

Social Outbreak Corp Executive Summary

Social Outbreak Corp
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Social Outbreak Corp (SOC), a Nevada corporation incorporated in March 2011, is a social media marketing company selling a digital social networking tool called the "Total Social Media System." The primary market application for this tool is small businesses and individual users on Facebook.

Because of the significant benefits of our products to the user, the substantial international market that Facebook provides, the affordable price, the market timing, and the excitement towards the product from our initial focus groups, expectations are that there will be wide-spread adoption of our product within the worldwide Facebook community leading to a high-probability of success and profitability.

Key to that success is our executive management team. SOC is composed of seasoned and experienced entrepreneurs with a depth of experience and cross-collateralized skills in technology, computer software, internet marketing, customer service, and social media marketing.

SOC is on track to launch in April, 2011. Our product will be introduced, marketed, and sold internationally through a network of independent sales representatives, known as Media Consultants. Our target market is small businesses, entrepreneurs, and individuals marketing their products and services on Facebook.

Recruiting and building a strong initial team of professional field leaders is our first sales objective. A launch team of leaders has been identified, and each has a solid track record of success in the direct sales/internet marketing industry. Each has a substantial existing organization of sales reps, creating a potential built-in sales and distribution pipeline in excess of 50,000 independent sales representatives.

Our goal is to establish a beach-head of 20,000 paying subscribers within our first ninety days, 50,000 paying subscribers within our first six months, and 125,000 paying subscribers one year from launch. The accomplishment of these goals would allow us to hit our revenue targets of \$25,000,000 from initial product sales and \$6,000,000 in annualized active monthly subscriptions for a total of \$31,000,000 in gross revenue, year one.

Net profit margins from initial sales and monthly subscriptions have been established at a combined twenty-three percent (23%), which should result in a first year net profit of \$7,130,000.00

As we build our database of paying customers over the first year through the introduction of our primary Social Media Marketing Systems, our plan is to introduce new and complimentary technology products and services through licensing or acquisition, and move beyond Facebook as a singular marketing platform. With the successful execution of our business plan, Social Outbreak Corp should quickly become a profitable company and an internationally-recognized brand-leader in the social media space.

Market

Facebook Facts:

- 700,000,000 million existing accounts
- 1,000,000 new accounts are added weekly
- 70% of all accounts are outside the US
- Over 1,000,000 businesses have a Facebook account
- Half of the US population over the age of twelve has a Facebook account.

Social Outbreak is a market-driven company, and Facebook is our marketplace. Our launch product is specifically-designed to operate within it's environment. Facebook is the undisputed king of social media, and with it's worldwide acceptance and usage, provides Social Outbreak with a resource-rich platform of potential and enthusiastic customers.

Facebook knows no territories. It is an international phenomenon. Social media has changed the communication landscape, and no company dominates social media like Facebook. Our company is focusing on providing a needed solution to every business, entrepreneur, or individual on Facebook: the opportunity to stand out from the crowd with a unique presence and identity.

Our Social Media Marketing System provides a needed solution for a problem well understood by any person or business with a Facebook account: that all Facebook profile pages look exactly the same. With the exception of the user's picture, all Facebook profile pages look exactly the same. Unless one is a capable web-designer or programmer, creating a unique look and feel to your individual or business Facebook profile page is challenging, time-consuming, and expensive.

Our Social Media Marketing System provides the Facebook user with the ability to quickly, easily, and affordably create a custom-branded profile page that is unique to you, your business, your products, or services. Our focus group testing with dozens of small businesses and individual entrepreneurs has demonstrated a tremendous excitement about the introduction of our product because *our product provides a needed solution to a universal need that is instantly recognized and coveted by every user.*

Originally developed for large-scale commercial advertising applications on Facebook, Social Outbreak has acquired the worldwide license to market and sell the technology through the direct sales and social networking channel, a vertical which the management of Social Outbreak has considerable expertise and decades of experience and success.

Working closely with the developer, Social Outbreak has reconfigured the product into a templated version more suitable and affordable for small business and individual application. The potential of over 700,000,000 users on Facebook creates a vast marketplace of opportunity. We believe that if our marketing and advertising plan creates the market awareness we seek, an eventual goal of one half of one percent market penetration is ultimately achievable. (3,500,000 sales)

The financial incentives built into our proven referral marketing system has been shown to provide the motivation for individual and business users to move from being merely customers to becoming enthusiastic marketing representatives. Coordinated marketing, corporate advertising, and the addition of ancillary products will increase our market share over time.

Product

Our technology partner is a Facebook-approved developer, and operates within the Facebook platform API in adherence to all Facebook advertising and promotion guidelines, policies, and terms of use. This gives SOC a competitive advantage because our media system is created within and through the Facebook programming code, not outside. We are the only product on the market that has this feature.

All media content is integrated within the user's Facebook page; it doesn't ride on top of the fanpage, it becomes an intrinsic part of it; it doesn't require the visitor to leave their page and go to a website or any content outside of Facebook. There are other viral marketing triggers that also occur within Facebook when a visitor interacts with a user's page. The programming and coding integrates the user's specific advertising message to become an inherent and interactive part of the profile page.

Our product provides the Facebook account-holder with the ability to take their generic Facebook page and quickly and easily create a custom-branded fanpage that is unique to them. The value of the our fanpage set-up is the creation of an interactive “mini” website that identifies and advertises the user, their business, and their products and services through the use of their logos, pictures, advertising copy, and videos. There is no competition that provides this range of media at our price point.

The other competitive advantage SOC has is that the user can easily build the fanpage with little or no technical expertise. We have provided a number of professionally-designed templates to choose from, and each is designed in an easy-to-follow system that highlights headlines, where to upload your logo if you have one, where to put your name, pictures, and contact information. Colors can be selected and fine-tuned through the RGB color wheel to match all branded collateral material.

One of the main features of the fanpage is that it is video-driven. Any commercially-created or user - created videos can be accessed by simply putting in the url of the location of the video. All content creation is chosen by the user and happens within the architecture of the template they have selected. Creating an interactive fanpage is a very simple process, and can be created within minutes, even by a novice. This opens up a substantially larger audience, since most people are non-technical.

However, as part of our customer service, we have created a series of tutorial videos that will guide the user every step of the way. We also have Social Media Specialists on staff and available to assist the user if needed.

There are just five steps to accomplishing the creation of a fanpage, and because our product is completely integrated in Facebook, the fanpage is created *within* Facebook. The fanpage thus becomes part of the user's Facebook page, with all it's social networking capabilities.

Step 1. The first step is to select a Business page. This requires the user to register, identify their business, and agree to the Facebook terms of use.

Step 2. The second step is to design their Sidebar. The sidebar is an interactive graphic rendition located on the left hand side of the fanpage that contains advertising copy, pictures, logos, and contact information.

Step 3. The third step is to pick a template design for the main business page and write the ad copy, upload selected pictures or graphics, and put in any video links if desired.

Step 4. After a visitor interacts with the users fanpage, three triggers occur within Facebook:

1. A notification email including the contact information of the visitor is sent to the page owner
2. A pre-written email is automatically generated from the owner of the page back to the visitor
3. A pre-created newsfeed with the owners pictures, headlines, and webpage hyper-links is posted on the visitors wall for all their Facebook friends to see. This is the viral marketing feature.

Step 5. Watch the videos in our Social Media Library, currently consisting over 18 tutorials on how to understand and maximize social networking and marketing on Facebook. More videos will be added.

Social Media Marketing Systems

A. The BASICMedia System. \$100 purchase, includes first month subscription. \$50/monthly thereafter. Consists of our Facebook fanpage generator, as described above.

B. The PROMedia System. \$200 purchase, includes first month subscription, \$100/monthly thereafter. Consists of the BASICMedia System, plus a full-featured online marketing system.

C. The PREMIERMedia System. \$300 purchase, includes first month subscription, \$150/monthly thereafter. Consists of the PROMedia System, plus complete video conferencing and video email.

Although anyone on Facebook could benefit from custom-branding and showcasing themselves, the target market for our Social Media Marketing Systems is small businesses and entrepreneurs. These people have something to sell, and our system is the most unique and robust interactive social networking and advertising vehicle on the market to advertise products, goods, and services.

In summary, our Facebook Social Media Marketing Systems provide:

- Unique branding capability
- Video, graphics, ad copy creation
- Interactive weblinks within and outside the page
- Integrated and automated communication triggers within Facebook
- The ability of the user to create and change their webpage by themselves on-the-fly
- Consumer “checkbook” pricing with minimal initial cost and small monthly subscription
- Digital delivery within Facebook providing access to an international audience of 700,000,000+

As we establish a significant database of over 100,000 active subscribers, our intention is to develop, acquire, or license new technology and/or information products or services to serve our community. New opportunities may be presented in conjunction with other vendors or suppliers, and new social media companies may provide other opportunities to expand beyond Facebook into other venues.

We have worked closely with our vendor to prepare the product for the consumer/small business market, and spent considerable resources in time and money integrating the system with our sales tracking and commission software. The product is deliverable as of the time of this writing. The company is operationally ready to support delivery, marketing, and customer service.

Merchant processing, as well as other alternative payment options, is being established, and our virtual wallet software and eventual branded pay cards will allow for the seamless delivery of consultant commissions on a worldwide basis.

Sales

The Social Outbreak Media System satisfies a current and recognizable need on the part of millions of Facebook users: the ability to customize or “brand” the user's profile page. With the exception of the user's picture in the upper left-hand side of their profile page, every Facebook member's page looks essentially the same with minimum ability to differentiate. This lack creates our market opportunity.

Because of the robust nature of our product in answer to a recognized marketing need, we believe the adoption of our product will be instantaneous and universal. With the large existing user-base of Facebook, with such broad apparent market need established, and with the ability to digitally-deliver the product without regard to international borders, the company has made the strategic decision to market and deliver our product-line *through Facebook itself* via a variable social networking model.

A recent phenomenon, Social Outbreak takes social networking and social media to a new level. The biggest challenge other social media companies have is the monetization of their business model. Social Outbreak solves this critical issue through our compensation plan, which financially incentivizes customers to translate their enthusiasm for the product into action by become marketing consultants.

This is done when the customer enters into a formal contract with SOC via a distributor agreement. With the acceptance by the customer of the SOC Terms & Conditions and the payment of a \$30 administration fee, the status of the customer changes to becoming an authorized Social Outbreak Media Relations Consultant, (essentially an independent outside sales rep.)

As a Social Outbreak Media Relations Consultant, the user is now empowered to sell our product-line anywhere in the world without consideration to international borders. To assist them in their marketing efforts, the company also issues them a company-owned website that is licensed to them under our Terms of Use, and to which they have access as long as they are current active subscribers.

The consultant's website consists of company-written and approved advertising copy, various video presentations, and graphical representations of the product and marketing opportunity. Also included is a shopping cart for the purchase of our products through the sales efforts of the consultant. Each website is connected via our software with the individual consultant, and each consultant's website serves as a personal portal to our merchant account.

The consultant's website contains a password-protected back office featuring variety of robust tools for marketing, tracking sales worldwide, visibility on their global sales organization, and various other corporately-supplied business assets, including accounting functions and sales aids.

We perceive each independent sales consultant as an extension of our brand; a marketing partner. Each website is another point-of-sale terminal that provides the company with a online platform for global distribution of our products, and our compensation plan provides the platform for the creation of a true entrepreneurial business opportunity for the consultant. And it can be done anywhere in the world.

Compensation

The Social Outbreak compensation plan has been designed to be fair and financially rewarding to each individual consultant's sales activity, keeping in mind that each consultant is unique, has different levels of ability, enthusiasm, expertise, time, and contacts.

A \$30.00 administration fee is required at the time of purchase to become a Social Media Consultant and for entrance into the sales commissions plan. The new media consultant is issued a company-produced marketing website in their name, which serves as a personal sales portal, credit card gateway, and online back office providing sales tracking visibility with other collateral marketing resources.

All compensation paid to any consultant is predicated on the sale of a media marketing system and the receipt of the monthly subscription payment; no product can be purchased directly from the company. Sales commissions paid on the sales of a media marketing system is accomplished in different ways:

- Personal sponsoring requirements being met
- Rank attainments being met
- Personal media system purchases
- Other rank qualifiers in the consultant's personal line of sponsorship
- Number of actively paid monthly subscriptions
- Depth in the organization based on levels
- Types of media systems purchased within the group

Initial Sales Commission

A 25% commission is paid on the sale of any Media Marketing System by a consultant. This equates to \$25 on the BASICMedia System, \$50 on the PROMedia System, and \$75 on the PREMIERMedia System. This commission is paid on a bi-monthly basis to the sales consultant.

Social Code Bonus

Our Social Code bonus is paid monthly on all initial product purchases. Our commission software seeks *upline* in the selling consultant's line of sponsorship on the basis of rank to pay the following commissions:

- 10% commission goes to the upline Manager, (\$10 BASIC, \$20 PRO, \$30 PREMIER)
- 10% commission goes to the upline Director, (\$10 BASIC, \$20 PRO, \$30 PREMIER)
- 5% commission goes to the upline VP, (\$5 BASIC, \$10 PRO, \$15 PREMIER)
- 5% commission goes to the upline President (\$5 BASIC, \$10 PRO, \$15 PREMIER)

Generational Match

A Generational Match is paid monthly *downline* from the qualifying consultant through four levels of sponsoring. This bonus is paid on the income received from the sale of active monthly subscriptions and the type of Media System ordered. The software runs from the consultant down two generations of sponsorship, and pays a 2% matching income on the first two personally-sponsored members down to

their first personally-sponsored member. A 4% income match is paid through generations 3 and 4 on any monthly subscriptions of the PROMedia or PREMIERMedia System only.

Matrix Pay

Social Outbreak charges a monthly subscription for the use of each of its products: \$50 for the BASICMedia System, \$100 for the PROMedia System, and \$150 for the PREMIERMedia System. This subscription is paid month-to-month by the subscriber via credit card, or through other alternative payment options available in the subscriber's back office.

At the time of their purchase, all consultants are placed into an organizational hierarchy called a “matrix.” Social Outbreak pays 5% of the amount of the monthly subscription down through 9 levels of active subscribers within the originating consultant's matrix. The depth of pay is based on the consultant's qualification in the compensation plan, the type of media system they personally purchased, and the type of media system purchased by each active subscriber in their matrix.

A subscriber is considered “Active” when they have paid their monthly subscription. Our software scours the matrix every month looking for active subscribers within the consultant's matrix, and if the subscriber isn't current, the software skips over them. No commissions are paid on inactive subscribers.

Another feature of the software is a “dynamic compression” of all active subscribers in the consultant's matrix, forcing all subscriber accounts to be pulled-up within the matrix structure to ensure the consultant receives commissions on the highest number of active subscribers within their matrix.

Qualification of earnings is based on a combination of personal sales and the type of media system purchased. One personal sale allows the consultant to receive monthly commission payments down through 3 levels of active subscribers. Three personal sales allows the consultant to receive monthly commissions down through 6 levels of active subscribers, and six personal sales allows the consultant to receive monthly commissions on all 9 levels.

The company pays out five percent (5%) on each active monthly subscriber.

- \$2.50 per month per active subscriber for a BASIC system.
- \$5.00 per month per active subscriber for a PRO system.
- \$7.50 per month per active subscriber for a PREMIER system.

There are a total of seven (7) ranks in the compensation plan.

RANK	QUALIFICATION	MONTHLY REQUIREMENT
Media Relations Consultant	1 Personal Sale	BASIC, PRO, OR PREMIER
Media Relations Coordinator	3 Personal Sales	BASIC, PRO, OR PREMIER
Media Relations Supervisor	6 Personal Sales	BASIC, PRO, OR PREMIER
Media Relations Manager	9 Personal Sales + 1 Supervisor	BASIC, PRO, OR PREMIER
Media Relations Director	12 Personal Sales + 2 Managers	PRO OR PREMIER
Vice President, Media Relations	20 Personal Sales + 2 Directors	PRO OR PREMIER

President, Media Relations	30 Personal Sales + 2 VP's	PRO OR PREMIER
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Social Matrix Match

The company offers Directors, Vice Presidents, and Presidents a matching bonus on the personal matrix income from their personally-sponsored consultants.

DIRECTOR	VICE PRESIDENT	PRESIDENT
10% Match on All Personals	20% Match on All Personals	40% Match on All Personals

President's Pool

The company is setting aside three percent (3%) of all global sales revenue into a pool that will be paid on a quarterly-basis to all the Presidents in the company. This pool will be paid six months in arrears, so it will occur twice annually.

Satisfaction Guarantee/Refund Policy

Our product is delivered at the point-of-sale as a digital download. Once downloaded, the user has immediate access to use the product. Because our product is built within and integrated into the Facebook operating platform, once created, it becomes an intrinsic part of their Facebook profile page.

The company maintains control over the functionality of the product via our global administration software. Thus, if a user terminates their purchase or doesn't pay their monthly subscription, we are in a position to turn off the ability of the page to be changed or updated by the user. Even though the graphics remain as part of their Facebook webpage, all interactive or viral links within the page are dead.

Customer satisfaction with our product is guaranteed, with the company offering a 100% refund on the price of any product for up to fourteen days from the original date of purchase. If the customer decides for any reason they don't want the product within the fourteen-day refund period, after notifying the company in writing of such and submitting their receipt of purchase, the company will refund the purchase price back to the customer in the method the customer used to make the original purchase.

Customer Service

The company understands the need to provide quality customer service to our retail customers and Media Relations Consultants.

Our first line is to provide quality educational material about our products, policies and procedures, and compensation plan. Our educational resources and tutorials are posted online in written and video form. We have also hired a competent and experienced Customer Service Manager to build out our customer

service department in-house.

We have posted an extensive “Frequently Asked Questions” FAQ-section on the website that is very detailed and descriptive of what we believe are most of the common questions customers may have.

Initial customer service inquiries are handled via support tickets submitted via email. Our turn-around response time on emailed support tickets is within 24 hours (or less). Our intention is that as the company scales and ramps in active consultants, customer service representatives will be hired and trained by the Customer Support Manager. Toll-free telephone support will be implemented over time.

We anticipate a rapid acceleration in the number of consultants and sales within our first 30-60-90 days of operation, with significant growth extending throughout our first year. Our continued expansion will require an up-leveled capacity build-out. As we gain strategic beach-heads in foreign markets, particularly Asia, our plan is to out-source customer service to an already-identified top-tier customer service provider in the Philippines.

We are focused on the success of our sales consultants, and we hold ourselves to a very high standard regarding their support and their customer's satisfaction with our products and business opportunity.

The Social Outbreak Executive Management Team

Scott Arvin, President and Chief Executive Officer (CEO)

Mr. Arvin is responsible for leading the Social Outbreak executive management team and overseeing all facets of the business. He brings more than twenty years of diversified and proven success in marketing and sales, with an emphasis on building international sales organizations through networking and social media. Mr. Arvin is an Internet-media personality, author, speaker, home-business expert, and sales leader whose organizations have been responsible for over \$400,000,000 in sales since 1990.

Ted Robbins, Co-Founder, Chief Technical Officer

Mr. Robbins has been an entrepreneur, business consultant, and “C”-level executive since 1988. His background includes 20+ years in information technology, with an emphasis in social networking, collaborative networking applications with an emphasis on commercial usability, and website design. Mr. Robbins is specifically responsible for the Facebook integration and product deliverability.

Harry Aston, Co-Founder, Chief Operations Officer

Mr. Aston is a successful entrepreneur and skilled executive with over 30+ years of business experience. He is an expert in computer software and technology management. Mr. Aston leads the strategic build-out of all administrative, accounting, commissions processing, replicating websites, and back-office functions for our international community of sales consultants.

Richard LaPorte, Co-Founder, Chief Marketing Officer

Mr. LaPorte has a diversified background in small business ownership, public relations, sales, marketing, and e-commerce. His background in network marketing sales-and-distribution includes international expansion into emerging markets. Over his many years in the industry, Mr. LaPorte has developed many long-term business relationships that will provide strategic assets to Social Outbreak.

Renee K. LaPorte, Interim Director of Finance

Throughout her thirty-three year career in business, Ms. LaPorte has created a track-record of success as a trouble-shooter, turn-around expert, and management executive in a variety of settings. Her detailed financial analysis, risk management, and forensic accounting background provides the systems and oversight needed to furnish Social Outbreak with a rock-solid financial foundation as we move towards the hiring of a full-time CFO.

Kevin Bowser, Operations Manager

Mr. Bowser is an expert in computer software, and is technically-proficient with all Social Outbreak technologies and business systems. His related experience in sales, customer service, and merchant processing solutions brings a level of excellence and expertise that will be foundational in integrating and maintaining the technical interface between Social Outbreak and our electronic supply-chain.

Paula Presley, Director of Customer Service

Ms. Presley has an extensive background in providing customer service management in various high-tech and high-touch industries. Fluent in computers and a variety of software applications, she has assisted in the development of Social Outbreak's FAQ's, corporate knowledge-base, and reporting systems. Ms. Presley will be responsible for assisting in the establishment of the SOC Customer Service Center, and hiring and training support personnel worldwide.

Legal Counsel**Kevin Thompson, Attorney-at-Law**

Mr. Thompson is one of the world's leading experts on the network marketing industry and it's legal regulations. He specializes in providing legal services and corporate counsel to new start-up companies, and has particular expertise in technology, ecommerce, social media, and in particular, Facebook.

Mr. Thompson has reviewed all legal documents and requirements for Social Outbreak, and has approved our Policies & Procedures, Terms & Conditions, Privacy Policy, and advertising/marketing materials.