



# **1st TN Free State Depository & Exchange Business Plan**

Created July 8, 2024

**Business Name:**

1<sup>st</sup> TN Free State Depository & Exchange

**Business Location:**

*237 W Central Ave, LaFollette, TN (currently in negotiation)*

**Founders:**

Gail Wiedl & Caroline Wagner

**Contact Information:**

Caroline Wagner

Phone: 865-696-5545

**Date:**

July 8, 2024

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# MISSION STATEMENT

1<sup>st</sup> TN Free State Depository & Exchange is set to become the first privately owned depository & exchange dedicated to providing autonomous and self-governing individuals with a secure private location to store their physical assets. In addition to secure storage, our facility will provide a platform for local barter and trade opportunities, as well as investment club opportunities across various sectors, offering members potential for unlimited returns, fostering a community-driven economy.

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## EXECUTIVE SUMMARY

- FIRST Depository for Free State of TN ("bragging rights")
  - First to access the model that will be used by other communities throughout the country to gain their financial independence
  - Complete turnkey operation
  - Investments made by founders are given immediate investment + ROI opportunity to put funds to work immediately
  - ROI is paid out according to % invested of total budget
  - 2 options for ROI - payout or reinvestment
  - Priority access to Investment club options for additional revenue opportunities (up to 51% majority)
  - Ability to appoint boards and committees to support operations and projects
  - Creates safe & secure environment for unlimited personal assets
  - PMA structure creates De Jure jurisdiction providing autonomy and security with no governmental oversight
  - Ability to join other PMAs to deposit and invest in other depositories' investment clubs to benefit other local economies
  - Digitize assets to be used across varying monetary systems
  - Digitization/Tokenization of assets on commodities based on market value (commodities marketplace for trade)
  - Variety of options for monies that can be used as tender - warehouse receipts, various metals
  - Provides platform to accept QFS blockchain system
  - Creates opportunity to invest in local economy
  - Opportunity to create and participate in existing barter & exchange markets
  - Creates stability and localization
  - Secures posterity for generations
  - Networking with like-minded people
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# INVESTMENT STRATEGY

<b>ROUND 1</b>	<b>INITIAL PRIVATE OFFERING</b>		
<b>INVESTMENT GOAL:</b>	<b>\$</b>	<b>870,000</b>	
<b>DEADLINE:</b>	<b>7/15/2024</b>		
<i>LEVEL</i>	<i>INVESTMENT</i>	<i>ROI</i>	<i>POSITION</i>
<b>PLATINUM</b>	\$250,000 +	12.00%	EXECUTIVE BOARD MEMBER
<b>GOLD</b>	\$150,000 - \$249,000	10.00%	BOARD OF ADVISORS
<b>SILVER</b>	\$10,000 - \$150,000	8.00%	BOARD OF TRUSTEES

<b>ROUND 2</b>	<b>OPERATIONAL COSTS YR 1</b>		
<b>INVESTMENT GOAL:</b>	<b>\$</b>	<b>512,000</b>	
<b>DEADLINE:</b>	<b>7/31/2024</b>		
<i>LEVEL</i>	<i>INVESTMENT</i>	<i>ROI</i>	
<b>PLATINUM</b>	\$250,000 +	10.00 %	
<b>GOLD</b>	\$150,000 - \$249,000	8.75%	
<b>SILVER</b>	\$75,000 - \$149,999	7.50%	
<b>BRONZE</b>	\$10,000 - \$74,999	6.25%	

## BUSINESS DESCRIPTION

1<sup>st</sup> TN Free State Depository & Exchange will be the first privately owned depository and exchange of its kind for autonomous individuals to securely store physical assets. The business will also facilitate investment club opportunities and support local barter and trade. The infrastructure and business model, developed by an independent group of private individuals, provide a turnkey solution for immediate operational readiness.

### Objectives

1. **Security & Trust:** Establish a secure facility for physical asset storage, ensuring clients' peace of mind.
2. **Community Engagement:** Foster a local economy through barter and trade, highlighting unique opportunities in each geographic location.
3. **Investment Opportunities:** Create diverse investment club opportunities driven by member creativity.

# MARKET ANALYSIS

## Target Market:

- Self-governing and autonomous individuals.
- Local businesses and traders.
- Investors seeking unconventional opportunities.

## Market Need:

- Secure storage for physical assets.
- Platforms for barter and trade.
- Investment opportunities in local and unique sectors.

## Competitor Analysis:

- Other PMA financial institutions.
  - Online marketplaces for trading and investment.
  - Traditional banks and financial institutions.
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# SERVICES OFFERED

1. **Bonded Secure Depository Services:**
    - Physical asset storage (e.g., precious metals, important documents, heirlooms).
    - High-level security systems and protocols.
  2. **Exchange & Barter Platform:**
    - Local trade opportunities.
    - Barter systems tailored to the geographic region.
  3. **Investment Club Opportunities:**
    - Sector-diverse investment clubs.
    - Creative and flexible investment plans driven by members.
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# BUSINESS MODEL

## Revenue Streams:

- Membership fees.
- Storage fees.
- Transaction fees on exchanges and trades.
- Office space rental.
- Parking space rental.

## Cost Structure:

- Initial setup costs (security systems, facilities).
  - Operating expenses (staff salaries, utilities).
  - Marketing and community outreach for bringing in new members and creating new opportunities.
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# MARKETING STRATEGY

## Branding:

- Emphasize security, autonomy, and community.
- Develop a strong, trustworthy brand image.

## Promotion:

- Local advertising and community events.
- Partnerships with local businesses.
- Social media campaigns targeting autonomous individuals.

## Membership Growth:

- Referral programs.
  - Exclusive membership benefits.
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# OPERATIONS PLAN

## Facility Requirements:

- Secure location with advanced security systems.
- Storage solutions tailored to various asset types.

## Technology:

- Sophisticated security and management software.
- Online platform for deposits, barter, trade, and investment management.

## Staffing:

- Security personnel.
  - Customer service representatives.
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# FINANCIAL PLAN

## Initial Funding Requirements:

- Facility purchase and setup: \$600,000
- Software/hardware/server/infrastructure: \$100,000
- Armored vehicles: \$50,000
- Security systems & communications: \$40,000
- Minting: \$20,000
- Deposit boxes: \$10,000
- Capital Reserves for building improvements: \$50,000

## **Total Initial Funding Requirements: \$870,000**

- Operational costs for the first year: \$512,000

## **Total Funding Requirements Year 1: \$1,382,000**

## Gross Revenue Projections:

- Year 1: \$512,400
- Year 2: \$1,027,560
- Year 3: \$1,332,840

## Break-Even Analysis:

- Estimated break-even point: 2 years, 4 months
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# RISK ANALYSIS

## Market Risks:

- Competition from traditional financial institutions.
- Compliance changes affecting private depositories.

## Operational Risks:

- Security breaches.
- Initial member acquisition.

## Mitigation Strategies:

- Regular security audits.
  - Two-factor authentication for ledger system.
  - Robust marketing and community engagement strategies.
  - Flexible and adaptive business model.
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# CONCLUSION

1<sup>st</sup> TN Free State Depository & Exchange is poised to revolutionize the way autonomous individuals secure their physical assets and engage in local economies. By combining secure storage, a vibrant barter and trade platform, and innovative investment opportunities, we aim to provide a depository that empowers our community and promotes self-governance.

## Next Steps:

- Finalize location and secure funding.
  - Implement security systems and set up the facility.
  - Launch marketing campaign and begin member acquisition.
  - Open doors and commence operations.
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# APPENDIX

## **Key Contacts:**

- Founders/Executive Board: Gail Wiedl & Caroline Wagner
- Board of Trustees: TBD
- Investment Advisors: TBD
- Head of Security: TBD

## **Gross Revenue Collections (see next page):**

1st TN Free State Depository & Exchange

Gross Revenue Collections (estimate )

			\$200/month	6 transactions per month	\$3 per transaction	\$5 per transaction	\$8,000 per month	\$250 per month
Year 1	Month	New Members per Month	Monthly Member Revenue	Monthly Member Transactions	Cost of Exchange Transactions	Transaction Fee Revenue	Office Space Rental	Parking Space Rental
	1	25	\$ 5,000	150	\$ (450)	\$ 750	\$ 8,000	\$ 250
	2	50	\$ 10,000	300	\$ (900)	\$ 1,500	\$ 8,000	\$ 250
	3	75	\$ 15,000	450	\$ (1,350)	\$ 2,250	\$ 8,000	\$ 250
	4	100	\$ 20,000	600	\$ (1,800)	\$ 3,000	\$ 8,000	\$ 250
	5	125	\$ 25,000	750	\$ (2,250)	\$ 3,750	\$ 8,000	\$ 250
	6	150	\$ 30,000	900	\$ (2,700)	\$ 4,500	\$ 8,000	\$ 250
	7	175	\$ 35,000	1,050	\$ (3,150)	\$ 5,250	\$ 8,000	\$ 250
	8	200	\$ 40,000	1,200	\$ (3,600)	\$ 6,000	\$ 8,000	\$ 250
	9	225	\$ 45,000	1,350	\$ (4,050)	\$ 6,750	\$ 8,000	\$ 250
	10	250	\$ 50,000	1,500	\$ (4,500)	\$ 7,500	\$ 8,000	\$ 250
	11	275	\$ 55,000	1,650	\$ (4,950)	\$ 8,250	\$ 8,000	\$ 250
	12	300	\$ 60,000	1,800	\$ (5,400)	\$ 9,000	\$ 8,000	\$ 250
			\$ 390,000	11,700	\$ (35,100)	\$ 58,500	\$ 96,000	\$ 3,000
Monthly averages			\$ 32,500	975	\$ (2,925)	\$ 4,875	\$ 8,000	\$ 250
Annual Revenue			\$ 512,400					

			\$200/month	6 transactions per month	\$3 per transaction	\$5 per transaction	\$8,000 per month	\$250 per month
Year 2	Month	New Members per Month	Monthly Member Revenue	Monthly Member Transactions	Cost of Exchange Transactions	Transaction Fee Revenue	Office Space Rental	Parking Space Rental
	13	310	\$ 62,000	1,860	\$ (5,580)	\$ 9,300	\$ 8,000	\$ 250
	14	320	\$ 64,000	1,920	\$ (5,760)	\$ 9,600	\$ 8,000	\$ 250
	15	330	\$ 66,000	1,980	\$ (5,940)	\$ 9,900	\$ 8,000	\$ 250
	16	340	\$ 68,000	2,040	\$ (6,120)	\$ 10,200	\$ 8,000	\$ 250
	17	350	\$ 70,000	2,100	\$ (6,300)	\$ 10,500	\$ 8,000	\$ 250
	18	360	\$ 72,000	2,160	\$ (6,480)	\$ 10,800	\$ 8,000	\$ 250
	19	370	\$ 74,000	2,220	\$ (6,660)	\$ 11,100	\$ 8,000	\$ 250
	20	380	\$ 76,000	2,280	\$ (6,840)	\$ 11,400	\$ 8,000	\$ 250
	21	390	\$ 78,000	2,340	\$ (7,020)	\$ 11,700	\$ 8,000	\$ 250
	22	400	\$ 80,000	2,400	\$ (7,200)	\$ 12,000	\$ 8,000	\$ 250
	23	410	\$ 82,000	2,460	\$ (7,380)	\$ 12,300	\$ 8,000	\$ 250
	24	420	\$ 84,000	2,520	\$ (7,560)	\$ 12,600	\$ 8,000	\$ 250
			\$ 876,000	26,280	\$ (78,840)	\$ 131,400	\$ 96,000	\$ 3,000
Monthly averages			\$ 73,000	2,190	\$ (6,570)	\$ 10,950	\$ 8,000	\$ 250
Annual Revenue			\$ 1,027,560					

			\$200/month	6 transactions per month	\$3 per transaction	\$5 per transaction	\$8,000 per month	\$250 per month
Year 3	Month	New Members per Month	Monthly Member Revenue	Monthly Member Transactions	Cost of Exchange Transactions	Transaction Fee Revenue	Office Space Rental	Parking Space Rental
	25	430	\$ 86,000	2,580	\$ (7,740)	\$ 12,900	\$ 8,000	\$ 250
	26	440	\$ 88,000	2,640	\$ (7,920)	\$ 13,200	\$ 8,000	\$ 250
	27	450	\$ 90,000	2,700	\$ (8,100)	\$ 13,500	\$ 8,000	\$ 250
	28	460	\$ 92,000	2,760	\$ (8,280)	\$ 13,800	\$ 8,000	\$ 250
	29	470	\$ 94,000	2,820	\$ (8,460)	\$ 14,100	\$ 8,000	\$ 250
	30	480	\$ 96,000	2,880	\$ (8,640)	\$ 14,400	\$ 8,000	\$ 250
	31	490	\$ 98,000	2,940	\$ (8,820)	\$ 14,700	\$ 8,000	\$ 250
	32	500	\$ 100,000	3,000	\$ (9,000)	\$ 15,000	\$ 8,000	\$ 250
	33	510	\$ 102,000	3,060	\$ (9,180)	\$ 15,300	\$ 8,000	\$ 250
	34	520	\$ 104,000	3,120	\$ (9,360)	\$ 15,600	\$ 8,000	\$ 250
	35	530	\$ 106,000	3,180	\$ (9,540)	\$ 15,900	\$ 8,000	\$ 250
	36	540	\$ 108,000	3,240	\$ (9,720)	\$ 16,200	\$ 8,000	\$ 250
			\$ 1,164,000	34,920	\$ (104,760)	\$ 174,600	\$ 96,000	\$ 3,000
Monthly averages			\$ 97,000	2,910	\$ (8,730)	\$ 14,550	\$ 8,000	\$ 250
Annual Revenue			\$ 1,332,840					

## **Operational Costs (for the First Year)**

- **Facility:**
  - Furniture & Fixtures: \$8,000
  - Utilities: \$24,000
- **Staffing Salaries:**
  - Security, Sales, Accounting: \$250,000
- **Marketing & Advertising:**
  - Initial Marketing Campaign: \$4,000
  - Ongoing Advertising (Local & Online): \$20,000
  - Community Outreach Programs: \$6,000
- **Compliance & Law:**
  - Law/Consulting Fees: \$50,000
- **Miscellaneous Operating Expenses**
- Investor ROI payout: \$115,000
  - Office Supplies: \$5,000
  - Cleaning Services & Supplies: \$20,000
  - Maintenance Service & Supplies: \$10,000
- **Total Operating Costs (year 1): \$512,000**

### Break-Even Analysis Assumptions:

- **Fixed Costs (FC):**  
Initial Funding Requirement: \$870,000  
Total Operating Costs: \$512,000  
**Total Fixed Costs: \$1,382,000**
- **Variable Costs (VC):**  
Cost of Exchange Transactions: \$3 per transaction
- **Revenue:**  
Membership Fee: \$50 per member/month  
Security Fee: \$50 per member/month  
Storage Fee: \$30 per member/month  
Investment Club Fee: \$40 per member/month  
Transaction Fee: \$30 per member/month (\$5 per transaction)  
Office Space Rental: \$8,000/month  
Parking Space Rental: \$250/month  
**Total Monthly Revenue: \$200/member**
- **Estimated Members & Transactions:**  
New Members: 25 per month in 1<sup>st</sup> year, 10 per month beyond 1<sup>st</sup> year  
Total Members by 12<sup>th</sup> month: 300  
Average Monthly Members: 162.5  
Transactions per month/member: 6  
Average Number of Transactions: 975 per month

### Break-Even Calculation:

1. **Total Fixed Costs:** \$1,382,000
2. **Total Variable Costs (TVC):**
  - Monthly Variable Costs:  $(975 \times \$3) = \$2,925$
3. **Total Revenue (TR):**
  - Monthly Revenue:  $(975 \times \$5) + (162.5 \times \$200) + \$8,000 + \$250 = \$45,625$
4. **Contribution Margin (CM):**
  - Contribution Margin per Month:  $\$45,625 - \$2,925 = \$42,700$
5. **Break-Even Point (BEP):**
  - Break-Even Point in Months: Total Fixed Costs / Contribution Margin per Month
  - $BEP = \$1,382,000 / \$42,700 \approx 32.37$  months

## **Break-Even Point Timeframe & Conclusion:**

1<sup>st</sup> TN Free State Depository & Exchange will reach its break-even point in approximately 32.37 months, or about 2 year and 4 months. This timeframe assumes that the business can attract and maintain 300 members and facilitate 1,800 transactions per month consistently. Adjustments to member acquisition rates, transaction volumes, and cost management strategies may influence this break-even point.

The acceptable breakeven point timeframe for a startup business can vary significantly based on the industry, business model, and market conditions. However, a generally reasonable expectation for investors is typically between 1 to 3 years. Here are some factors that can influence this timeframe:

1. **Customer Acquisition:** Building up the member base can be achieved faster by focusing on community outreach, thereby achieving greater monthly revenue potential.
2. **Market Conditions:** Economic conditions and market demand is expected to have a favorable impact on reaching breakeven.
3. **Startup Costs:** While higher initial investments can extend the breakeven point, there are many benefits to owning the real estate versus leasing.
4. **Revenue Streams:** Multiple and diverse revenue streams can help achieve breakeven faster. The breakeven analysis did not take into account each individual investor's ability to utilize the investment club opportunities to grow individual wealth.
5. **Operational Efficiency:** Effective cost management and operational efficiency can reduce the time to breakeven.

In order to make informed, strategic business decisions the following research data will be important when identifying potential risks and opportunities in the market. This information can be obtained through primary research (surveys, interviews, focus groups and observations).

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## **ADDITIONAL FUTURE CONSIDERATIONS:**

### **Market Research Data:**

- Demographics
  - Psychographics
  - Market Size & Growth
  - Competitive Analysis
  - Member Feedback and Preferences
  - Sales & Revenue Data
  - Economic Indicators
  - Technological Trends
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