

**Cummins Group, LLC
Investment Application**

(Revised December 2006)

Introduction:

Cummins Group is focused on providing seed capital and business consulting services to start-up and early stage companies.

The following simplified application will help us identify investment opportunities that best fit our investment profile. The information in this application will be shared with our Investor Council members to determine if we should go forward with an investment consideration. The members of the Investor Council have a combined wealth pool of over \$125 Million and can usually make decisions to invest in less than two weeks. Actual investment closing can occur in less than 45 days from receipt of the application.

There is a required application fee of \$175 and this fee is due prior to an analyst's review of each application submitted.

Preferred Process:

- 1) Complete the application in the format provided as thoroughly as possible and be detailed when appropriate. Please remember to explain industry terms.
- 2) Prepare and submit the latest business plan along with your application.
- 3) Prepare and submit any supporting collateral, graphs, presentations, marketing materials, financial spreadsheets, samples, etc.
- 4) E-mail the application and supporting documents in MS Word or PDF to: applications@cumminsgroup.com.
- 5) Mail hard copy application, signed Disclosure Statement, signed Mutual Non-Disclosure agreement, and supporting documents along with the \$175.00 application fee to:

Cummins Group, LLC
4700 Falls of Neuse Road
South Tower – Suite 130
Raleigh, NC 27609

Attention: Chief Operating Officer

Please complete each section in the format provided

Company Profile:

Investment Requested: \$

Management's Current Valuation of Company (pre-investment): \$

Company Name:

Corporate Status (C, S, LLC, etc.):

Date and State of Incorporation:

Board Members:

Capitalization Structure:

Use the capitalization chart template from the website if more than three names exist in any of the below categories. This file is located on the website at <http://www.cumminsgroup.com/docs/capchart.xls>

Total Shares Outstanding:

 Vested Shareholders Name | Number of Shares | Price Per Share | Date Acquired | Stock Type (Com. Pref., A Pref.)

- 1)
- 2)
- 3)

 Stock Option Holders Name | Number of Options | Vestment Date | Vestment Trigger | Strike Price | Date Issued |

- 1)
- 2)
- 3)

 Conv. Debt Holders Name | Number of Shares | Conversion Price | Interest Rate | Date Issued |

- 1)
- 2)
- 3)

Key Personnel:

 Name Title Start Date Compensation (salary, benefits, etc.)

- 1)
- 2)
- 3)
- 4)
- 5)
- 6)

Include a BIO for each current Member of the Management Team

Business Overview:

Executive Summary (1 to 3 paragraphs in length)

Submit an executive summary of the business model.

Market Size Summary (1 to 3 paragraphs in length)

Explain market size (or potential) and site sources where possible

Growth Strategy and Financial Projections:

Discuss in detail the strategy for generating revenues. Describe the sales and marketing operation and the specific channels or methods that will be used to bring the product or service to market. Discuss in detail revenue milestones within the first year and also over a five year time frame. Discuss any partnerships, key vendors, distribution chains, or other relationships that affect the sales and marketing of your product or service.

Provide a detailed pro-forma budget of sales and operations in the following format. Where necessary, add lines to better explain revenue and/or cost items.

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Revenues						
Product (1)						
Service (1)						
Gross Revenue						
Costs of Sales						
Gross Profit						
Gross Margin	%	%	%	%	%	%
Operating Expenses						
Employee Related						
Facility / Utility						
Admin / Other						
Total Expenses						
Net Income						
Operating Margin	%	%	%	%	%	%
Total Headcount						

Planned use of Funding

Detail funding needs specific to the use of those funds. This section should include detail (amounts and time frames) of the use of funds within but not limited to the following categories:

- Capital Expenditures
- Research & Development
- Sales & Marketing
- Salaries & Employee Related Items
- Inventory and/or manufacturing

Detailed Market Opportunity

Describe in detail the market for your product or service. This section should create a picture of the growth potential of the company through the sales & marketing of it's products or services and also a picture of the larger market place if the company is only focusing on a piece of the entire market.

Competition

- Name, address and Web address of top 3 competitors
- How competitors generate revenue / successful sales channels
- How competitors' products or services are sold and marketed
- How competitors' products differ from yours
- Competitor's estimated revenue and number of employees

Intellectual Property

Describe any intellectual property, trade marks or Patents including the stage of any applications, agreements, or development of such.

Disclosure Statement:

By submitting this application, associated documentation, and non-refundable application fee, applicant is authorizing Cummins Group, LLC to share the submitted information with Cummins Group, LLC's related investors, employees and legal and financial advisors. Applicant understands that Cummins Group, LLC is not agreeing to any investment as a result of reviewing applicant's information and may not consider any investment in applicant's company in the future. Applicant understands and agrees that Cummins Group, LLC may use the information contained within this application to obtain a consumer report and/or investigative report for background and credit analysis. Any documents submitted by applicant to Cummins Group, LLC shall become the property of Cummins Group, LLC.

____ **Initial by Company Officer** - By signing below I attest that the statements, claims and assertions made in this application are true to the best of my knowledge and are made in good faith.

____ **Initial by Company Officer** - By signing below I attest that, to my knowledge, or to the knowledge of the Company, there is no action, suit, claim or proceeding of any nature pending or threatened, against the Company, any of its properties (tangible or intangible) or any of its officers or directors nor is there any reasonable basis therefore.

____ **Initial by Company Officer** - By signing below I attest that, to my knowledge, or to the knowledge of the Company, no Governmental Entity has at any time challenged or questioned the legal right of the Company to conduct its operations as presently or previously conducted or as currently contemplated by the Company to be conducted.

____ **Initial by Company Officer** - By signing below I attest that, to my knowledge, or to the knowledge of the Company, the Company its officers or directors have not filed nor contemplate filing, any type of bankruptcy petition.

Please detail in a separate attached sheet any exceptions the above statements.

Name and Title of Submitter

Signature of Submitter (if other than Officer)

Name and Title of Officer

Signature of Company Officer

Name of Company

Street address

City State Zip

EIN (Leave blank if not Incorporated)

Email address

Phone

Fax