



中咨聯智

C3 PARTNERS BULLETIN BOARD

Welcome to the C3 Bulletin Boards for Partners, Projects & Products. Here you will find background information about our Partners, Projects and Products covering the numerous business opportunities and resources available in China and within the C3 Network of companies.

In the C3 Partners Bulletin Board, you will find general information about some of our existing partners & affiliates. **In The Spotlight Section** of the Board you will find detailed information, including links, about selected C3 Partner's companies along with in depth profiles on some of the individuals within those companies.

IN THE SPOTLIGHT

We are pleased to introduce three firms with whom C3 has been collaborating in servicing the needs of C3 Network clients; Tashjian Law Firm – based in USA, Comsec BVI Limited – based in Hong Kong and Growthink – based in USA.

Tashjian Law Firm and Comsec BVI Ltd

TASHJIAN LAW FIRM



- The Tashjian Law Firm, is the General Counsel of C3 Holdings. The firm has practiced in the area of international law for over 20 years and has assisted numerous foreign companies to establish business operations in the United States.
- H. Richard Tashjian has been practicing international law for over 20 years. He is the principal of Tashjian Law Firm with offices in Los Angeles, California and Paris, France. He is licensed in the States of California, Massachusetts, and Washington, D.C. Mr. Tashjian has lectured at legal conventions and conferences worldwide on the international transfer of personnel. Mr. Tashjian has been appointed to the American Bar Association Committee on International Law by two ABA presidents. He is a graduate of Vermont Law School and Providence College where he obtained a double major in Economics and Accounting.
- In addition to advising foreign companies on the commercial law aspects of opening a business in the United States, Mr. Tashjian is a noted expert in the area of business immigration law and has lectured world wide on the topic of relocating personnel to the United States.
- He has successfully represented management personnel from Fortune 500 companies to Olympic Gold Medal Winners in China to Top Fashion Models – all seeking to relocate to the United States for business purposes.
- <http://www.tashjianlaw.com>

COMSEC BVI LIMITED

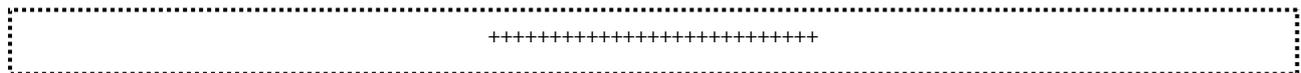
- Comsec strength is derived from its concentration on two well-established and dynamic international corporate centres. Comsec specialises in Hong Kong and The British Virgin Islands. Comsec's range of services includes incorporation of International Business Companies (IBCs) in the BVI, local companies in Hong Kong and corporate secretarial and accountancy services in both.
- Comsec is a C3 local partner company based in Hong Kong. As a C3 company, Comsec enjoys all of the benefits of being a C3 Network company including the ability to offer its services throughout China via the C3 China Network of Companies
- Offshore Company Formation - Comsec BVI Limited provides complete corporate services relating to the registration of International Business Companies in the comparatively favourable and extremely popular offshore haven of The British Virgin Islands.
- Taxation Consultancy Services - Comsec offers a comprehensive range of taxation consultancy services for corporations and individuals in offshore and expatriate environments.
- Corporate Secretarial And Accountancy Services - Comsec BVI Limited has a complete range of Corporate secretarial and accountancy services in response to your specific requirements from registered office to complete financial administration.

Fall 2005 Conference Presentation

“A Brief Examination of the Factors to Consider in Selecting an Offshore Corporate Structure for your Globalizing Business & How to Staff Your Overseas Management from your Home Office Personnel”

The collaborative presentation of Tashjian Law Firm and Comsec BVI Limited Can be found at the bottom of this page or click on this link to go there now.

**Selecting & Staffing
Your Globalizing
Business**



C3 would like to welcome one of its newer affiliates, Growthink, a world-class management consulting company based in California with offices around the globe. Growthink offers business plan development, investment banking, strategic market research, and venture capital research services. Growthink has completed over 1,000 engagements for clients including emerging ventures, venture capital firms, small/medium-sized enterprises and Fortune 500 spinouts. Growthink clients have collectively raised over \$1 Billion in capital.

As a strategic advisory firm with a strong finance focus, Growthink understands the unique challenges of articulating growth initiatives to institutional and corporate audiences.

Growththink is in ongoing dialogues with all channels of the finance community: Private Equity, Venture Capital, Public and corporate capital markets

Growththink understands the rigor of an institutional investor mind set

- Investor Perspective ↔ Growththink ↔ Entrepreneur Vision
- Risk Management vs. Opportunity Optimism

Growththink's work has been vetted by top tier firms in the industry:

- Sequoia, Kleiner Perkins Caulfield & Byers, Goldman Sachs, Bain Capital

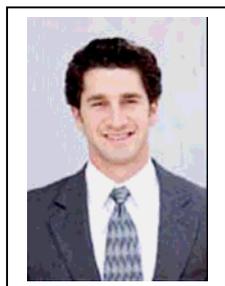
Growththink brings consulting and investment banking "best practices" to emerging companies

- Combine entrepreneurial enthusiasm with analytical rigor

Growththink Credentials Overview

- Founded in 1999, more than 1000 client engagements to date
- Team of 40 advisory professionals
- Offices in Los Angeles, New York, San Francisco, and San Diego
- More than 250 press mentions, including the Wall Street Journal, Fortune, Entrepreneur Magazine, BusinessWeek, the Los Angeles Times, and the Silicon Valley/San Jose Business Journal
- NASD registered Broker-Dealer
- Growththink Research – proprietary database of venture-funded companies, transactions, and executives
- You can out more about Growththink at their website: <http://www.growththink.com/>
- To receive Growththink free complimentary *Growththink's 2007 Business Plan Guide* go to <http://www.growththink.com/businessplan/DevelopmentGuide.html>. If you would like to receive the Guide in Chinese, please contact C3.
- A reprint from the Growththink Newsletter 15 October 2007 of the Article: "Raising Capital – How Long Does It Take?" Can be found at the end of this page or click this link to go there now.

**"Raising Capital –
How Long Does It
Take?"**



**Jeff Jones, Managing Partner & Executive
Management Committee Member**

Jeff Jones sits on the executive management committee of Growththink and is a Managing Partner. He has an extensive background in corporate finance and financial services, with a specific emphasis on assisting middle market companies with debt and growth financing. Jeff's past work experience includes positions at Morgan Stanley and Taycor Financial. At Morgan Stanley, Jeff assisted in the management of a \$300 million individual and institutional investor asset base. At Taycor, Jeff assisted emerging and middle market companies with both debt and growth financing.

Jeff earned his bachelors degree in Business Economics and Accounting from the University of California, Santa Barbara.

Marquee Transaction and Engagement Experience



Individuals of Note - Dr. Wu Zhaoxi

Individuals of Note are those expert consultants with whom C3 have had the opportunity to work, who are noted experts in their fields and exemplary models for others in the consulting business. We have had the pleasure of working with Dr. Wu Zhaoyi in the development of our C3 Doing Business in China **Education Program**. He is a world-renowned educator and a distinguished education consultant in China, having worked with and advised on a wide range of topics to the top companies, universities and China Ministry of Education.

Dr. Wu Zhaoyi is a researcher and visiting professor at UBIS (University of Business and International Studies, Geneva), Tsinghua University, Peking University and Renmin University. He has worked in universities and corporations in the last twenty years with a specialty in business management education, knowledge management, cross-cultural management & communication and international project management.

Dr. Wu acquired an MA Degree from the University of Auckland, New Zealand and an Ed. D. Degree from the University of Massachusetts. From 1985 to 1989 he taught instructional leadership and language and culture courses while serving as a Cultural Consultant on Asian Affairs at the

University of Massachusetts at Amherst, USA. In 1986 he was a reviewer of papers presented at the International Knowledge Engineering Conference held at Trier, Germany. After that he developed training programs for the International Migration Commission in the Philippines as an International Education Resource Specialist. Since 1994, he has been involved in designing MBA, EMBA and non-degree programs for US-Chinese institutions of higher education and corporate universities.

- In the last 15 years, he has participated in the development and delivery of the following programs:
- Project Management and Five-Star Total Customer Satisfaction Programs for Motorola University
- Certification of instructors for Ericsson-China College
- Shanghai 2000 Leadership Seminar
- Motorola -1000 Chinese Corporation Management Education
- International Business Negotiation for executives of AT & T, GM, BASF, etc.
- Benchmarking joint ventures in China for BHP
- Identifying factory sites for ASTEC
- Haier Group's international investment projects.

Dr. Wu has also provided project management seminars and intercultural management and communication courses for:

- Honeywell
- Schneider
- Lenovo (Legend)
- Huawei Group
- China Mobile
- China Telecommunication Ministry

Recently, he has been developing international collaborative programs for Chinese corporations going public and to be listed in Global 500.

Dr. Wu was formerly registered with the Asian Development Bank as an individual consultant in developing international projects in Asia.

Dr. Wu's recent publications include:

- Developing a Learning Team
- A Learning Community
- Leadership Development for the 21st Century

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1	C3 Partners Bulletin Board – General Information	
2	Sample of Companies and Organizations Affiliated to the C3 Network of Companies	
3	<i>In Alphabetical order</i>	<i>For a complete list of companies and affiliates and their market sectors, please contact C3 at info@c3-strategic.com</i>
4		
5	<i>Market Sectors</i>	<i>What They Do</i>
6	Education	
7	Carnegie Mellon – West Coast Campus	Carnegie Mellon University is a recognized pioneer in the field of software engineering education and research. In 2002, the University opened its west coast campus in Silicon Valley to bring its unique educational programs to the world's center of technical business and innovation.
8	Palo Alto, California, USA Based	Silicon Valley lives and breathes entrepreneurship and innovation. It is an agile environment, ready to capitalize instantly on a new and creative opportunity. With that in mind, Carnegie Mellon West has developed software engineering and software management programs that are making a difference in our students' lives by enabling them to innovate within their companies or to apply that innovation to their own entrepreneurial dreams. Our project-based curriculum focusing on cutting-edge technologies, processes, and software management techniques parallels the innovative and agile characteristics of the new software industry.
9		
10	Quest Group	With its headquarters in the heart of Silicon Valley California, The Quest Team, Inc. has been serving clients since 1974. The Quest Team is an organization of highly experienced professionals offering high impact, semi-customized training processes for the development of sales, marketing and customer teams & sales and marketing consulting services to high technology industries.
11	California, USA Based	The Quest Team has worked extensively with management, sales, marketing, engineering and manufacturing teams in some 23 industries.
12		
13	Wuhan University Continuing Education Department	Wuhan University is a key university directly under the administration of the Education Ministry of the People's Republic of China. It is located in Hubei Province's capital Wuhan known as "The thoroughfare leading to nine provinces". Approved by the State Council, it was founded on August 2nd, 2000 as the new Wuhan University----an amalgamation of the original Wuhan University, Wuhan University of Hydraulic and Electrical Engineering, Wuhan Technical University of Surveying and Mapping, and Hubei Medical University. The new Wuhan University has a vast range of projects in development because it is a combination of 4 first-rate universities in China.
14	Wuhan, China Based	The university now has 5,000-odd teachers, including 3,000 + professors and associate professors, 570 + doctorate supervisors, 4 academicians of Chinese Academy of sciences, 5 academicians of the Chinese Academy of Engineering, 2 academicians of the international Eurasian Academy of Sciences. The university has also 22 disciplines offering "the Changjiang River Program awarding scholars the posts of "special appointed professors". During the last ten years the university sent abroad thousands of members under various programs, invited 300 hundred famous foreign scholars and political personages to be its part-time professors, honorary professors or guest professors, and established relationships of academic cooperation and exchanges with 200 + universities, colleges and scientific research institutions in more than 60 countries and regions.
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17	Financial	
18	Keystone Investment Company	Keystone Investments, located in Shenzhen, specializes in high technology and infrastructure investments. Keystone and its related entities have completed projects such as the financing of China Coal Telecommunication Company, licensing for various satellite telecommunication companies, USD 46 million financing for Hefei Power Plant, and the set up of the first JV Environment Protection Company in China with Guangdong Environment Protection Bureau.
19	Shenzhen, China Based	

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21	Lee Jackson Financial	Lee Jackson Financial Services, Inc was formed in 1989 and is licensed by the State of California, USA as a real estate and mortgage loan broker. It specializes in commercial & residential loans up to USD 5 million and over the past 20 years has transacted on behalf of its clients nearly USD 500 million in loans and real estate purchase & sales transactions.
22	Santa Barbara, California, USA Based	
23		
24	Tian Long Guarantee Company	Tian Long Guarantee Company is based in Wuhan, China and issues corporate guarantees on behalf of its corporate client so that the client can secure commercial financing from traditional lending sources. Tian Long had issued hundreds of millions of dollars of corporate guarantees on behalf of its clients with a default rate of less than 1%.
25	Wuhan, China Based	
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27		
28	Technology	
29	Innovative Silicon Systems	Innovative Silicon Systems is based in San Jose, California USA right in the heart of Silicon Valley, USA, the birth place of the now global semiconductor industry and the resulting computer industry. Innovative Silicon Systems develops and markets productivity enhancement tools for semiconductor processing and provides consulting services to the worldwide semiconductor industry. Innovative Silicon System's predecessor company, Benzing Technologies, Inc. was also founded by Dr. Dave Benzing and was responsible for product concepts, product engineering, and process development of innovative plasma-based semiconductor processing equipment. At Innovative Silicon Systems and Benzing Technologies, Inc, Dr. Benzing developed several pioneering products and issued numerous patents. He has executed several successful consulting/product development contracts with several major semiconductor companies around the world.
30	San Jose, California, USA Based	
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32		
33	Keystone Hitech Ventures	Keystone Hitech Ventures (KHV), based in Shenzhen, provides management support for those Chinese companies in which is parent company, Keystone Investment has invested. KHV has provided support to China companies in the telecommunication, satellite communication, health care, energy, defense and a host of other Chinese industries. KHV has been providing support for its China Investment for over 20 years.
34	Shenzhen, China Based	
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37	Healthcare	
38	Mingze Healthcare Clinic	Mingze Healthcare Clinic has operated continuously since opening in 1999 in Beijing and currently is the contract health care provider for Microsoft China along with many other well know companies in China.. It is a pioneer in the China health care industry, opening one of the first western style health clinic in Beijing with the approval of the Chinese Health Ministry under China's opening up and reform policy of the China health care industry. Under further recent relaxation of the restrictions on health care clinics in China's move away from centralized delivery of medical services via its over burdened hospital system and staffed and being run by the top medical practitioners and administrators from the best China medical hospitals & universities, Mingze Healthcare Clinic is poised to become a leader in the reformation of the China healthcare industry providing both primary care via its cllinics and expert consulting to the inudstry and China government..
39	Beijing, China based	
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41	Ning Dental Clinic	Ning Dental Clinic is a full service Beijing dental clinic performing the most up-to-date dental techniques using the latest up-to-date dental equipment . Its dentists are English speaking and western trained at some of the top western dental schools. With expert knowledge as to both western and China dental practices, Ning Dental Clinic is available to consult with western dental clinics outsourcing portions of their dental procedures to China and Chinese dental clinics in need of upgrading to global standards.
42	Beijing, China based	
43		
44	Industrial	
45	Beijing Guodian Technology & Environment Clean Combustion Engineering Technology Co., Ltd.	Beijing Guodian Technology & Environment Clean Combustion Engineering Technology Co., Ltd. is a holding high-tech enterprise of Beijing Guodian Longyuan Environmental Engineering Co., Ltd. registered at Zhongguancun Science Park, Beijing . It is the “Boiler combustion engineering technology research center” of Beijing Guodian Longyuan Environmental Engineering Co., Ltd. Its technology, the “Two-scale combustion technology” with the proprietary intellectual property rights of the company has become the “Diamond brand” of the boiler energy saving emission reduction technology. The company is especially engaged in innovation and the optimization commissioning of the boiler combustion systems as well as the technical support and EPC contracting of the GCFB-FGD-dominated cyclic fluidized bed dry type desulphurization projects of the power stations. It has formed its technical services system, including technical research and development, design, construction, commissioning and technical support.
46	Beijing, China Based	
47		
48	Beijing Glen Tech Co. Ltd.	Beijing Glen Tech Co. Ltd is a Beijing based company specializing in the sales of western industrial lubricants to the China industrial manufacturing industry and consulting with China companies relating there. The company has been in business for over five years and earned a reputation for finding cost effective solutions to meet the Chinese manufacturers’ lubricating needs.
49	Beijing, China Based	
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51		
52	Professional Services	
53	Beijing XinYuan Law Office	Beijing XinYuan Law Office (BXYL) , based in Beijing, is a full service law firm with affiliated law firms across China. BXYL concentrates on providing legal services to its commercial and financial clients and has a long history of working with the Chinese banks and their resolution departments for the orderly disposition of assets in its non-performing loan portfolio. In recent years, BXYL has expanded its practice to include the restructuring and reformation of the China state owned enterprises with a focus in the geographical regions of North East China. BXYL is available to consult on all areas of China commercial laws for both western companies coming to China and Chinese companies seeking to expand beyond China’s borders.
54	Beijing, China Based	
55		
56	Comsec BVI Limited	Comsec was founded in 1982, specialising in Hong Kong and The British Virgin Islands. The company's strength is derived from its concentration in these two well-established and dynamic international corporate centres. Comsec's range of services includes incorporation of BVI Business Companies in the BVI, local companies in Hong Kong and corporate secretarial and accountancy services in both. Whether planning for corporate growth or Executive retirement, the qualities of complete discretion, professional efficiency and attentive service are the hallmarks of all Comsec client relations.
57	Hong Kong Based	
58		

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59	Growthink	Growthink is a world-class management consulting company based in California with offices around the globe. Growthink offers business plan development, investment banking, strategic market research, and venture capital research services. Growthink has completed over 1,000 engagements for clients including emerging ventures, venture capital firms, small/medium-sized enterprises and Fortune 500 spinouts. Growthink clients have collectively raised over \$1 Billion in capital. As a strategic advisory firm with a strong finance focus, Growthink understands the unique challenges of articulating growth initiatives to institutional and corporate audiences.
60	Los Angeles, California, USA Based	
61		
62	Tashjian Law Firm	Tashjian Law Firm is the General Counsel of C3 Holdings. The law firm has practiced in the area of international law for over 20 years and has assisted numerous foreign companies to establish business operations in the United States. In addition to advising foreign companies on the commercial law aspects of opening a business in the United States, the firm is an expert in the area of business immigration law. Its lawyers have lectured world wide on the topic of relocating personnel to the United States. The firm has successfully represented management personnel from Fortune 500 companies to Olympic Gold Medal Winners in China to Top Fashion Models – all seeking to relocate to the United States for business purposes.
63	Los Angeles – Glendale, California, USA Based	
64		
65	Government	
66	State owned Assets and Administration Commission of the State Council, PRC (“SASAC”)	State owned Assets and Administration Commission of the State Council, PRC (“SASAC”) is a China government agency directly under the State Council with Ministry equivalency status. SASAC was formed in the spring of 2003 and entrusted with the mission to reform the then over 196 State Owned Enterprises (“SOE’s”). SASAC, in its central government mandated role, has evolved into an activist shareholder of the largest China SOE’s, controlling directly the 155 largest nationally state owned enterprises and indirectly the approximately 150,000 related SOE’s under those 155 SOE’s. Collectively, the 155 national SOE’s and their related SOE’s contribute about 30% to the China GDP (<i>World Bank Beijing Office Report of April 2006</i>). The GDP of China is about 4% of the global GDP as reported by Steven Roach Chairman of Morgan Stanley at the BOAO Economic Conference of April 2006 in Hainan Islands, China.
67	Beijing, China Based	
68		
69	China Machinery Industry Federation (CMIF)	Approved by the Chinese government, China Machinery Industry Federation (CMIF) is a national social and economic organization for machinery industry with qualification authorized and legal entity. Major members of CMIF include national specialized associations, regional associations, intermediary units, and some large enterprise groups. It has over 120 direct members and 77800 indirect members in China’s machinery industry. CMIF aims to carry out the state principles and policies, report on the opinions, desires and needs of its members, and provide dual services to both the government and the members. It takes prospering the machinery industry as its primary task, and acts as the bridge and link between government and enterprises, and the think tank and assistant to support the government to initiate the related industrial work. CMIF major functions are the investigation and research into the economic operations and enterprise development of the machinery industry, representation to the government of the opinions and requests of industry enterprises, and offering of suggestions, proposals and consultat
70	Beijing, China Based	

International Business Companies & Personnel Transfers

**“Setting Up & Staffing Your Overseas
Operations!”**

By

Comsec BVI & Tashjian Law Firm

“C3 Local Partners Companies”

What Is & Why Use an Offshore Corporate Structure

- **An Offshore Corporate Structure Uses an International Business Company (IBC) which provides benefits such as**
 - **Tax Savings** – Many host jurisdictions do not tax any income earned by the IBC for off shore activities.
 - **Privacy** – Many host jurisdictions do not require the disclosure to the public of the IBC’s company information such as shareholders, directors or financial statements.
 - **Asset Protection** – Assets held by the IBC are generally not subject to claims of a foreign company or country.
 - **Flexibility** – IBC generally have flexible corporate requirements that allow for customization to meet the client’s needs.

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Benefits of International Business (BVI) Companies (IBC) of the British Virgin Islands (BVI)

- **Confidentiality** - The only documents of an IBC on public record are the Certificate of Incorporation and the Memorandum and Articles of Association. The address of the registered BVI office is shown, but share registers can only be disclosed to members with the permission of the Directors or the court.
- **Tax Savings** - IBC's are statutorily exempted from BVI taxation. Only employees of an IBC resident in the BVI are subject to income tax and then at the minimum rate of 20% only. Taxation on income of persons from a participating treaty country is imposed at a maximum of 15% for dividends and normal rates for interest and no taxes are imposed on royalties.
- **Asset Protection** - Offshore entities allow protection of assets from punitive taxation, frivolous tort attack, estate duties, and allow offshore investment completely free of intrusion on the privacy of the beneficial owners. Any or all assets of an IBC may be transferred to trustees of another legal entity for the benefit of the IBC, its beneficial owners or creditors.
- **Flexibility** - Provisions in respect of company name, bearer shares, issuance of shares, arrangements for meetings and many other features are maximised for flexibility

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Comparisons Of Various Low Tax Or Tax Exempt Centres - BVI Advantages

- **THE BVI**
 - no annual return is required
 - no disclosure of the beneficial owners is required
 - no Company Secretary is required
 - no local Director is required
 - Directors and Shareholders meetings may take place anywhere (even via telephone)
 - bearer shares are common
- **BERMUDA**
 - requires a Company Secretary
 - requires to file an annual return
 - requires local Directors
 - requires local meetings
 - bearer shares are not common
- **THE CAYMANS**
 - requires to file an annual return
 - requires a government register of Directors
 - requires local director and shareholder meetings
 - bearer shares are not common

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Let's do a quick comparisons Of Various popular Low Tax Or Tax Exempt Centres over which BVI has significant advantages over other low tax or tax exempt centres.

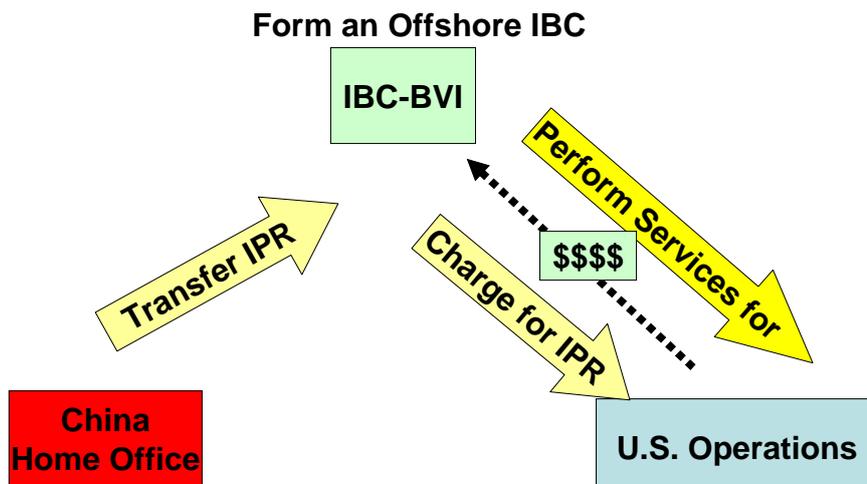
An Example of How to Use an Offshore Intentional Business Company (IBC)

- **Form an Offshore IBC**
 1. Transfer Intellectual Property Rights to the IBC & License IPR to the Overseas Company
 2. Perform Economic Functions By the IBC & Charge the Overseas Companies for the Economic Function
 3. Reduce the Tax Burden of the Overseas Operations by the Charges from the IBC for
 - License fee for Usage of IPR
 - Fee Charge for Economic Functions

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An Example of How to Use an Offshore Intentional Business Company (IBC)



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Let's try that Example of How to Use an Offshore Intentional Business Company (IBC) by diagrams Form an Offshore IBC

1. Transfer Intellectual Property Rights to the IBC & License IPR to the Overseas Company. This can be the use of a company name, a trade name, a patent or some proprietary processes of the home office.
2. Perform Economic Functions By the IBC & Charge the Overseas Companies for the Economic Function. Such as after sales service, warranty service, accounting services, insurance on goods.
3. Reduce the Tax Burden of the Overseas Operations by the Charges from the IBC & Payments by U.S. Operations for

- a. License fee for Usage of IPR and
- b. Fee Charge for Economic Functions

Transferring Home Office Personnel to the Overseas Operations

- **The IBC Offshore Company Structure has Been established.**
- **How Do You Staff Your Over Seas Operations?**

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Business Visitor (B-1)

- Applicants for visitor visas must show that they qualify under provisions of the Immigration and Nationality Act. The presumption in the law is that every visitor visa applicant is an intending immigrant.
- Therefore, applicants for business visitor visas must overcome this presumption by demonstrating that:
 - The purpose of their trip is to enter the U.S. for business;
 - They plan to remain for a specific, limited period; and
 - They have a residence outside the U.S. as well as other binding ties which will insure their return abroad at the end of the visit.
- Examples - marketing researchers, sales representatives, transportation operators, people involved in after sale service.

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Intracompany Transferees (L-1's)

The L-1 category applies to aliens who work for a company with a parent, subsidiary, branch, or affiliate in the U.S. These workers come to the U.S. as intracompany transferees who are coming temporarily to perform services either

- in a managerial or executive capacity (L-1A) or**
- which entail specialized knowledge (L-1B)**

for a parent, branch, subsidiary or affiliate of the same employer that employed the professional abroad.

The employee must have been employed abroad for the corporation, firm, or other legal entity (or an affiliate or subsidiary thereof) on a full-time basis for at least one continuous year out of the last three-year period to qualify. There is currently 21 Sept 05 no annual cap on L-1 visas. 17

Specialty Workers (H-1B)

- The H-1B categories apply to aliens coming temporarily to perform services in a specialty occupation, or as a fashion model of distinguished merit and ability.
- Labor Condition Application - The first step to hiring most H-1B workers from outside the U.S. is for the employer to file a labor condition application (LCA) with the Department of Labor (DOL). Then the employer is required to file the LCA approval notice with the I-129 petition. For specific procedures on filing, please visit the Department of Labor's Employment and Training Administration
- Some terms and conditions of the H-1B classification:
 - Work authorization for H-1B foreign specialty workers is employer-specific (i.e. limited to employment with the approved employer/petitioner).
 - A change of employer requires a new H-1B petition; under some circumstances, a nonimmigrant who was previously issued an H1-B visa or provided H1-B nonimmigrant status may begin working for a new H1-B employer as soon as the new employer files a "nonfrivolous" H1-B petition for the nonimmigrant.

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Employment Based Immigration - Permanent Relocation of Personnel

- Some executives and managers of foreign companies who are transferred to the U.S. may qualify.
- A **multinational manager or executive** is eligible for priority worker status if he or she has been employed outside the U.S. in the three years preceding the petition for at least one year by a firm or corporation and seeks to enter the U.S to continue service to that firm or organization. The employment must have been outside the United States in a **managerial or executive capacity** and with the same employer, an **affiliate**, or a **subsidiary** of the employer.
- The petitioner must be a U.S. employer, doing business for at least one year, that is an affiliate, a subsidiary, or the same employer as the firm, corporation or other legal entity that employed the foreign national abroad.

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Contact Information

- <http://www.tashjianlaw.co>
- <http://www.comsec-offshore.com>

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Growthink Online Newsletter Article of October 15th, 2007

Raising Capital - How Long Does it Take?

Posted in Resources, Business Planning, Entrepreneurship, Market Research, Venture Capital

by JayTuro

Most entrepreneurs and managers of companies seeking outside capital vastly underestimate how long it will take them to successfully complete a financing. Here's the reality check: in our experience, we've seen that, on average, a company and a management team seeking financing should budget **between 500 and 1000 work-hours to the capital-raising process, spread out over a 6 month time period.**

The key processes include:

- Perfecting the business plan, offering memorandum, and other company due diligence materials
- Developing a comprehensive, targeted, vetted prospective investor list
- Contacting this list and responding to investor due diligence requests
- Negotiating the transaction.

To see how easily the time and effort adds up in the fund raising process, our experience is that (on average) **only about 25% of prospective investors showing an initial interest** in a transaction actually progress to detailed company due diligence. **Only about 10% of this 25% actually progress to a bonafide offer of funds**, of which **only 25% of these [2.5%] actually result in an investment transaction.**

That means to complete a financing transaction, you need to contact, on average, approximately 160 pre-qualified prospective investors. Of course some transactions get done with very few outreaches to existing or strategic investors, while we have seen other processes that have required outreach to more than 1,000 (!) prospective investors to get to a transaction. The statistics above are not meant to be discouraging, but only to communicate the commitment of time, energy, and patience required to complete a financing transaction.

As an entrepreneur or manager of an enterprise heading down this road, if you do not feel you have the necessary time or focus to divert away from your core operational responsibilities to the process, then by all means consider bringing in a professional transactional advisory firm to support you and lead the process.

A prospective investor may be more impressed by seeing management focus on growing the company and hitting profitability and revenue targets than seeing a balance sheet linger while management is pounding the pavement trying to generate investor interest. **Offloading capital raising responsibilities to a professional transactional advisory firm may help you focus on what you're there to do – grow your business.** Good luck.



ALL NEW VERSION 2007

FEATURING:

- How to develop a winning Executive Summary
- The importance of defining your customer targets
- Assessing direct vs. indirect competitors
- Dealing with gaps in your management team
- Financial models that attract investors.
- How not to turn-off investors
- Business plan pitfalls to avoid

**GROWTHINK'S
2007 BUSINESS PLAN
GUIDE**



中咨聯智

Available in Chinese. Contact C3 China
Consultants at info@c3-strategic.com
Or Call 8610 8849 9726

Growthink's 2007 Business Plan Guide

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Prologue: Why Business Plans Fail

In compiling this guide, Growththink surveyed venture capitalists, corporate investors and angel investors regarding what they are looking to fund and why in 2007. From these interviews, we identified the ten most common reasons why business plans fail to raise financing.

A fuller description of these 10 pitfalls and complete information regarding what **should** be included in your 2007 business plan can be found in *Growththink's 2007 Business Plan Guide*.

Pitfall #10: Excluding Successful Companies in the Competitive Analysis

Too many business plans want to show how unique their company is and, as such, list no or few competitors. However, this often has a negative connotation. If no or few companies are in a market space, it implies that there may not be a large enough customer need to support the company's products and/or services. In fact, according to Joel Balbien, partner at **Smart Technology Ventures**, including successful and/or public companies in a competitive space can be a positive sign since it implies that the market size is big. It also gives investors the assurance that if management executes well, the company has substantial profit and liquidity potential.

Pitfall #9: Over Emphasizing Partnerships with Well-Known Companies

Forging partnerships to improve market penetration and/or operations has become commonplace, particularly for "new economy" businesses. The fact is that, regardless of whom the partnership is with, partnerships by themselves have limited value. Rather, what are meaningful are the partnership *terms*. For instance, while it sounds great to have a partnership with Microsoft, SBC, or Yahoo, it is the details of these partnerships that investors find important. The business plan must explain the partnership's equitable terms, the extent to which each partner will improve operations and/or sales, and the structure of the partnership.

Pitfall #8: Focusing Too Much on the Future

Investments and valuations for growth companies are based on a firm's projected future performance. However, one of the best indicators of future performance is past performance, or a company's past track record. Business plans must show what milestones/accomplishments a company has achieved. Past success in achieving goals gives investors the confidence that the team will execute in the future.

Pitfall #7: Not Tailoring Management Team Biographies to the Venture's Development Phase

The Management Team section should include biographies of key team members and detail their responsibilities. These biographies should be tailored to the company's growth stage since different skill sets are needed to launch, grow and/or maintain a company. A start-up company should emphasize its management's success launching and growing companies. On the other hand, a more mature company should emphasize how team members have successfully operated within the framework of larger enterprises.

Pitfall #6: Asking Investors to Sign an NDA

Most investors will not sign NDAs (Nondisclosure Agreements). This is because a business' *strategy* and/or *concept* are typically not confidential. It is possible that a key partnership is confidential, for example, but for the most part the *execution* of the strategy and concept is what will make the company successful. States Dave Blivin, Managing Director of **Southeast Interactive Technology Funds**, "As for non-disclosure agreements, we never sign them. A business plan should not be proprietary."

If the concept and/or strategy must remain confidential, this often implies that there are no barriers to competitive entry. If a competitor or host of competitors can quickly copy the concept, then the business model is probably not sustainable.

On the other hand, proprietary *technology* is confidential. The business plan should **not** discuss the confidential aspects of the technology but should discuss the **benefits** of the technology and how these benefits fulfill a large customer need. A serious investor will review the actual technology during the due diligence process. A discussion regarding signing an NDA would be appropriate at this point.

Pitfall #5: Indiscriminately Incorporating Investor Feedback into the Business Plan

Investors, like the rest of us, have different tastes. One investor may love a business concept and/or business plan while the next may hate both. It is important to understand this as business plans are working documents and are always undergoing iterations.

Management teams must not rush to incorporate each potential investor's comments. Instead, have several investors, partners and other business colleagues review the plan and provide feedback. Incorporate common concerns and probe other comments to determine if they are valid.

Pitfall #4: Stressing First Mover Advantage

Simply claiming a first mover advantage is not compelling. Jeffrey Starr, a former partner at **Mission Ventures**, wants to see a strong "unfair" competitive advantage that yields long-term barriers to entry. A business plan must include strategies that demonstrate the company can and will build these long-term barriers around its customers.

The methods through which the company will retain customers should be detailed in the business plan. Such methods could include implementing customer relationship management (CRM) tools, building network externalities (e.g., the more people that use the product or service the harder it is for a competitor to penetrate the market), ongoing value-added services, etc.

Pitfall #3: Focusing Too Much on the Venture's Proprietary Technology

While proprietary technology is a significant factor in investment decisions, it is much more important to show how this technology satisfies a large, unfulfilled customer need.

Many unsuccessful companies fail because they do not understand the needs of their customers. Understanding true customer wants and needs, identifying which target markets most exemplify

these needs, and outlining a plan to penetrate these markets are critical to funding and execution success.

Pitfall #2: Presenting Large, Generic Market Sizes

Defining the market size for a company too broadly provides little to no value for the investor. For example, mentioning the trillion dollar U.S. healthcare or business process outsourcing markets are generally extraneous since no company could reap \$1 trillion in sales in either market. Rather, a more meaningful metric is the *relevant market size*, which equals the company's sales if it were to capture 100% of its specific niche of the market.

According to Bridget Karlin, partner at venture capital firm **Redleaf Group**, “every business is going after a multibillion-dollar market. Be *realistic* and *specific* about your addressable share of the total market opportunity.” Defining and communicating a credible relevant market size, and a plan to capture a significant share within this market is far more powerful and believable to investors.

Pitfall #1: Making Financial Projections Too Aggressive

Many investors skip straight to the financial section of the business plan. It is critical that the assumptions and projections in this section be realistic. Plans that show penetration, operating margin and revenues per employee figures that are poorly reasoned, internally inconsistent or simply unrealistic greatly damage the credibility of the entire business plan. In contrast, sober, well-reasoned financial assumptions and projections communicate operational maturity and credibility. “A credible financial forecast is a critical component in our investment decision,” says Dan Bassett, Partner at **InnoCal Venture Capital**.

By accessing and basing projections on the financial performance of public companies in their marketplace, companies can prove that their assumptions and projections are attainable.

A fuller description of these 10 pitfalls and complete information regarding what should be included in your 2007 business plan can be found in *Growthink's 2007 Business Plan Guide*.

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Introduction

Business Plans in 2007

A business plan is a roadmap for a growing company. It also serves to communicate the company's value proposition to employees, advisors, partners, customers and investors. Business plans are the vehicle by which companies "get in the door," and are the documents most heavily scrutinized by investors, particularly in today's financing environment.

To establish credibility it is critical that a business plan does not overestimate market sizes, underestimate competition, or project results over-aggressively. Rather, they must present realistic game plans for achieving success, including:

- *Highlighting past accomplishments:* The best indicator of future success is a company's past track record. The business plans of previously funded companies must show what milestones they have achieved with those funds. New companies must show how the past successes of the management team will enable the company to overcome expected challenges.