



SOUTHBRIDGE ADVISORY GROUP, INC.

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REHABVIDEO.TV BY PRESCRIPTION INVESTMENT PROFILE

Southbridge is introducing a unique and proprietary health care / medical service that has been developed and approved by multiple medical practitioners. Its utilization results in greatly enhanced physical therapy results and patient compliance for the medical practitioner. The economic opportunity reflects a potential 200% return on investment, based on management's conservative projections.

RehabVideo.tv is a developed concept that has proven to enhance the medical practitioner's patient compliance and rehabilitation results. The proprietary methodology and process has been produced by Julia Wilson and Alan Stroup, a medical practitioner and media / IT entrepreneur, supported by a team of highly qualified consultants.

Current practice in rehabilitation home exercise programs utilizes written exercise instructions which are frequently poor in detail, unclear, or difficult to follow. Compliance and motivation for patient performance is low and recovery outcomes compromised. RehabVideo.tv provides rehabilitation professionals with an electronic media system to prescribe and create ***customized*** therapeutic exercise videos for the individual patient. RehabVideo.tv initially targets the civilian health care system followed by full commercialization into the United States Military health care system. As the delivery system for this product has never before been available anywhere in the world, the international market will also be aggressively developed. As evidenced by T.G. Ryan, MD et al at the American Academy of Orthopedic Surgeons Annual meeting February, 2007, (1), patients will achieve greater wellness and rehabilitation outcomes by utilizing video therapeutic exercise home programs, professionally and individually prescribed.

There are over 1000 United States military health clinics/hospitals targeted by RehabVideo.tv. In the civilian market of the United States, there are more than 400,000 medical professionals such as physical therapists, orthopedic surgeons, osteopathic physicians and chiropractors who regularly prescribe home exercise programs. This novel client-server system enables the medical practitioner to create ***customized*** instructional videos in the professional's office. Personally prescribed exercises are selected from the extensive RehabVideo.tv exercise video library. The prescribing professional delivers the video (DVD) to the patient at the conclusion of the office

visit. Designed with the busy practitioner in mind, RehabVideo.tv is time efficient and simple to use. The proprietary computer in the professional's office is linked via the Internet to the RehabVideo.tv server for assembly, editing and delivery of the videos, management of billing & invoices, customer service and information, and video library segment updates. Exercise and break segments between exercises are produced with patient demographics and motivation in mind. The music, narration and production style are selected to motivate the patient based on age demographics and style preferences. Product marketing will begin once all necessary exercises are recorded with the video exercise models being in the 25-49 demographic. Additional video model demographics will be produced as the company progresses.

Musculoskeletal conditions are the most common causes of severe long-term pain and physical disability. Hundreds of US injured veterans are immediate candidates for RehabVideo.tv program, with assistance and support of our "Wounded Warriors" paramount to our military. As the general population ages and longevity of life increases, the demand for rehabilitation services is projected to proportionately increase in both the civilian and military population.

As the managed care era has evolved, rehabilitation benefits have become increasingly diminished, compromised, or eliminated, challenging the medical community to provide better education to patients for continued recovery in the home setting. RehabVideo.tv customized home exercise videos provide a state of the art tool to effectively address achieving the common rehabilitation goals of patients and professionals.

The RehabVideo.tv delivery system may also be used by any organization with a need to disseminate customized training videos on any subject matter. This eliminates costs and delays associated with shipping of DVDs to remote facilities, and speeds delivery of information via the Internet. A RehabVideo.tv proprietary computer and broadband Internet are the minimum requirements to utilize the delivery for customized training videos.

As RehabVideo.tv is strategizing to capture the first market offering with no other product in the world providing this service and utilizing this delivery system, initial returns are projected as highly profitable. As the market is expanded to international offerings, the return on investment continues to be rapid and sustained. Evidence based study by Ryan ET all confirms definitive need for the RehabVideo.tv program. With successful marketing demonstrating the RehabVideo.tv quality product to meet that need, it is anticipated that product sales will be brisk. Financial projections indicate that by becoming standard practice to replace written instructions,

and becoming an international service provider, RehabVideo.tv has the potential to generate over \$50,000,000 annually.

RehabVideo.tv by Prescription, although a unique product within the medical field, will position itself be priced at competitive levels the market will bear. The market opportunity is very large as RehabVideo.tv is first to introduce this product. The product will be promoted by an unparalleled, show-and-tell demonstration system at trade shows and conferences. The image projected will be that demanded by health professionals. Hands-on use of a fully operational system in the trade show displays will allow the potential customer to use the product and experience its user friendly operations. The high quality of the videos will be readily observable. The aggressive marketing strategy will critically impact the introduction and assimilation to establish the RehabVideo.tv product as the new gold standard in the industry to deliver home exercise programs in rehabilitation. The channel of distribution is the Internet which insures rapid, accurate delivery of the video exercise programs and related billing activities. Journal advertising and direct mailings will raise the professionals' level of awareness of the value, usage and applicability of the product.

Pro forma income statements and cash flow projections for RehabVideo.tv are based on very conservative estimates of percentage of participation of the 400,000 target civilian professionals in the United States that currently use written instructions instead of video for home exercise. Income within the military system is not budgeted. In this pro forma, conservative ranges of usage are projected at less than 1% of the target civilian market. Projected profitability for return on investment remains exceptionally positive and lucrative. With one percent (1%) of the US target market ordering twenty (44) videos per month, (two per business day @ \$12), annual gross collection is \$25,344,000. Return on investment will be achieved with only 1% penetration into the US market. With twenty percent (20%) of the US target market ordering twenty (44) videos per month, (two per business day @ \$12), the annual gross collection is at \$506,880,000. Revenues proportionately increase as usage of RehabVideo.tv becomes standard practice. Since our video product manufacturing and delivery system is automated and scalable, the cost is low. The major expenses relate to marketing which can be scaled compatibly with any budget, based on cash flow. The economic benefits exponentially increase as the international market is tapped.

Development of RehabVideo.tv as a viable, state of the art enterprise is poised and eager to proceed. Funding is required to implement the RehabVideo.tv business plan. Initial funding of \$600,000 is required to completed the proprietary delivery system software and produce the initial 1200 of 4800 video exercise segments. An additional \$600,000 is needed to establish the

sales & marketing program along with 12 months working capital. Upon successful introduction in the United States military and civilian health care systems, the product will then be introduced to the international health care community. Consultation engagements with two retired Army Generals, General David Ralston and General Toney Stricklin, will assist us in military sales and potential Department of Defense funding support.

Capital required to proceed is described in detail in Section 9.2. Note, of the \$1,200,000 required for start-up, it is possible the \$600,000 designated to develop the software and hardware delivery system, and initial videos could be markedly reduced through “hard bid” negotiations that is supported by the immediate capability of contracting.

Pro forma Snapshot

ITEM	YEAR 1	YEAR 2	YEAR 3
Revenue	588,000	4968,000	14,476,800
Cost of Goods	666,666	1,133,959	2,497,877
Sales / Marketing	112,436	785,324	1,853,581
G & A	411,431	1,144,120	2,575,048
EBITDA	-602,533	1,809,367	7,172,780

The Offering

The Company’s suggested investment structure is as follows:

A 24 month debenture that offers 12% annual interest with an annual interest payment and retirement of the debenture on or before the end of the 24 month debenture. As well the investor(s) will receive a 25% ownership position and board representation. Suggested units of investment are \$100,000.