging financial marketplace.



The Entrex Capital Market System.

The Entrex Capital Market System brings the efficiency of public equity and debt capital market platforms to the private or public company that issues TIGRcub™ securities.

The Entrex Capital Market System standardizes and institutionalizes TIGRcub™ security issuances and relies on service providers including various global banks to manage the indenture, investor cash distributions, notices, registrar, and transfer agent services. In combination, Entrex along with the indenture agent and trustee provide securities registration, asset servicing, corporate trust functions, trade reporting, issuer financial reporting, corporate action disclosures and market data.

U.S. Small Business Administration





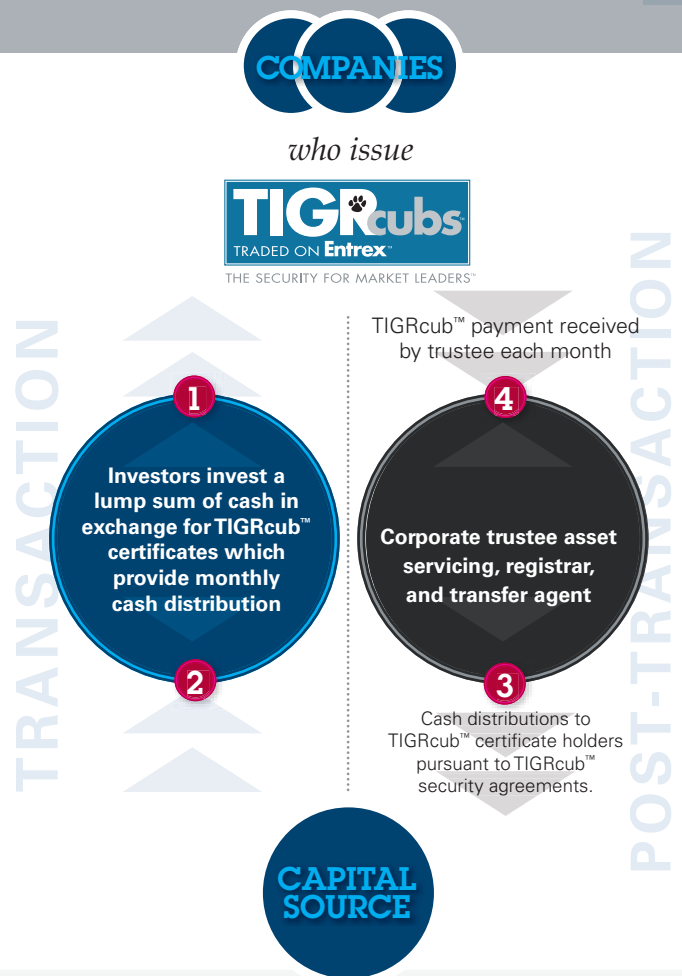
Both the United States Small Business Administration (SBA) and its oversight body, the United States Senate Committee on Small Business and Entrepreneurship (SBC), have recognized Entrex for innovation in the realm of alternative financing. These key governmental relationships enabled Entrex to build a comprehensive platform of TIGRcubs™ security structures that increase the flow of capital into both the public and private sectors.



Entrex CEO Stephen H. Watkins is a past recipient of a Financial Services Advocate of the Year award. In a recent U.S. Senate

Committee hearing, committee chair Senator Mary Landrieu (D-LA) said Entrex is “an excellent suggestion for a model” that could direct available capital into American businesses and re-invigorate growth in the mid-market sector where new employment and economic growth originate.

TIGRcub™ Transaction Process



- 1** Issuing company (issuer) and capital source agree to TIGRcub™ transaction terms.
- 2** Issuer receives cash at closing from the capital source in exchange for TIGRcub™ Certificate(s).
- 3** Issuer declares monthly revenue to the trustee and facilitates a payment pursuant to TIGRcub™ security and indenture agreements.
- 4** The various certificate Trustees process payment and distributes cash to investors of record pursuant to TIGRcub™ certificate owner registry.
- 5** Entrex collects TIGRcub™ financial data from the various global bank Trustees along with periodic financial data from the issuers—providing an information distribution center for TIGRcub™ market participants.

The future of corporate financing transactions.

No one can accurately predict the future of public equity market volatility or confidently rely upon the models used by analysts to value the equity of both public and private companies going forward. What we do know is that successful companies will continue to earn revenue and gain market share—that's how they thrive.

Entrex TIGRcubs™ capture this certain metric of success. Why make an investment in something less clear?

Visit entrex.net or contact us at (877) 4-ENTREX | 436-8739

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