



1st TN Free State Depository and Exchange Business Plan

Created July 8, 2024

Business Name:

1st 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

1st 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.

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

ROUND 1		INITIAL PRIVATE OFFERING	
INVESTMENT GOAL:	\$	870,000	
DEADLINE:	7/12/2024		
LEVEL	INVESTMENT	ROI	POSITION
PLATINUM	\$250,000 +	12.00 %	EXECUTIVE BOARD MEMBER
GOLD	\$150,000 - \$249,000	10.00 %	BOARD OF ADVISORS
SILVER	LESS THAN \$150,000	8.00%	BOARD OF TRUSTEES

ROUND 2		OPERATIONAL COSTS YR 1	
INVESTMENT GOAL:	\$	375,000	
DEADLINE:	7/26/2024		
LEVEL	INVESTMENT	ROI	
PLATINUM	\$250,000 +	10.00 %	
GOLD	\$150,000 - \$249,000	8.75%	
SILVER	\$75,000 - \$149,999	7.50%	
BRONZE	LESS THAN \$74,999	6.25%	

BUSINESS DESCRIPTION

1st 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.

SERVICES OFFERED

1. **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.

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: \$520,000

Total Funding Requirements Year 1: \$1,390,000

Revenue Projections:

- Year 1: \$107,500
- Year 2: \$135,000
- Year 3: \$159,000

Break-Even Analysis:

- Estimated break-even point: 2 years, 10 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

1st 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

A. Key Contacts:

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

B. Detailed Financial Projections:

Operational Costs for the First Year

- **Facility:**
 - Furniture & Fixtures: \$10,000
 - Utilities: \$25,000
- **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: \$120,000
 - Office Supplies: \$5,000
 - Cleaning Services & Supplies: \$20,000
 - Maintenance Service & Supplies: \$10,000
- **Total Operating Costs (year 1): \$520,000**

Break-Even Analysis Assumptions:

- **Fixed Costs (FC):**
Initial Funding Requirement: \$870,000
Total Operating Costs: \$520,000
Total Fixed Costs: \$1,390,000
- **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: \$6,000/month
Parking Space Rental: \$250/month
Total Monthly Revenue: \$200/member
- **Estimated Members & Transactions:**
New Members: 25 per month
Total Members by 12th 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:** \$1,270,000
2. **Total Variable Costs (TVC):**
 - Monthly Variable Costs: $(975 \times \$3) = \$2,925$
3. **Total Revenue (TR):**
 - Monthly Revenue: $(975 \times \$5) + (162.5 \times \$200) + \$6,000 + \$250 = \$43,625$
4. **Contribution Margin (CM):**
 - Contribution Margin per Month: $\$43,625 - \$2,925 = \$40,700$
5. **Break-Even Point (BEP):**
 - Break-Even Point in Months: Total Fixed Costs / Contribution Margin per Month
 - $BEP = \$1,390,000 / \$40,700 \approx 34.15$ months

Break-Even Point Timeframe & Conclusion:

1st TN Free State Depository & Exchange will reach its break-even point in approximately 34.15 months, or about 2 year and 10 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).

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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Disclaimer:

The financial projections and estimates contained herein are based on assumptions made on behalf of the management team of 1st TN Free State Depository and Exchange. These projections are subject to risks and uncertainties, which could cause actual results to differ materially from those anticipated.