

Part 1: "Elevator" Introduction

Brief elevator pitch for your company The **Clean Router** is a wireless router that filters the internet for parents who want to keep their kids safe online. Unlike software filters that you have to configure individually per device, the Clean Router automatically filters the Internet at the source with **1 simple device**. With over 9,000 units sold, the **Clean Router** is the ultimate parental control!

Part 2: Market and Industry Analysis

How large is your market? What market segments are you going after and why? There are 28 Million homes in the US with broadband internet with minors. This is a huge market! Parents everywhere are concerned with what their children are doing online. Studies have shown that 75% of kids are exposed to hard core pornography by the age of 15. However, the concern is not just limited to *what* they are doing - but also in how long they are doing it. According to a 2015 report the average teenager spends *9 hours a day* using media.

Is this market growing? How fast? Universally, parents will tell you that they are concerned with what their kids are doing online and how long they are spending in front of screen. ADHD and other attention disorders are dramatically on the rise as kids spend more and more time in front of screens. Yet the number of devices inside homes is growing by 20% year over year.

Who is in the market already? What is the nature of competition? Traditional **software filters** (such as K9, NetNanny, etc) have been around for a long time. They are cludgy, hard to install, and you still have to manage every device in your house. **OpenDNS** is probably the largest competitor, because they are free, but it is difficult to use, largely outdated, and easy to bypass. There are a few **other router solutions** out there, but their offerings are a token effort at true parental controls and largely are just a list of white/black lists. The largest direct competitor to date is a device called **Circle**. Released at the end of 2015, it is a failed Kickstarter campaign that gained traction after they signed a content partnership with Disney. However, their filtering is weak, it works by exploiting a network hack (that could be closed) and adds tremendous latency to traffic.

Part 3: Go-to-Market Plan

Who are your customers? Our customer persona is Mom's ages 25 to 55 with kids at home. We have found the traditional, conservative home to be our easiest target – but this is a product that speaks to every parent.

Describe how you win customers today. Describe your future customer acquisition strategy. We currently acquire our customers thru **digital marketing**. We have seen success so far in using Google Pay Per Click (PPC) as well as Facebook advertisements. We target the persona listed above by providing engaging content such as news spots that has been done on us, stories that have been told around the success of the product, and daily blog posts that get published on Facebook and then boosted with ad dollars. With this Facebook strategy and Google Pay Per Click, we have kept our Customer Acquisition Cost (**CAC**) to **under \$65** in 2016. With a Life Time Value (**LTV**) of **\$1000 per customer** (figured over 5 years given less than 1% churn rate) we have proved a **15x CAC to LTV ratio thru 2016**. We have achieved this success while only utilizing less than 20% of search and ad potential according to Google and Facebook. Given our persona, we know similar strategies will also be successful on Pinterest, Instagram, YouTube, Google Display Network, and other digital advertising channels. So while we plan to build channel partnerships (next section) we plan to seriously expand our digital footprint in 2017 to continue to bring more new customers in thru Digital Marketing.

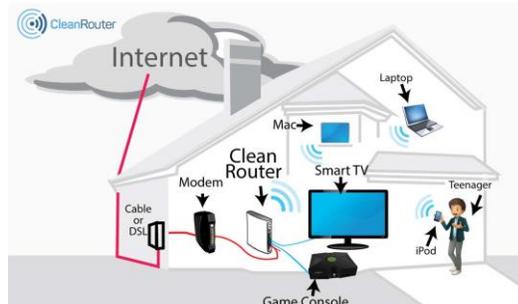
The Clean Router team has a proven track record of acquiring customers. Having built the product and the company by bootstrapping over the last 6+ years, we have proven that we will take the leanest approach of acquiring and retaining every customer, while producing a superior product!

How will you displace any incumbents/competitors? What's your channel/partnership strategy, if any? This is a huge market that currently doesn't have a dominating leader. **Clean Router** is working to establish itself as the brand that parents trust to keep their kids safe online. We are working with strategic partnerships with smaller **ISPs** so that we can 1) use them as great affiliates to help bring in more customers, and 2) prepare us to go after larger ISPs. This is where we could see *explosive* growth into bringing Clean Router to the next level. We have a digital program that allows us to easily and inexpensively reach out to **Churches** in a way that makes it easy for pastors of all faiths to simply refer us to their parishioners. As 2017 our Business Development manager will be working to build many more relationships such as what we currently have with ISPs and Churches with schools, computer repair shops, Christian bookstores, etc.

Part 4: Technical Product Description and Plan

Briefly describe your product or service. The **Clean Router** is a wireless router that filters the internet for parents who want to keep their kids safe online. Unlike software filters that you have to configure individually per device, the Clean Router automatically filter the Internet at the source with **1 simple device**. With over 9,000 units sold, the **Clean Router** is the ultimate parental control!

- Simple, Easy to use
- Doesn't slow down i-net
- 7-layer IntelliFilter™
- Logs all activity per device
- Time Restrictions
- Emailed reports
- Block by Keywords
- Phoenix based support



Technology Validation. We have been reviewed by over 25 different major publications including PC Magazine, Geek Wire, and many more – all with very positive reviews! With over 9,000 sales and 60% of our sales in 2015 coming from customer referrals – you know people love the product!

Describe the remaining product development risks and your plans to overcome them. We just released version 4 of the Clean Router which brings a new filtering engine that will allow us to more easily add new features planned in 2017. We plan to continue to build on the mobile platforms that we have a base for now to continue to build into this space.

One of the major risks we have avoided is that **we are not a hardware company**. We partner with Linksys, TP-Link, WD, Buffalo and other large hardware manufacturers. We put our software onto the routers, and ship using their hardware. This has mitigated risk in 3 ways: 1) they hold the warranty, and 2) we don't front any of the manufacturing costs to stay up to date on the latest wireless technology, and 3) I can order as much or as little as I want without expensive manufacture scaling.

Describe your company's intellectual property status and plans for the future. We are patent pending on #14/080,094. We have many other technologies and inventions that we fully plan to file patents on with additional funds in the future.

Our "secret sauce" is a combination of: 1) the software on the routers, 2) the backend services to support this, and 3) the amazing customer support that we provide. This combination gives us an "edge" against competitors in our space.

Part 5: Risk vs. Talent Narrative

What risks has your team mitigated so far? We have mitigated risks related to hardware by establishing solid relationships with hardware manufacturers. We've mitigated risks related to product development by building a full-featured product while bootstrapping the company. We've mitigated risks related to pricing and market fit by selling over 9,000 Clean Routers while doing extensive price testing. We've mitigated risks relating to scaling by building a team of passionate individuals committed to our mission and success.

What are the next few major risk-reduction milestones? As we continue to expand our **mobile platforms**, this is the next step for the Clean Router team. This will drive customers to our premium service as well as provide the "stickiness" of customers that we have enjoyed to date. Launching these applications platforms in 2016 was a huge milestone. Extending the feature-sets are the next major milestones in front of us for 2017.

Briefly list and describe your key team members. Eric & Spencer have worked together for over 12 years.

Spencer Thomason - CEO & co-founder: Spencer has worked around technology his entire life. He has always had an affinity for hardware. As he went to ASU for his Computer Science and Engineering degree he approached it as "How can I get X hardware to do Y." He has taken the same hacker mentality towards building and growing Clean Router as a business. He has worked as a Software Engineer at SRP, University of Phoenix, JDA, and GoDaddy.

Eric Vance - CIO & co-founder: Eric has a brilliantly creative mind that is constantly finding new ways of solving problems. He has worked at University of Phoenix, JDA, and TicketMaster. At TicketMaster he had a great chance to dig into a lot of hardware+software problems and put his innovative mind to work to produce awesome results. He is constantly coming up with smart, lean ways of solving problems in front of him.

Briefly describe any holes in your leadership team. What are your plans to address any recruiting needs in the next 18 mos.?

Most of our team is in place. We do have some of the key members that are currently on part-time or contract jobs that we would like to transition to fulltime employees as we raise revenues. Currently we use contractors for various different parts of our Digital Marketing strategy. Ultimately it would be most effective to have someone to oversee all of this. Also, as we continue to build our mobile platforms, we will be adding a specific mobile developer to the team in 2017.

Briefly list and describe your key advisors: We have a formal advisory board that has helped us shape our company:

Bahan Sadegh former CEO nettime solutions: Bahan grew nettime solutions, raised funds, and successfully exited with a sales to Paychex. He has valuable experience and is an amazon CEO coach. **Jerrod Bailey** – Tallwave / ClickIPO: Jerrod is a genius as Sales Hacking, growth strategy, and all-things startup. He has worked around startups and has valuable insight into helping us navigate common pitfalls. **Bret Larson** - CEO eVisit: Bret is experienced in Digital Market, growing a company, fund raising, and challenges us to look at aspects of our company we wouldn't otherwise. **Tom Curzon** and **Jonathan Ariano** - Osborn Maledon: makes sure that we are structured correctly and helps in strategic capital strategies.