

# ARCHIMEDES' OFFSPRING



**Sponsoring Direct Investments in Thoroughly-Vetted, High-Quality Inventions**

*“The secret in life is to not be “too” greedy”*

-Robert Hellendale

# OUR INSPIRATION

When we think of the great scientists, mathematicians and inventors of Western civilization, there is literally no one who stands out more prominently in the ancient world than the Sicilian inventor, Archimedes.


In the hearts and minds of scientists who also count themselves among the community of inventors, Archimedes occupies the same position in the pantheon of the inventing “gods” as does Da Vinci, Tesla and the Wright Brothers. In his ancient Greek days he was known as the “the wise one,” “the master” and “the great innovator”. His works such as the “Archimedes’ Screw” and the “Death Ray” gained him popularity and fame that lasts till this day.

It is with the same passion for inventing demonstrated by Archimedes that we now move forward with a new undertaking: to literally re-invent the inventing process itself. By arranging to provide funding to previously un-bankable inventors, AOS will change the very face of inventing. By doing this, it is our hope and prayer that many, many more significant inventions will finally get to see the light of day.

-----AOS, January 2019



WHAT IS ARCHIMEDES' OFFSPRING??

The background features several flowing, translucent ribbons in shades of red, orange, yellow, green, and cyan. In the center, there is a stylized graphic of an umbrella with three blue segments and a black outline. The text is centered in the lower half of the image.

It's an unincorporated "umbrella" sponsorship program for investments in inventions, not startups



WHAT ARE ITS MAIN COMPONENTS??

# ARCHIMEDES' OFFSPRING

## The Management Company

### Two Operating Divisions:

- **Inventor-Facing Division**
  - Rita Z. Crompton, Outside Consultant:
    - Staff
      - VP, Inventor Marketing
      - Dir. Social Media / PR
- **Investor-Facing Division**
  - R.P. Burrasca, Pres. & CEO
    - Staff
      - VP, Legal Counsel
      - VP, Finance / CFO
        - Controller
        - Treasurer
      - VP, Investor Marketing
- **External Vetting Committees**

## "Families" of Funds (Each Fund a "C" Corp.)

Six "Families" Initially

- The Da Vinci Family
- The Henry Family
- The Volta Family
- The Pasteur Family
- The Babbage Family
- The Donovan Family
- **Someday ?: The Tesla Family???**
- **[The Doubleday Family??]**
- **Etc.**

## Individual Offerings (Inside Families)

E.g.

- Da Vinci Offering I
- Da Vinci Offering II
- Da Vinci Offering III
- 
- Henry Offering I
- Henry Offering II
- Henry Offering III

# AOS - OVERALL INTERNAL STRUCTURE

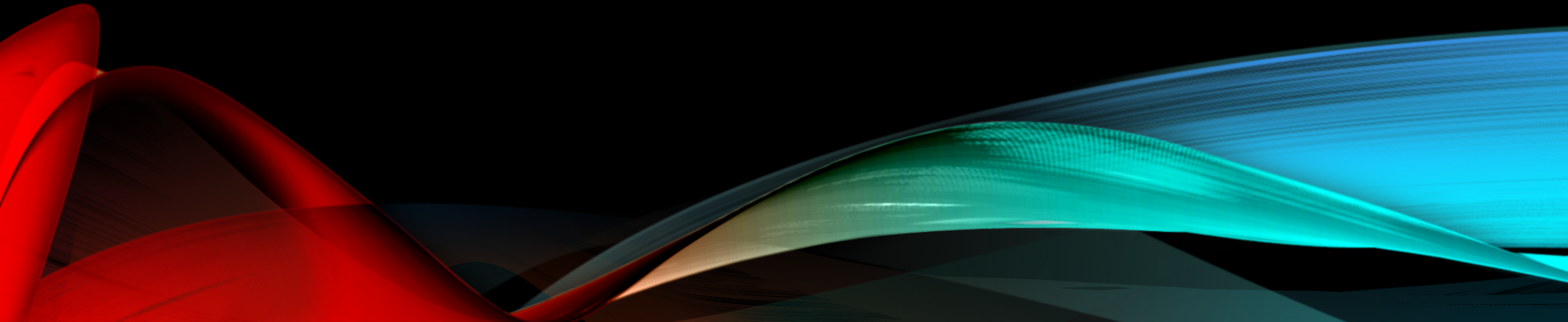
- The management company that is selected will be set up as a Tennessee limited liability company – It will be manager-managed by Raymond P. Burrasca (“RPB”), with the assistance of executive staff on both sides of the business, i.e., Inventor-Facing side and Investor-Facing side.
- The Management Company's Operations will be divided into two distinct parts:
  - **INVENTOR-FACING DIVISION**: RZC manages public relations and publicity for the “Inventor-Facing” Division
  - **INVESTOR- FACING DIVISION**: RPB manages internal, day-to-day operations as managing director of the “Investor-Facing” Division



# MANAGEMENT CASH COMPENSATION

- Other than RZC (who does not receive any cash compensation), RPB and each other contract employee in the management structure, irrespective of whether they are on the Investor-Facing Division side of the business or the Inventor-Facing Division side of the business, will receive monthly compensation commensurate with marketplace rates, subject to a cap of no more than \$5,000 per month, regardless of how long that contract employee works for the management company.
- The only way this “compensation cap” can be increased is if a proposal is submitted by management to the shareholders of the various Invention Investment Families and more than 50% of all the non-management-owned shares of the Invention Investment Families’ funds (with all such non-management-owned shares voting together as a single class) approves such increase in compensation
- Thus, for the protection of investors, management’s compensation is subject to an extremely low and, from the investors’ perspective, very modest and reasonable ceiling, beyond which management may not go without significant “buy-in” by the IIFs’ shareholders.

# INVENTOR-FACING DIVISION



# INVESTOR FACING-DIVISION – STAFF

- RZC – Outside Consultant to the Investor-Facing Division

## INVENTOR-FACING DIVISION IS RESPONSIBLE FOR RECRUITMENT OF INDUSTRY EXPERTS

- Recruit industry experts to sit on vetting panels for respective industries in which they work, e.g.,
  - Hardware, Home and Garden (i.e., the types of goods typically displayed at the annual National Hardware Show in Las Vegas)
  - Household and Family-Oriented Personal-Use Consumer Goods (other than inventions falling within any of the other categories)
  - Health Care
  - Consumer Electronics
  - Automotive
  - Computers & Information Technology
  - Infants, Toddlers and Toys
  - Pets
  - Sports
  - Outdoor Recreation

# INVENTOR-FACING DIVISION – INVENTION APPLICATION PROCESS

- Prior to applying for funding, inventor needs to have accomplished the following:
  - Comprehensive professional patent/product search
  - Evaluation of comprehensive professional search by a registered patent attorney
- There should be an application fee to discourage non-serious inventors –Can start at \$25 and, overtime, be increased to \$100.00 for newer applications
- Application form will consist of the following:
  - Description of invention, which will include an “enabling disclosure” (i.e., Application Form itself)
  - A copy of the professional search
  - A copy of the written evaluation of the search by a USPTO-Registered Patent Attorney
- Prior to accepting the application, the management company will agree to execute an NDA, containing covenants not to disclose, not to compete and not to circumvent.
- RZC’s Administrative Assistant (AA) will conduct initial review of all Vetting Applications to ensure that each application contains the necessary items and includes all required additional submissions and that the Application is complete and ready for review by RZC and, thereafter, for possible formal submission to the vetting process.

# INVENTOR-FACING DIVISION – VETTING PROCESS

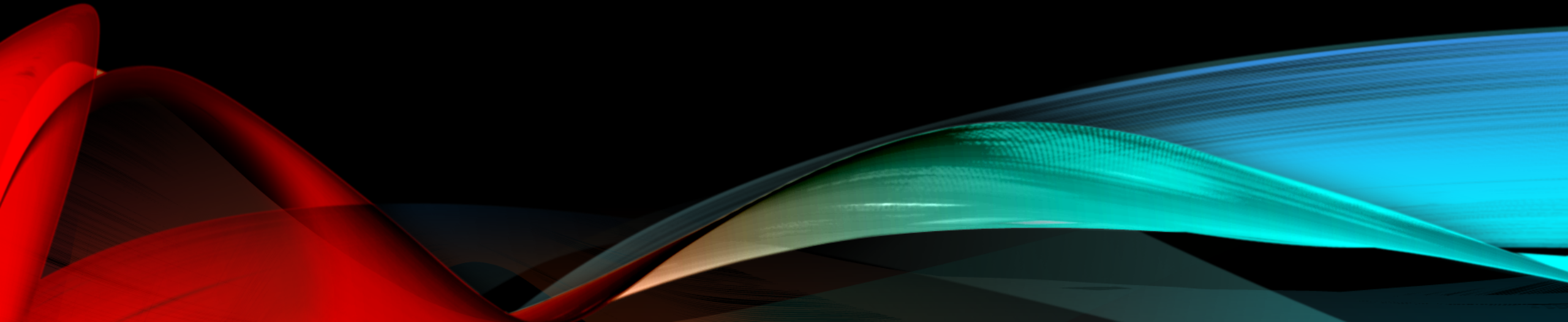
## Five Levels:

- AA reviews application to ensure that it has been properly filled out and the necessary items are included in the application packet. If the packet is complete, it is submitted to RZC for an initial review.
- Thus, RZC becomes first “substantive” filter for “greenlighting” of applications
- If RZC “greenlights” project, RZC/AA, informally, runs project past single industry expert, who is selected specifically for that invention. If industry expert agrees, application is sent to AOS in-house patent attorney staffer for a substantive review, taking into account market viability, non-infringement and patentability.
- If AOS in-house patent attorney staffer “greenlights” application, RZC/AA contacts vetting committee for industry for which the invention is targeted (the “AOS Vetting Committee”) and sets up a formal meeting for an extended presentation to, and consideration by, the selected AOS Vetting Committee.
- RZC then makes formal presentation of the Application for Funding to the selected AOS Vetting Committee.
- If vetting committee “greenlights” project, then RZC calls for meeting of the Board of Directors for the Invention Investment Family for which that investment is intended. If the Board approves, funding at some level is authorized.

# INVENTOR-FACING DIVISION – VETTING COMMITTEES

- Vetting Committees – Each “Family” (i.e. the “parent” for the targeted fund) will have a counterpart “vetting committee”. Each such Vetting Committee will be independent of AOS, will interface exclusively with the Inventor-Facing Division of AOS and will be dedicated to, and possess substantial expertise about, the industry being targeted by its associated Family for the commercial introduction of the inventions in that Family’s funds invention pools.
- Each vetting committee will consist of not less than two members (but, ideally, at least three), each of whom will be an expert in the industry that has been targeted for commercial introduction of the presented invention.
- Each vetting committee member will receive an honorarium for each vetting committee meeting that they attend and for which they give their input. The honorarium will be between \$100 - \$250 per meeting (precise amount TBD).
- In the beginning, and depending on the legal and financial disclosure requirements connected to the raising of money for the investment families themselves, the industry experts sitting on the vetting committees need not agree to having their names disclosed in any publicly-available materials. However, over time, and as the favorable reputation of the AOS investment families is enhanced, it will be expected that such industry experts will consent to disclosure of their names as part of the participation in the AOS vetting committee process.

# INVESTOR-FACING DIVISION








# INVESTOR FACING-DIVISION – STAFF

- RPB – Managing Director – Investor-Facing Division (operationally, Pres. & CEO)
- TBD – Director – Legal (operationally, VP – Legal / General Counsel / CLO)
- TBD - Director – Finance (operationally, Senior VP Finance / CFO )
  - Joan Van De Griek – Director – Accounting and Internal Audit (operationally, VP Accounting / Controller / Internal Auditor)
  - TBD – Director – Treasury (operationally, VP – Treasury / Treasurer)
- TBD - Director – Fund Marketing (operationally, VP Investor Marketing; CMO, but for Family fundraising purposes only)
- RZC makes recommendations to Board of Directors for each Invention proposed for investment by an Invention Investment Family's fund, but does not participate in discussion and deliberations for purpose of either approving or rejecting application for funding.

# INVENTOR DISTRIBUTIONS

If there has been a “full approval for funding” (i.e., \$75,000), distributions are made in “tranches”, but the exact delineation of each tranche is flexible and subject to potentially significant adjustment in specific instances.

However, for presentation purposes, a standard “tranche” model would look essentially as follows:

	<p>Money for IP, Initial Engineering Design</p> <ul style="list-style-type: none"><li>• \$10,000 - \$15,000 for patent (provisional &amp; utility)</li><li>• \$5,000 - \$10,000 for engineering</li></ul>	<p>10% of Patent Ownership</p>
	<p>Money for prototype creation &amp; for design and engineering for manufacturing</p> <ul style="list-style-type: none"><li>• Up to \$25,000</li></ul>	<p>Add. 6.5–10 % of Patent Ownership</p>
	<p>Money for Short Run Manufacturing &amp; Marketing</p> <ul style="list-style-type: none"><li>• Up to \$25,000</li></ul>	<p>Add. 3.5-10% of Patent Ownership</p>

# Inventor Distributions (cont.)

HOWEVER! ....

- Each situation is unique and, consequently, each situation will require in depth negotiation in order to come to a mutually-acceptable # of \$\$ in exchange for %% of IP ownership at, potentially, each stage of the invention development / investment process.

# MAXIMUM DISTRIBUTION POSSIBLE

- As a general rule, no invention may receive more than a total of \$75,000 in investment funding under the AOS investment program.
- An initial award of not more than \$25,000 is the first step in the invention funding process.
- If an inventor makes “sufficient progress” (as determined by AOSM’s management in conjunction with input from the fund’s Board of Directors, in the exercise of their sole discretion), then additional investments in the invention may be made. The additional investment will take the form of subsequent “tranches” of up to \$25,000 per tranche, provided that the inventor continues to show satisfactory progress in moving the invention toward commercialization.
- If, under the rare circumstance, an invention holds promise for significant market penetration and additional funding is required (e.g., creation of a new startup company to push commercialization to a much higher level), then in that situation Archimedes’ Offspring will hire third-party service providers to assist with the negotiation of an exit for the invention from the Archimedes’ Offspring program at a price (based on the then currently agreed to valuation of the IP) to be mutually-agreed upon by AOS’s management and the particular inventor involved.

# **TO REITERATE**, STEPS BETWEEN “TRANCHES”

1. Initial “tranche” is awarded after Approval and Grant of Award by the Board of Directors for the Invention Investment Family’s fund for which that invention is intended as an investment.
2. Any subsequent “tranche” draw down occurs only if the Board of Directors of the Invention Investment Family’s fund that approved the initial investment in the invention approves such subsequent “tranche” draw down request(s).
3. Board can turn down any subsequent tranche draw down request if, in its sole opinion, sufficient progress toward a viable market product is not achieved.

# MECHANISM FOR ONGOING PAYMENTS TO INVENTORS' SERVICE PROVIDERS

1. Inventor contracts with service provider (e.g., registered patent attorney, engineer, manufacturer, tradeshow sponsor, etc.)
2. Service provider provides either estimate prior to performing work or performs work and then bills inventor.
3. Inventor submits estimate or invoice to Inventor-Facing staffer reviewer for approval.
4. Inventor-Facing staffer then reviews estimate or invoice and approves or rejects same.
5. Where estimate is submitted and Inventor-Facing staffer approves estimate, service provider is authorized to provide services in exchange for payment for services.
6. When work is concluded, service provider submits bill to inventor and inventor submits bill to Inventor-Facing staffer for review and approval.
7. If Inventor-Facing staffer "greenlights" invoice, that payable is sent over to Investor-Facing staffer for payment.
8. Payment is made by Investor-Facing staffer to service provider.

# INVESTOR-FACING DIVISION – STRUCTURE

Under direction of RPB, duties of Investor-Facing Division staff include:

- Performing all day-to-day functions required to maintain the AOS organization and each investment fund within an Invention Investment Family in good operating condition, in compliance with all laws and observant of all rights and obligations under any and all contracts, agreements and other understandings to which AOS or any of the investment funds is subject
- Deal with banks and other financial institutions in connection with investment fund offerings and management of treasury function on a “day-to-day” basis
- Deal with all relevant regulatory authorities in connection with federal and state securities, banking, privacy and AML laws
- Serve as point of contact for AOS with investors in the investment funds
- Provide financial and other periodic reports to AOS Invention-Facing management and other AOSM staffers
- Prepare financial statements for periodic reporting purposes

# INVESTOR-FACING DIVISION – RESPONSIBILITIES RE: CROWDFUND OFFERINGS UNDER TITLE II

- Determine appropriate investment-based crowdfunding approach for each crowdfunded offering, i.e., Title II, III or IV of the Federal JOBS Act
- Where Title II is chosen (amount that can be raised: **unlimited**):
  - Either
    - a. create website / landing page for offering, or
    - b. approach and secure selected funding portal for approval for listing of offering on the funding portal website
  - Where funding portal is chosen for launch, with assistance of funding of portal staffers, create crowdfunding campaign on selected funding portal website
  - Create social media engagement, campaign video(s) and other social media assets
  - Secure participation by public relations specialists for specific funding campaign
  - Prepare Form D and, where funding portal chosen for launch, collaborate with funding portal compliance specialists to ensure complete and accurate filing with SEC, including certification / audit of venture funds financial position and statements.
  - Open campaign for investment – monitor fundraising during offering period – communicate with investors and prospective investors when required or appropriate
- Close offering once target has been achieved; transfer of money to fund and “greenlight” Inventor-Facing Division management re: investment proceeds available for investment in inventions / products.



# INVESTOR-FACING DIVISION – RESPONSIBILITIES RE: CROWDFUND OFFERINGS UNDER TITLE III

- Determine appropriate investment-based crowdfunding approach for each crowdfunded offering, i.e., Title III or Title IV of the Federal JOBS Act
- Where Title III is chosen (up to \$1,070,000):
  - Approach and secure selected funding portal for approval for listing of offering on the funding portal website
  - With assistance of funding of portal staffers, create crowdfunding campaign on selected funding portal website
  - Create social media engagement, campaign video(s) and other social media assets
  - Secure participation by public relations specialists for specific funding campaign
  - Prepare Form C and collaborate with funding portal compliance specialists to ensure complete and accurate filing with SEC, including certification / audit of venture funds financial position and statements.
  - Open campaign for investment – monitor fundraising during offering period – communicate with investors and prospective investors when required or appropriate
- Close offering once target has been achieved; transfer of money to fund and “greenlight” Inventor-Facing Division management re: investment proceeds available for reinvestment in inventions / products.

# INVESTOR-FACING DIVISION – RESPONSIBILITIES RE: CROWDFUND OFFERINGS UNDER TITLE IV

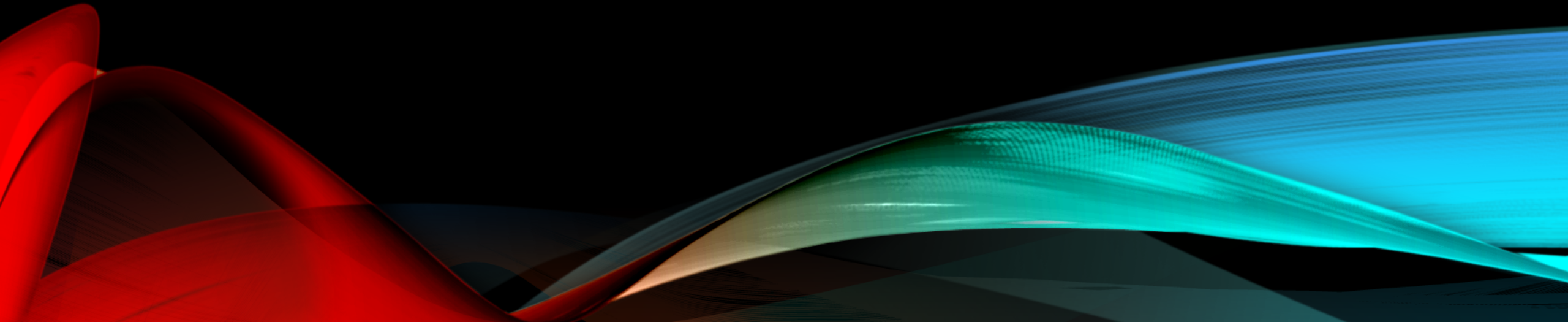
- Determine appropriate investment-based crowdfunding approach for each crowdfunded offering, i.e., Title III or Title IV (cont.)
- Where Title IV is chosen (up to \$50 million):
  - Decide between using funding portal or creating offering website
  - Obtain EDGAR ID for Investment Family making the offering
  - Prepare Form 1-A and file first draft with SEC Division of Corporation Finance.
  - Begin “testing waters” after filing of draft Form 1-A
  - Work with SEC Division of Corporation Finance to secure SEC qualification of offering.
  - Where necessary, create social media engagement, campaign video(s) and other social media assets
  - Where necessary, secure participation by public relations specialists, broker-dealer networks and investment banks for specific funding campaign
  - Open campaign for investment – monitor fundraising during offering period – communicate with investors and prospective investors when required or appropriate
- Close offering once target has been achieved; transfer of money to fund and “greenlight” Inventor-Facing Division management re: investment proceeds available for reinvestment in inventions / products.

# INVESTOR-FACING DIVISION – POST-FUNDING PERIOD

Under the direction, and with the assistance of Inventor-Facing Division management, oversee and execute payments to service providers out of investment proceeds approved for reinvestment in specific inventions / product development

- **PROCESS**: Inventor presents invoice, invoice is processed internally (reviewed by Inventor-Facing Division staffer ) and, if invoice is found to be in order, it is approved by the Inventor-Facing Division staffer, sent to the Investor-Facing Division for payment and a check is issued by Investor-Facing Division staffer directly to intended service provider.
- Receive reports from Inventor-Facing Division as to progress of inventor in pursuing commercialization of invention for which funding has been awarded
- Internally, periodically revisit prior investments to ensure that ROI targets are being met.
- Operate AOS business and investment funds day-to-day to ensure compliance with all relevant laws and in conformance with the terms and conditions of all contracts, agreements and other understandings to which AOS and investment pools are subject.
- Where license agreements are secured, oversee annual compliance with license agreement terms and conditions, ensuring that all payments to which inventor or AOS investment pool is entitled are, in fact, being made.

# THE INVENTION INVESTMENT FAMILIES



# THE INVESTMENT FAMILIES (TENTATIVE)



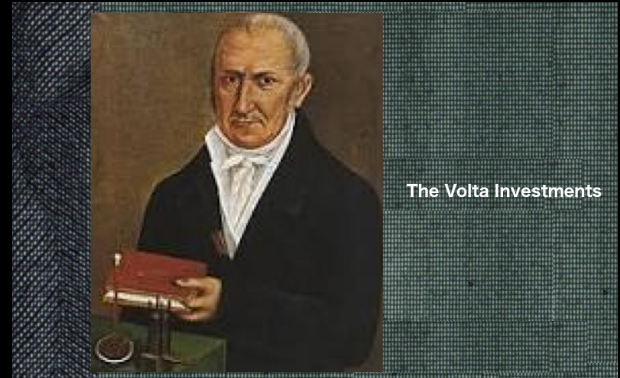
The Da Vinci Investments

The Da Vinci Family



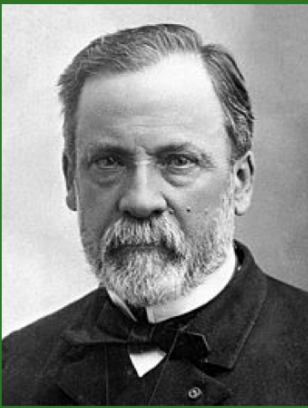
The Henry Investments

The Henry Family



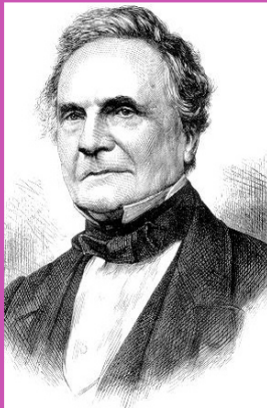
The Volta Investments

The Volta Family



The Pasteur Investments

The Pasteur Family



The Babbage Investments

The Babbage Family



The Donovan Investments

The Donovan Family

# GOVERNANCE OF EACH FAMILY

- Initially, each Family will be a separate “C” corporation, domesticated in Delaware and qualified as a “foreign corporation” in Utah
- Each Family will have a separate Board of Directors, which will be the governing entity for material decisions affecting that Family
- In each case, each Family board will consist of five individuals:
  - RPB - Chairman of the Board, Board Member
  - Joan De Grief – Secretary of the Board, Board Member
  - Eckhart Zimmerman – Board Member (Independent Director)
  - Carshon Rodgers - Board Member (Independent Director)
  - Robert Hausslein – Board Member (Independent Director)

# OWNERSHIP OF EACH FAMILY

- At inception, each Family will have authority to issue up to 20 million shares. Initially, the shares in each Family will be divided into two classes: Preferred and Common.
- The Preferred shares will be further divided into two series: Series A Preferred and Series B Preferred.
- The Series A Preferred will be the first shares issued to members of the general public. These shares will have certain preferences, including repatriation of the original capital invested prior to any general distribution to shareholders (e.g., resulting from a sale or other liquidation of the Family as well as protection against dilution). As with the Series B Preferred, the Series A shares will be convertible into common shares upon the occurrence of one or more specified “conversion events”.
- Series B Preferred will be issued to the management company prior to that Family’s Series A Preferred shares being offering to members of the general public. These Series B shares will have certain preferences, including protection against dilution. They will also be convertible into common shares upon the occurrence of one or more specified “conversion events”. The Series B Preferred Shares will represent, on a continuous basis, 19% of the equity of each Family **(see subsequent slides)**.

# GOVERNANCE OF EACH FAMILY

- Each Board Member will have one vote.
- Each member's vote is entitled to the same weight as each other Board member's vote.
- A vote by a majority of the Board is required for any action, except where a meeting is held.
- Where a physical or teleconference meeting is held, then in that situation, you need at least three members present to constitute a quorum and if you have a quorum then any action taken by a majority of those present at the meeting will constitute an authorized action by the Board.

***[Note: To save money and reduce overhead to maximum extent possible, present intent is to not have Families' funds' have "in-house" executive officers to conduct their day-to-day operations; instead this will remain the responsibility of the Investor-Facing staff of the management company.]***



# THE INVESTMENT FAMILIES (PROPOSED)



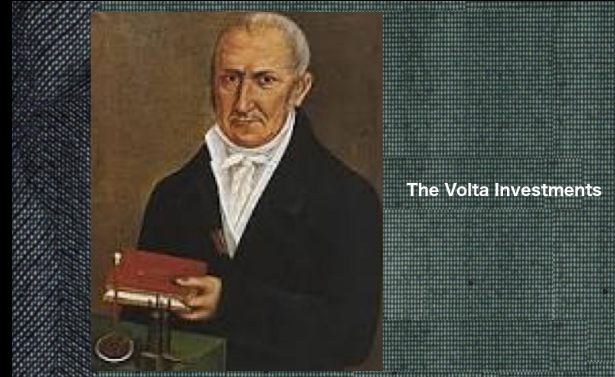
The Da Vinci Investments

The Da Vinci Family



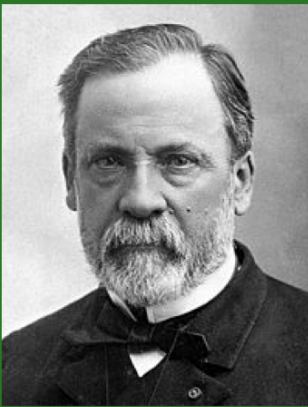
The Henry Investments

The Henry Family



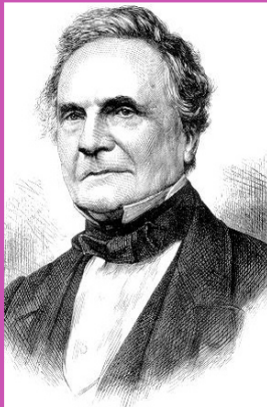
The Volta Investments

The Volta Family



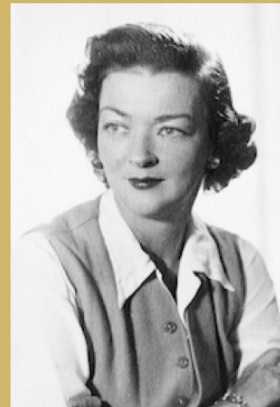
The Pasteur Investments

The Pasteur Family



The Babbage Investments

The Babbage Family



The Donovan Investments

The Donovan Family

# THE DA VINCI INVESTMENT FAMILY



The Da Vinci Investments

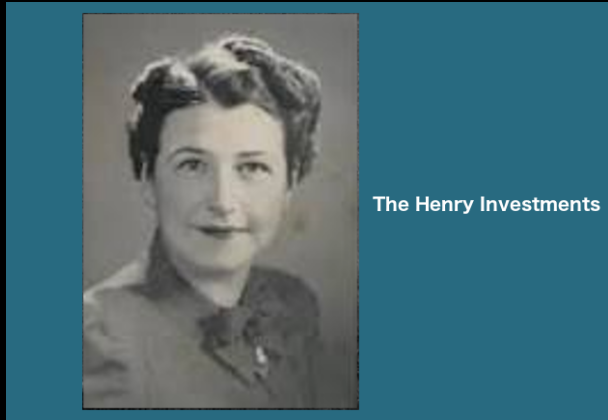
## The Da Vinci Investment Family

**Named after Leonardo da Vinci, the Da Vinci Family of investments is an eclectic assortment of inventions from across the entire spectrum of the inventing world.**

**Leonardo da Vinci** or simply **Leonardo**, was an Italian scientist/inventor of the Renaissance Period whose areas of interest included inventing, painting, sculpting, architecture, science, music, mathematics, engineering, literature, anatomy, geology, astronomy, botany, writing, history, and cartography. He has been variously called the father of palaeontology, ichnology, and architecture, and he is widely considered one of the greatest painters of all time.

Among other inventions, he has been credited with the invention of the parachute, helicopter and tank. More than anyone else, he epitomises the Renaissance humanist ideal, which to comprises the very heart of the modern American inventor.

# THE HENRY INVESTMENT FAMILY



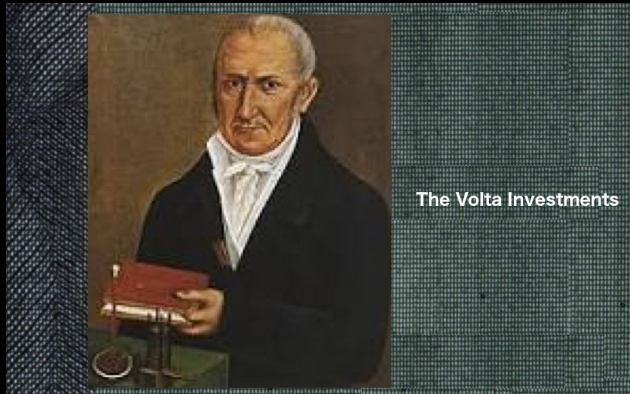
## The Henry Investment Family

**Named after Beulah L. Henry, the Henry Family of Investments is dedicated to those inventions that fall squarely within the hardware, home and garden categories. These inventions are the types of inventions you would normally see displayed at the annual National Hardware Show in Las Vegas, the second largest trade show in the nation after CES.**

**Beulah Louise Henry** (February 11, 1887 – February 1973) was an American inventor. In the 1930s, she was given the nickname "Lady Edison" for her many inventions.

Among her inventions were the bobbin-free sewing machine and the vacuum ice cream freezer. She was awarded approximately 49 patents, but over her lifetime actually created more than 100 new products. Henry is a shining example of the simple truth that women inventors, while not as well known as their male counterparts, have nevertheless been significant contributors to the U.S. economy.

# THE VOLTA INVESTMENT FAMILY

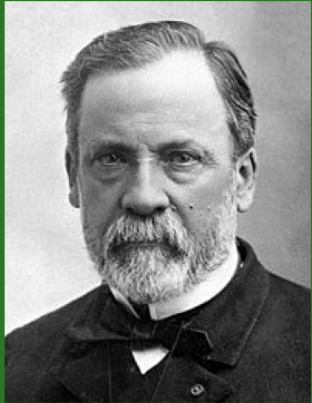


## The Volta Investment Family

Named after Alessandro Volta, the Volta Family of Investments is dedicated to those products that you'd expect to see at annual Consumer Electronics Show, the largest trade show in the nation. Each year some of the most exciting new inventions and products in the electronics industry are on display there for viewing by the general public. Inventions such as the current "smartphones" first made their debut there.

**Alessandro Volta** (2/18/1745 – 03/05/1827) was an Italian physicist, chemist, and a pioneer in the electricity and power fields who is credited with being the inventor of the electric battery. His invention, the Voltaic pile in 1799, proved that electricity could be generated chemically and debunked the then prevalent theory that electricity was generated solely by living beings. The resulting scientific excitement led others to conduct similar experiments, leading eventually to the development of the field of electrochemistry.

# THE PASTEUR INVESTMENT FAMILY



The Pasteur Investments

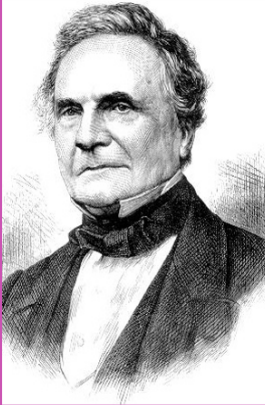
## The Pasteur Investment Family

**Named after Louis Pasteur, the Pasteur Family of investments is dedicated to those patentable scientific breakthroughs and inventions in the health care space.**

**Louis Pasteur** (12/27/1822 – 9/28/1895) was a French biologist, microbiologist and chemist renowned for his discoveries of the principles of vaccination microbial fermentation and pasteurization. He is remembered for his remarkable breakthroughs in the causes and prevention of diseases, and his discoveries that saved many lives ever since. He reduced mortality from puerperal fever, and created the first vaccines for rabies and anthrax.

He is best known to the general public for his invention of the technique of treating milk and wine to stop bacterial contamination, a process now called pasteurization.

# THE BABBAGE INVESTMENT FAMILY



The Babbage Investments

## The Babbage Investment Family

**Named after Charles Babbage, the Babbage Family of investments is dedicated to disruptive inventions and resulting products in the computer and information technology industries. This includes innovations in artificial intelligence, augmented virtual and virtual reality, and data mining**

**Charles Babbage** (12/26/1791 – 18 October 1871) was an English mathematician, philosopher, inventor and mechanical engineer. Babbage originated the concept of a digital programmable computer.

Considered by some to be the “father of the computer”, Babbage is credited with inventing the first mechanical computer that eventually led to more complex electronic designs, though all the essential ideas of modern computers are to be found in Babbage’s analytical engine. As an aside, he also invented a type of speedometer and the locomotive cowcatcher.

# THE DONOVAN INVESTMENT FAMILY



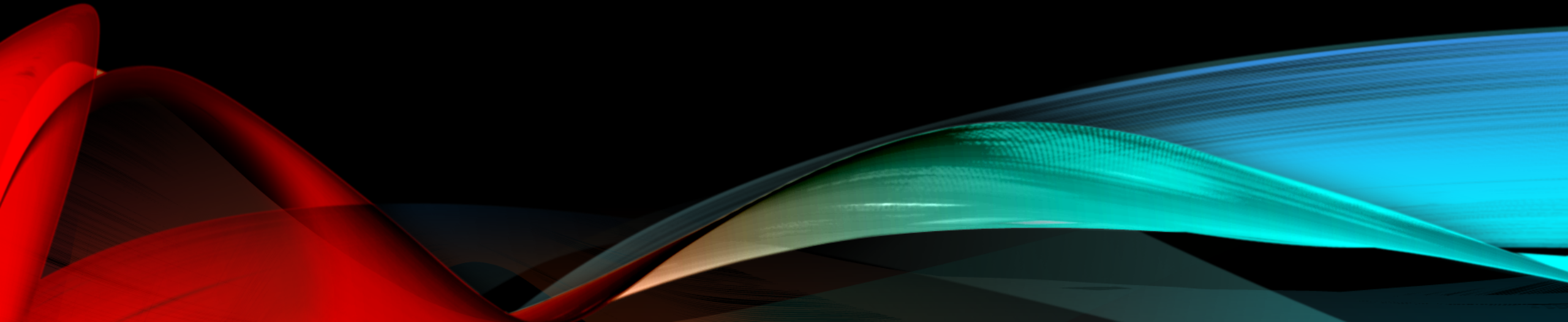
## The Donovan Investment Family

**Named after Marion Donovan, the Donovan Family of investments is dedicated to inventions and resulting products intended for use by parents in the home attending to their own personal needs, as well as the needs of their children and pets.**

**Marion O'Brien Donovan** (10/15/1917 – 11/04/1998) was an American inventor and entrepreneur. She is best known for developing the first waterproof disposable diaper, for which four different patents were issued, including one covering the use of plastic snaps as opposed to safety pins. This feat earned her an election to the National Inventors Hall of Fame in 2015.

Between 1951 and 1996, Donovan was granted a total of 20 patents, including home-related essentials and other convenience items, such as a facial tissue box, storage container box, towel dispenser, hosiery clamp, closet organizer, and dental flossing products.

# INVENTION INVESTMENT FAMILIES: INTERNAL STRUCTURE





# INVESTMENT FAMILY

- As previously indicated, each Invention Investment Family will be formed as a “C” corporation, incorporated in the State of Delaware, but qualified as a foreign entity in Utah
- A Delaware statutory agent will be appointed for each Invention Investment Family’s funds.
- The Management Company's headquarters will be in Tennessee and will serve as the principal office for each of the Invention Investment Families and their respective funds.
- AOS will enter into a Management Agreement with the Management Company for the management of each Invention Investment Family that AOS creates and sponsors. In addition, upon the formal, legal formation of an Invention Investment Family’s fund, that fund’s Board of Directors will ratify the Management Agreement previously entered into between AOS, on behalf of the IIFs, and the Management Company.
- The Management Company will enter into individual independent contractor agreements with each management company staffer, irrespective of whether that staffer is on the Inventor-Facing side or on the Investor-Facing side of the business.
- The Management Company will enter into equity participation agreements with those Management Company staffers who are awarded shares in the Management Company

# INVESTMENT FAMILY (CONT.)

In exchange for providing comprehensive management services to each Invention Investment Family and their respective funds, the Management Company will receive:

- Up to, but not in excess of, \$5,000 per month for each contract employee (initially, only 8 such employees, but, over time, up to a maximum of 12 contract employees).
- A percentage (i.e., "carried interest") of the appreciation in value of an investment Family's "aggregate" (all funds' patent interests) portfolio. This "carried interest" is represented by the Series B Preferred Shares to be issued to the Management Company. Such percentage "carried interest" shall never exceed 19% of the total capital appreciation generated by any Invention Investment Family's funds' pool of IP assets.
- Reimbursement of such modest, reasonable and necessary operating expenses (other than compensation of the contract employees, which is covered in Bulletpoint #1 above) as may be required to conduct the ongoing business of the Management Company in its management of the invention qualification and investment process for the Invention Investment Families and to manage the ongoing business of each such Invention Investment Family and its respective funds.

EACH FAMILY WILL MAKE UP TO FIVE  
(BUT NO MORE THAN FIVE) SECURITIES  
OFFERINGS DURING ITS EXISTENCE

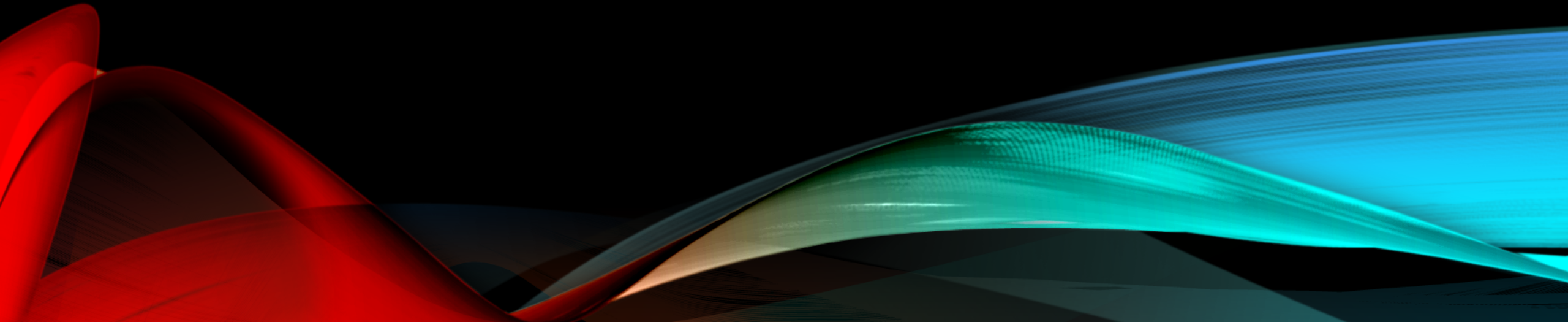
**For Example:**

Da Vinci Public Offering I

Da Vinci Public Offering II

Da Vinci Public Offering III

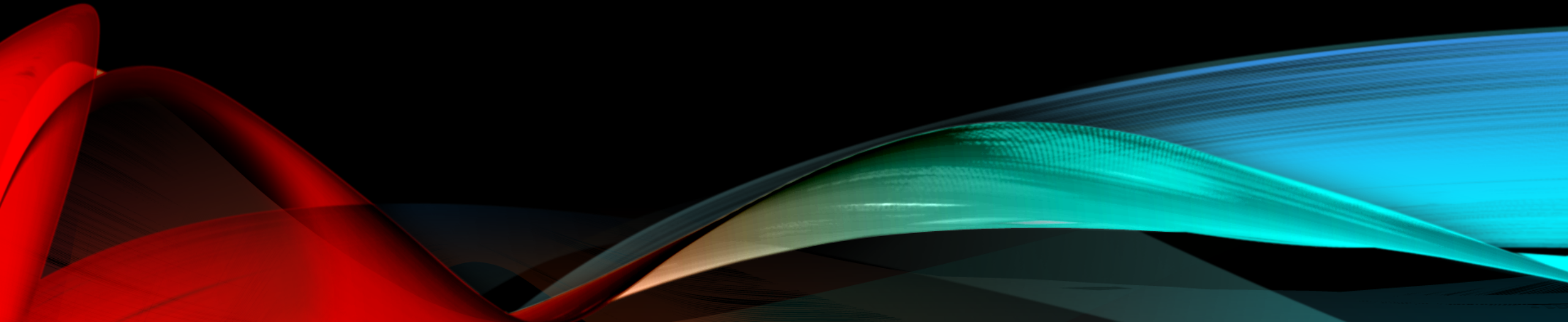
# INVESTMENT FAMILIES – INVESTMENT FUNDS ROLLOUT



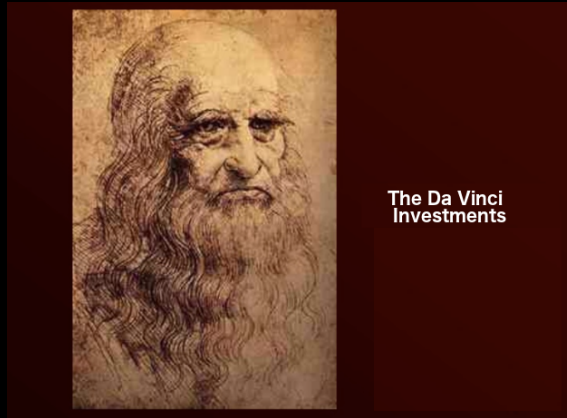
# INVESTMENT-BASED CROWDFUNDING - TITLE II, III AND TITLE IV OF THE JOBS ACT

- Initially, all securities offerings sponsored by AOS will be crowd-based, crowdfunded offerings under Title II, Title III or Title IV of the Federal JOBS Act (passed in 2012)
- **Title II** – No ceiling on amount permitted to be raised. Accredited investor crowdfunding; requires verification of accredited investor status.
- **Title III** – Right now, the statute and the rules as written cap any offering at \$1.07 million (there is a proposal in Congress to increase the limit to \$5 million, but with the present Democratic House, it is unlikely that such proposal will be acted upon and even less likely that such a proposal will pass in the House) – Severe restrictions exist, both in the statute and the rules, on how you can market such an offering to the general public
- **Title IV** – Right now, the statute and the rules as written cap any offering at \$50 million. There is a proposal to increase that limit to \$75 million, but its unlikely to pass in Congress (see above) --- However, there are far less restrictions on the marketing of this kind of offering to members of the general public.

... IF A TITLE II OFFERING IS THE FIRST OFFERING ...



# THE PROPOSED INITIAL INVENTION INVESTMENT FAMILY ROLLOUTS (ASSUMES A TITLE II (JOBS ACT) OFFERING)



Da Vinci I,  
\$1 million - \$1.5 million

# DETAILS OF INITIAL (VERY FIRST) OFFERING – (ASSUMES A TITLE II (JOBS ACT) OFFERING)

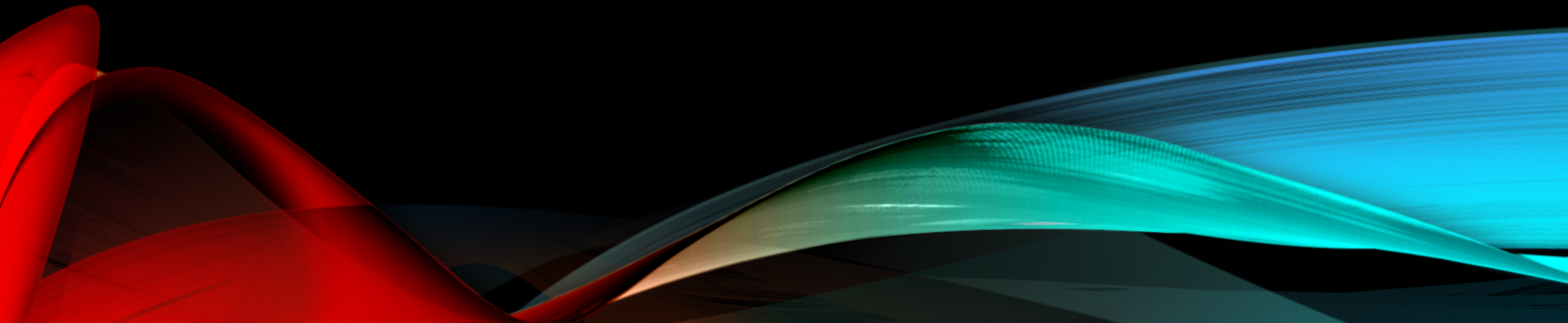
- **Offering price**: = \$5.35 per share; minimum purchase: \$250;
- **Type of Securities Proposed to Be Issued**: Series A Preferred Stock
- **Preferences**:
  - Shares convertible to common shares upon “conversion event” (see subsequent slides for definition)
  - Shares have “liquidation” preference and protection against dilution
  - Upon “conversion event”, Series A Preferred shareholders receive repatriation of their initial investment, i.e., Series A Preferred shareholders get paid out first, recovering their initial investment back.
  - **Possible preference**: In addition to the Series A Preferred Shares themselves, each Series A Preferred shareholder will receive warrants to buy the next round of shares that are offered at a 10%, 15%, or 20% discount from the offering price for such subsequent round.



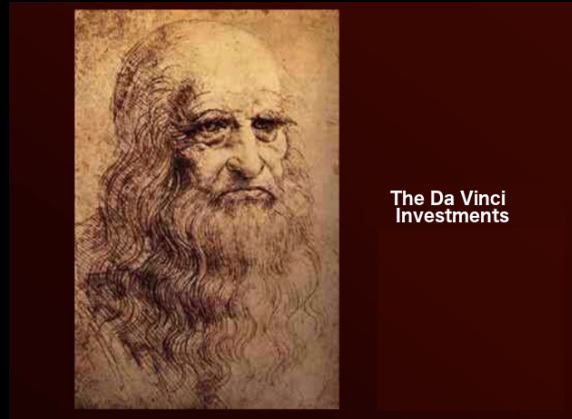
# DETAILS OF INITIAL (VERY FIRST) OFFERING – (ASSUMES A TITLE III (JOBS ACT) OFFERING)

- **Subordination of Series A and Series B vis-à-vis one another:**
  - Series B Preferred subordinated to Series A Preferred, i.e., Series B subject to Series A preference re: repatriation of initial investment back to Series A shareholders
  - However, Series A Preferred is subordinated to Series B Preferred when it comes to dilution and control issues, i.e.,
    - Series B Preferred not subject to dilution on subsequent offerings, whereas the Series A is subject to dilution on subsequent offerings
    - Series B Preferred maintains control of each Family for a limited (three year) period of time through various mechanisms that **could be used (but not necessarily will be used)** to prevent loss of control, including staggered boards and other measures to prevent an attempted coup by an outsider, as well as any other necessary and defensible “shark repellent” measures that the Board of Directors of an Invention Investment Family may feel are necessary under the circumstances with which that Board is may be faced.

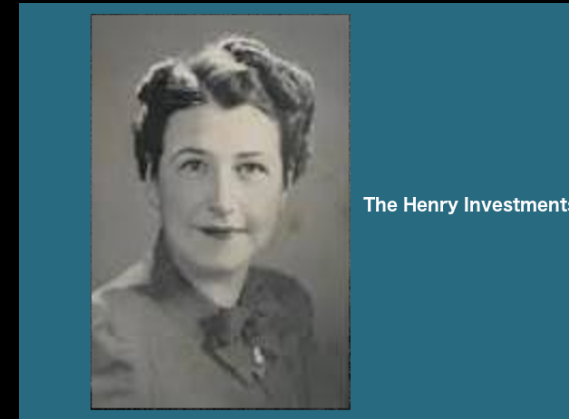
... IF A TITLE III OFFERING IS THE FIRST OFFERING ...



THE TWO PROPOSED INITIAL INVENTION  
INVESTMENT FAMILY ROLLOUTS  
(ASSUMES A TITLE III (JOBS ACT)  
OFFERING)



Da Vinci I,  
\$1,070.000



Henry I,  
\$1,070.000

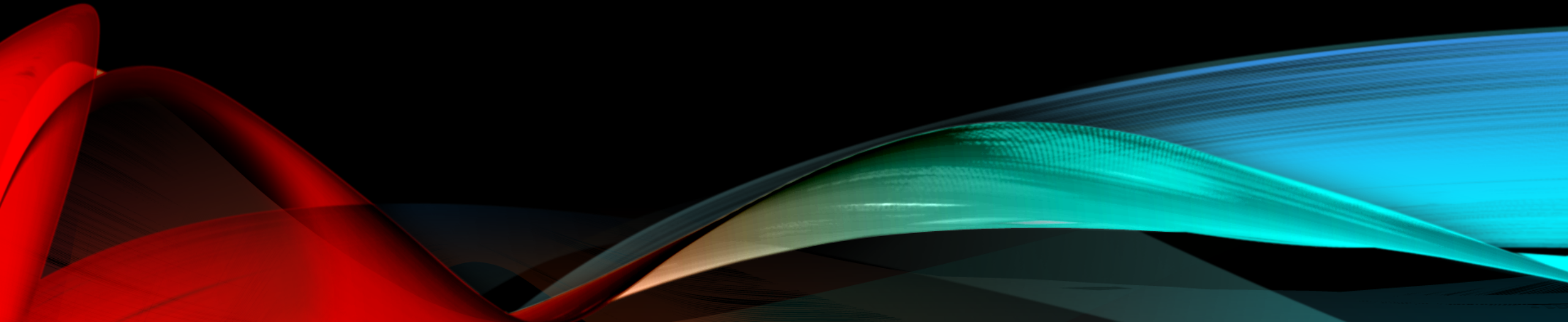
# DETAILS OF INITIAL (VERY FIRST) OFFERING – (ASSUMES A TITLE III (JOBS ACT) OFFERING)

- **Offering price:** = \$5.35 per share; minimum purchase: \$250; Maximum purchase: \$2,200 per shareholder per 12-month period (required in order to comply with statute and rules).
- **Type of Securities Proposed to Be Issued:** Series A Preferred Stock
- **Preferences:**
  - Shares convertible to common shares upon "conversion event" (see subsequent slides for definition)
  - Upon "conversion event", Series A Preferred shareholders receive repatriation of their initial investment, i.e., Series A Preferred shareholders get paid out first, recovering their initial investment back.
  - **Possible preference:** In addition to the Series A Preferred Shares themselves, each Series A Preferred shareholder will receive warrants to buy the next round of shares that are offered at a 10%, 15%, or 20% discount from the offering price for such subsequent round.

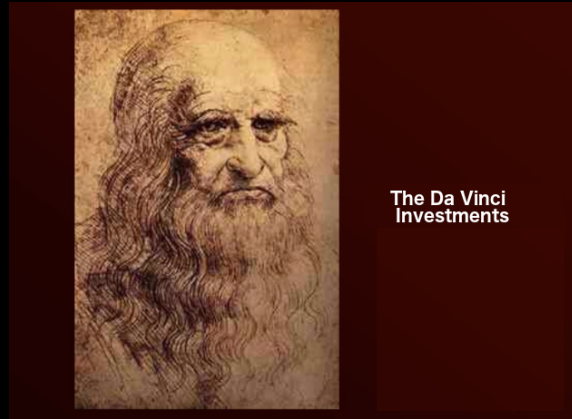
# DETAILS OF INITIAL (VERY FIRST) OFFERING – (ASSUMES A TITLE III (JOBS ACT) OFFERING)

- **Subordination of Series A and Series B vis-à-vis one another:**
  - Series B Preferred subordinated to Series A Preferred, i.e., Series B subject to Series A preference re: repatriation of initial investment back to Series A shareholders
  - However, Series A Preferred is subordinated to Series B Preferred when it comes to dilution and control issues, i.e.,
    - Series B Preferred not subject to dilution on subsequent offerings, whereas the Series A is subject to dilution on subsequent offerings
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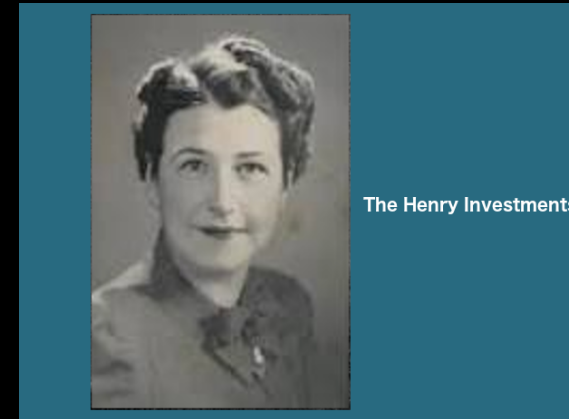
... IF A TITLE IV OFFERING IS THE FIRST OFFERING ...



# THE TWO PROPOSED INITIAL INVESTMENT FAMILY ROLLOUTS (ASSUMES A TITLE IV (JOBS ACT) OFFERING)



Da Vinci I,  
\$ 20,000,000 (??)



Henry I,  
\$ 50,000,000 (??)

# DETAILS OF INITIAL (VERY FIRST) OFFERING – (ASSUMES A TITLE IV (JOBS ACT) OFFERING)

- **Offering price:** = \$5.35 per share; minimum purchase: \$250; Maximum purchase: Non-accredited investors can invest a maximum of 10% of their (i) annual income or (ii) net worth (whichever is greater) per shareholder per 12-month period (required in order to comply with statute and rules; *however, unlike Title III, this is self-policing – we just need (i) confirmation in subscription documents that they are observing these investment limits, and (ii) lack of actual knowledge to the contrary*).
- **Type of Securities Proposed to Be Issued:** Series A Preferred Stock
- **Preferences:**
  - Shares convertible to common shares upon "conversion event" (see subsequent slides for definition)
  - Upon "conversion event", Series A Preferred shareholders receive repatriation of their initial investment, i.e., Series A Preferred shareholders get paid out first, recovering their initial investment.
  - **Possible preference:** In addition to the Series A Preferred Shares themselves, each Series A Preferred shareholder will receive warrants to buy the next round of shares that are offered at a 10%, 15%, or 20% discount from the offering price for such subsequent round.



# DETAILS OF INITIAL (VERY FIRST) OFFERING – (ASSUMES A TITLE III (JOBS ACT) OFFERING)

- **Subordination of Series A and Series B vis-à-vis one another:**
  - Series B Preferred subordinated to Series A Preferred, i.e., Series B subject to Series A preference re: repatriation of initial investment back to Series A shareholders
  - However, Series A Preferred is subordinated to Series B Preferred when it comes to dilution and control issues, i.e.,
    - Series B Preferred not subject to dilution on subsequent offerings, whereas the Series A is subject to dilution on subsequent offerings
    - Series B Preferred maintains control of each Family for a limited (three year) period of time through various mechanisms that **could be used (but not necessarily will be used)** to prevent loss of control, including staggered boards and other measures to prevent an attempted coup by an outsider, as well as any other necessary and defensible “shark repellent” measures that the Board of Directors of an Invention Investment Family may feel are necessary under the circumstances with which that Board is may be faced.



# SUBSEQUENT OFFERINGS

# SUBSEQUENT OFFERINGS

*Special Note: It is currently contemplated that only the initial offering from each Family fund will enjoy the preferences enjoyed by the Series A Preferred shareholders..... All subsequent offerings by any Family fund will consist solely of lower-preferenced shares or simply common stock with no preferences.*



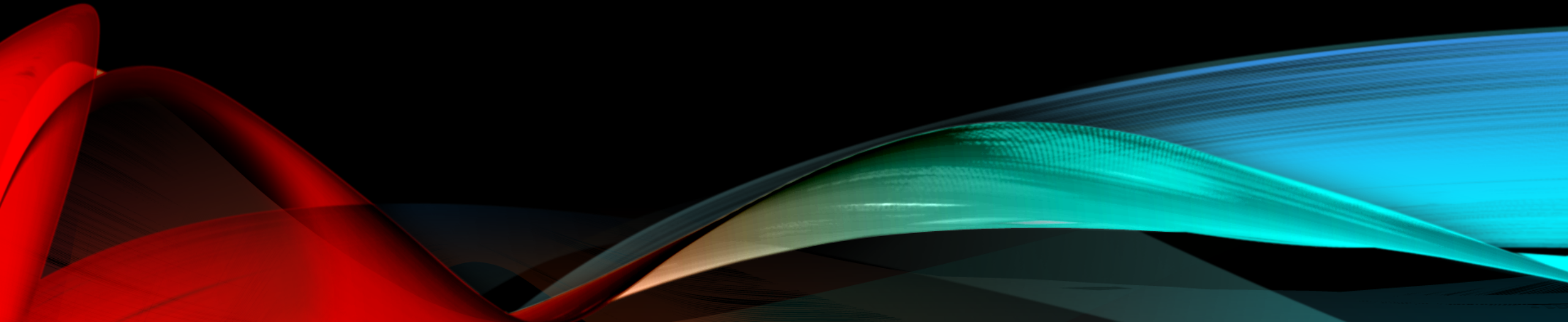
# CONVERSION EVENTS

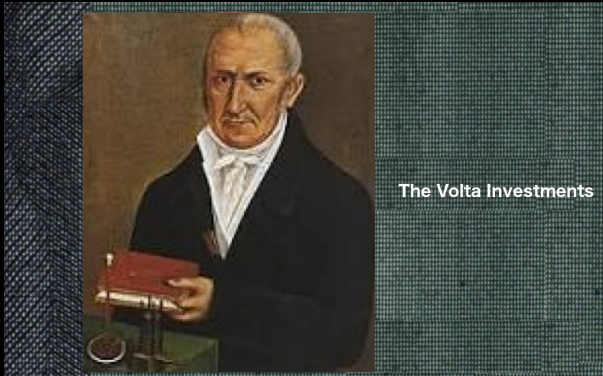
# DETAILS OF OFFERING (CONT.)

- Definition of "conversion event":

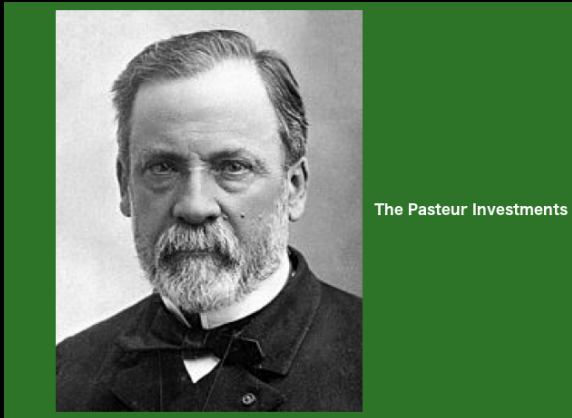
- Sale of Family (i.e., sale of all outstanding shares of the Family) to third-party purchaser in arms-length transaction based on "valuation" of Family at time of proposed sale
- Sale of the Invention Investment Family's patent portfolio to third-party purchaser in arm—length transaction based on "valuation" of the portfolio at time of proposed sale, followed immediately by a liquidation of the Family based, first, on preferences given to Series A Preferred Stock (i.e., repatriation of initial investment by Series A Preferred shareholders) and, second, on distribution to all shareholders on a **pro rata, pari passu** basis of the remaining corpus of the investment pool.
- Redemption of Family shares based on "valuation" of Family at time of proposed redemption with Series A Preferred shares being redeemed first and then, second, on distribution to all shareholders on a **pro rata, pari passu** basis of the remaining corpus of the investment pool.
- Liquidation of the Family and distribution to shareholders based, first, on preferences given to Series A Preferred Stock and, second, on distribution to all shareholders on a **pro rata, pari passu** basis of the remaining corpus of the investment pool.

... SUBSEQUENT ROLLOUTS (IN ORDER) ...

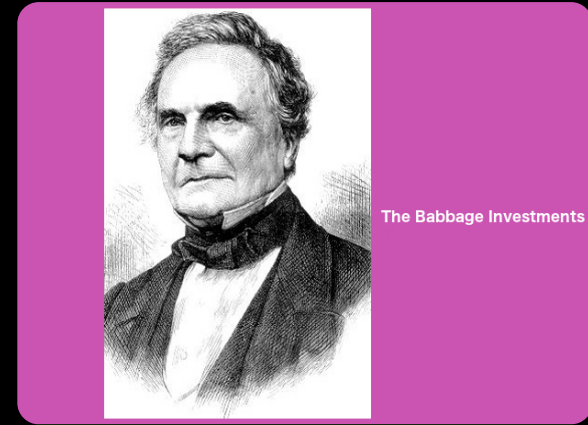




# The Volta Family Volta I



The Pasteur Family



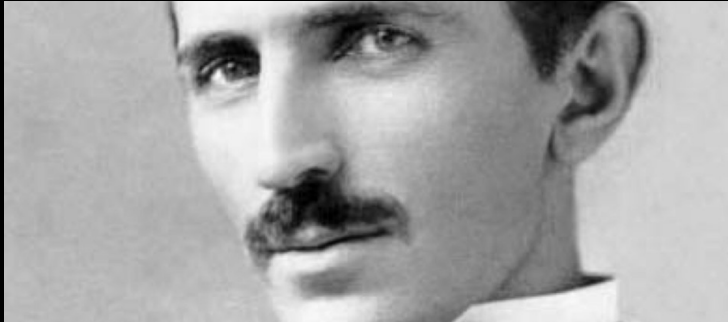
The Babbage Family



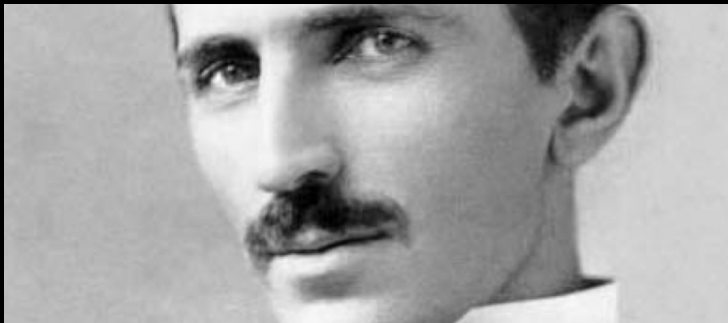


## The Donovan Family

# FUTURE INVESTMENT FAMILIES???



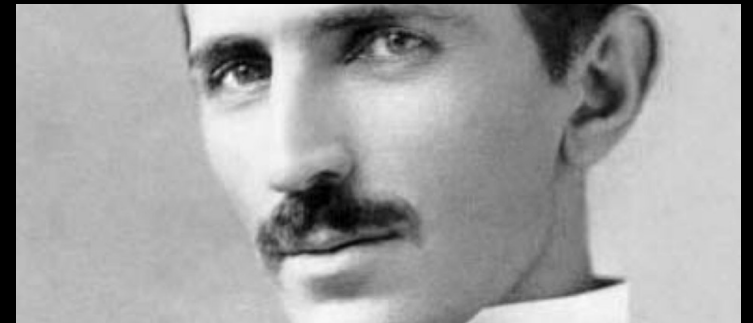
The \_\_\_\_\_ Family



The \_\_\_\_\_ Family



The \_\_\_\_\_ Family

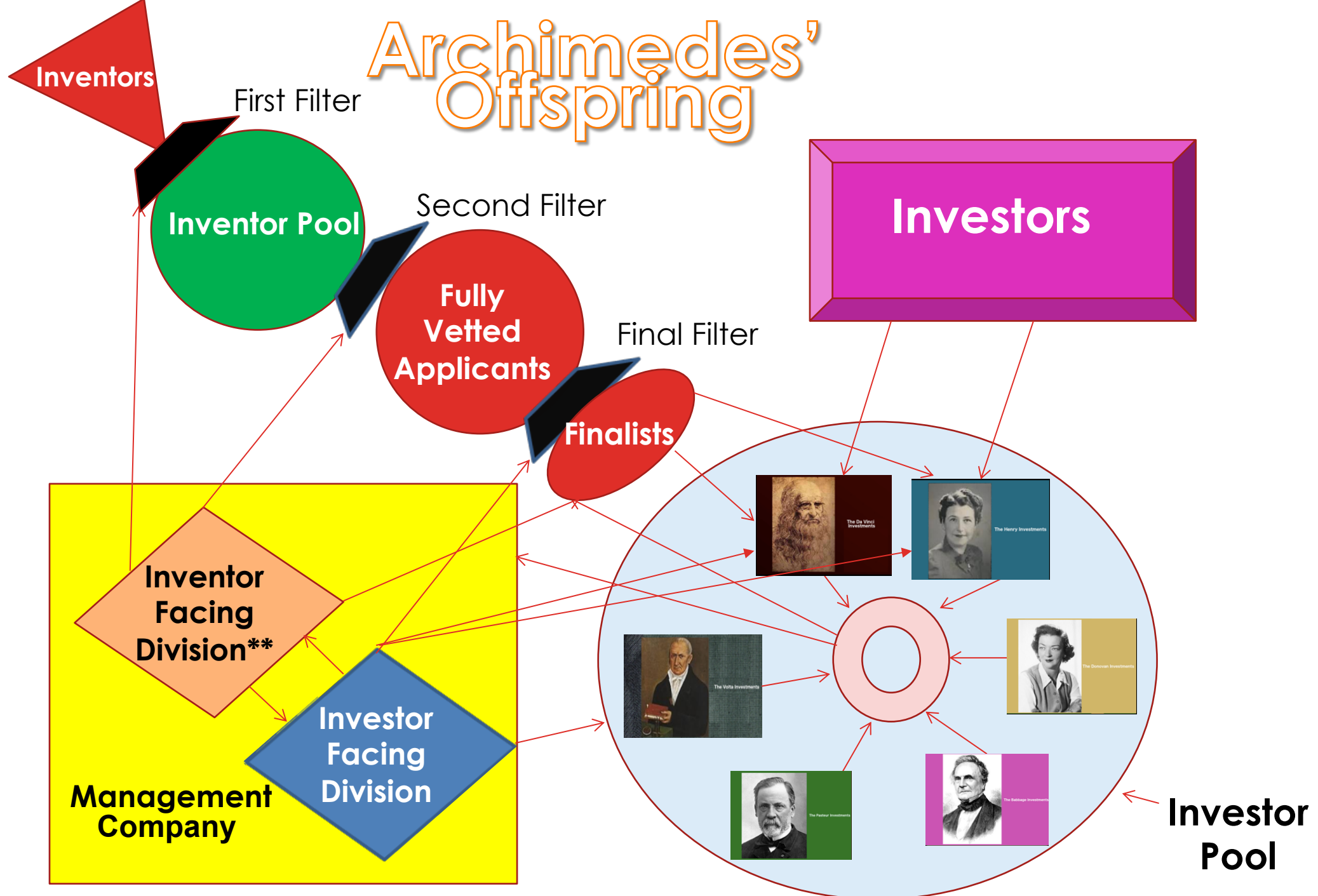


The \_\_\_\_\_ Family

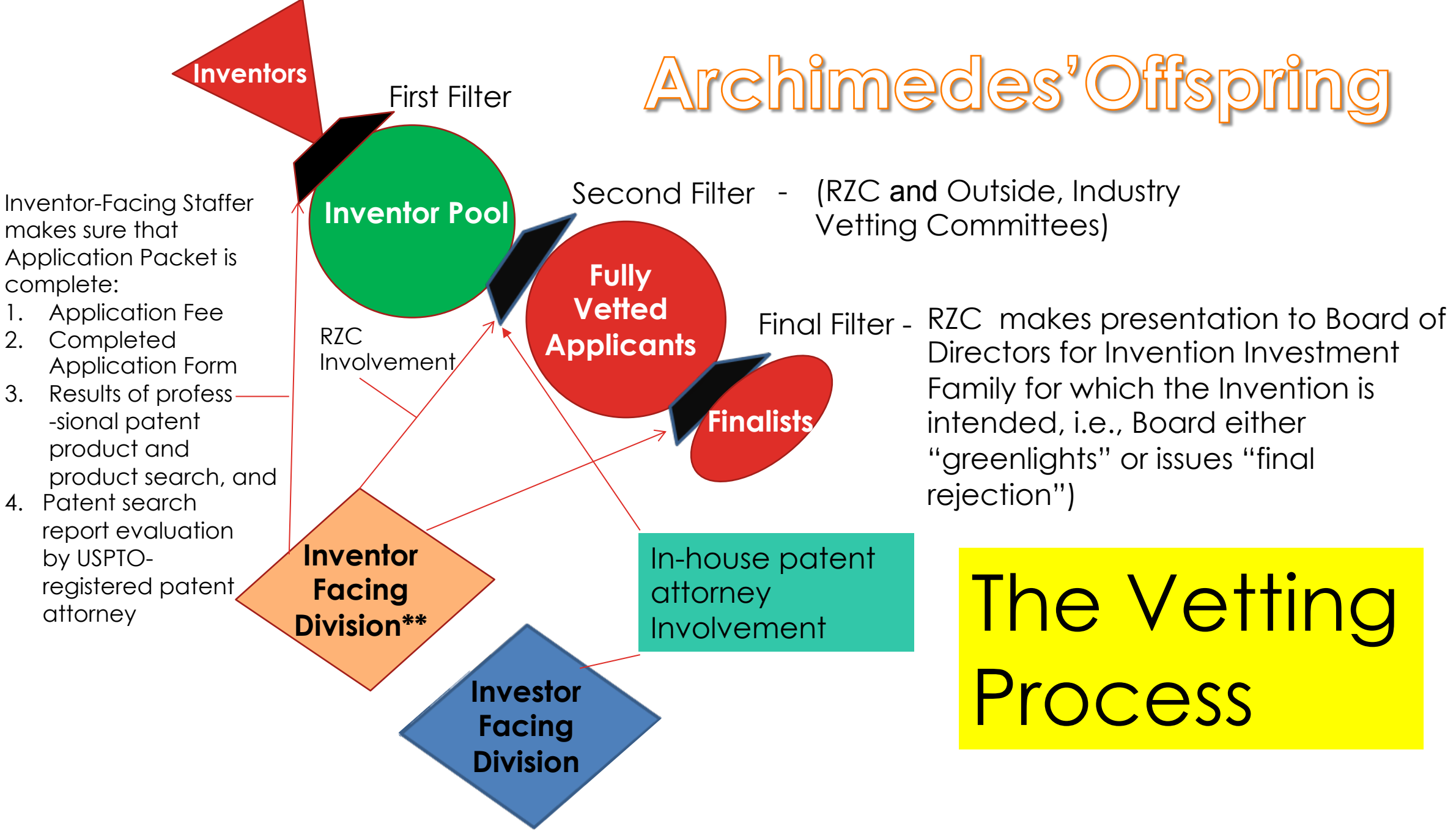


# FLOW CHART DIAGRAMS

# Archimedes' Offspring



# Archimedes' Offspring

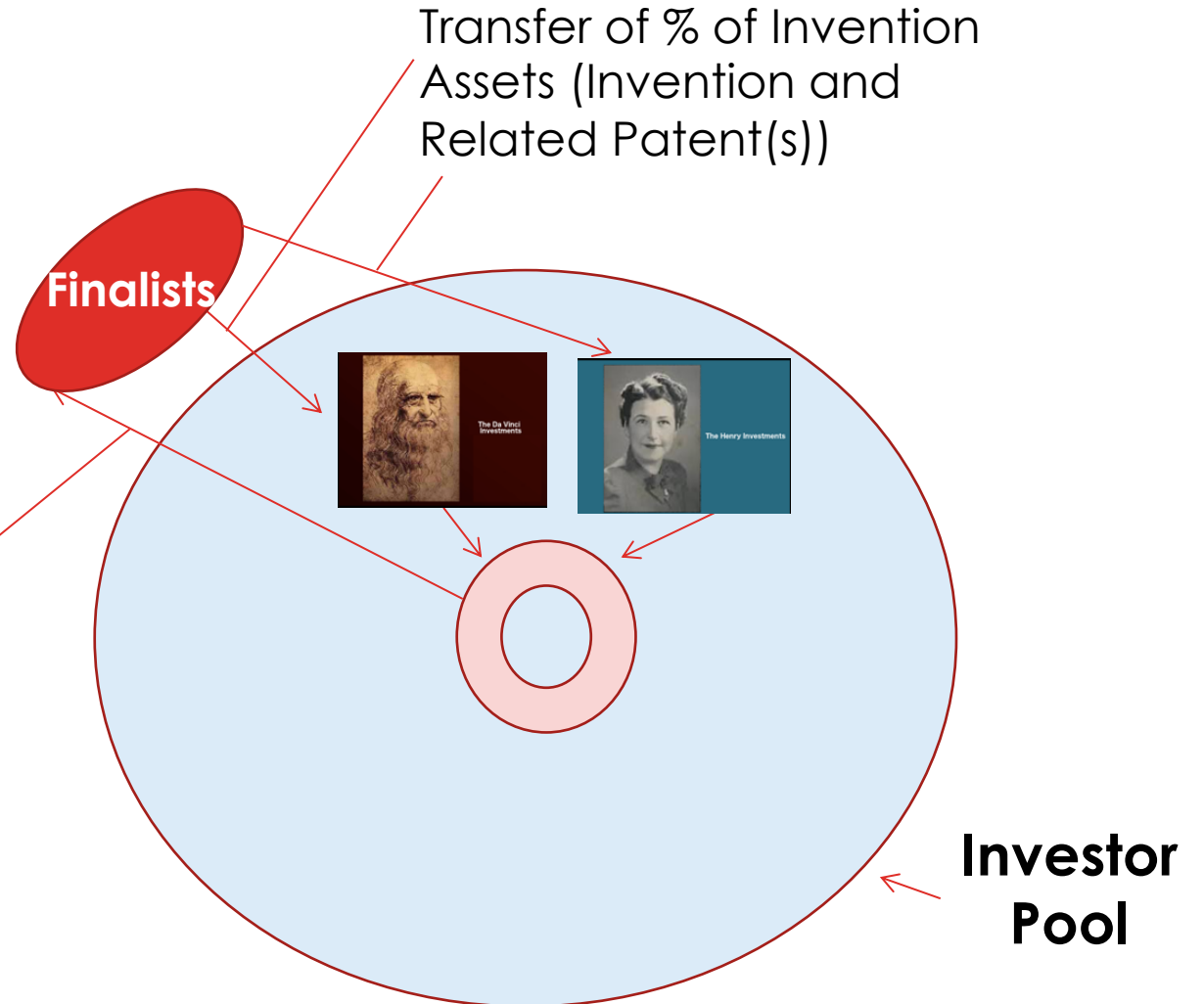


The Vetting Process

# Archimedes' Offspring

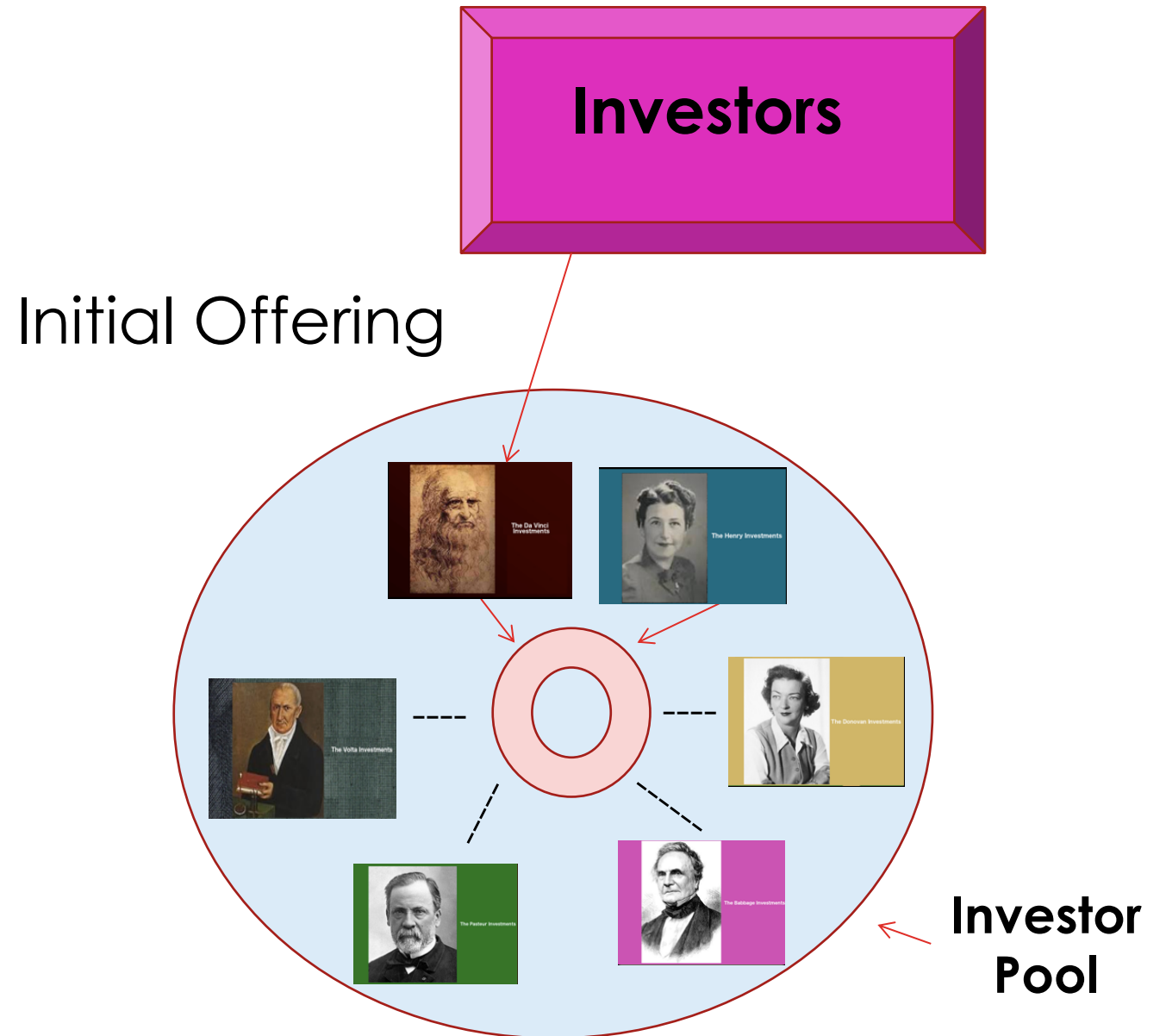
## Relationship Between Inventor Finalists and Investor Pool

Contractual \$\$ Commitments to Pay for Required Services by Vetted Service Providers



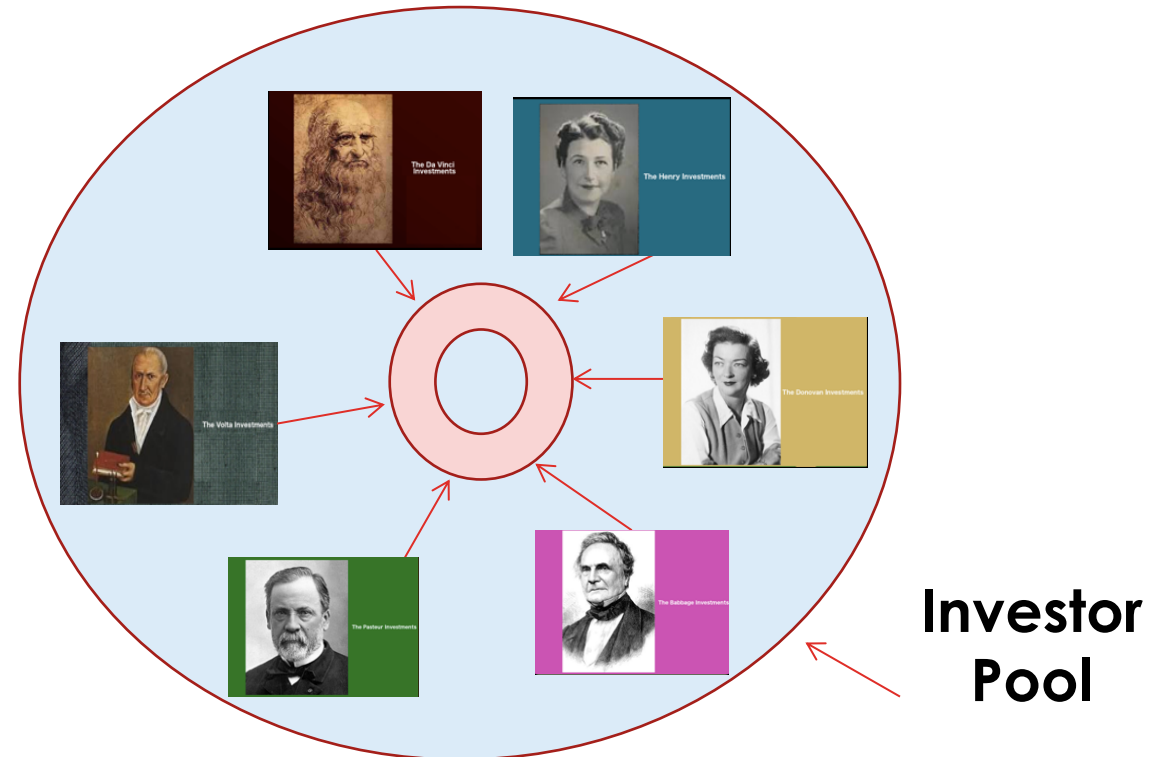
# Archimedes' Offspring

Relationship  
Between  
Investors  
and Investor  
Pool



# Archimedes' Offspring

Relationship  
Between  
Families and  
Investor Pool  
(Longer Term)

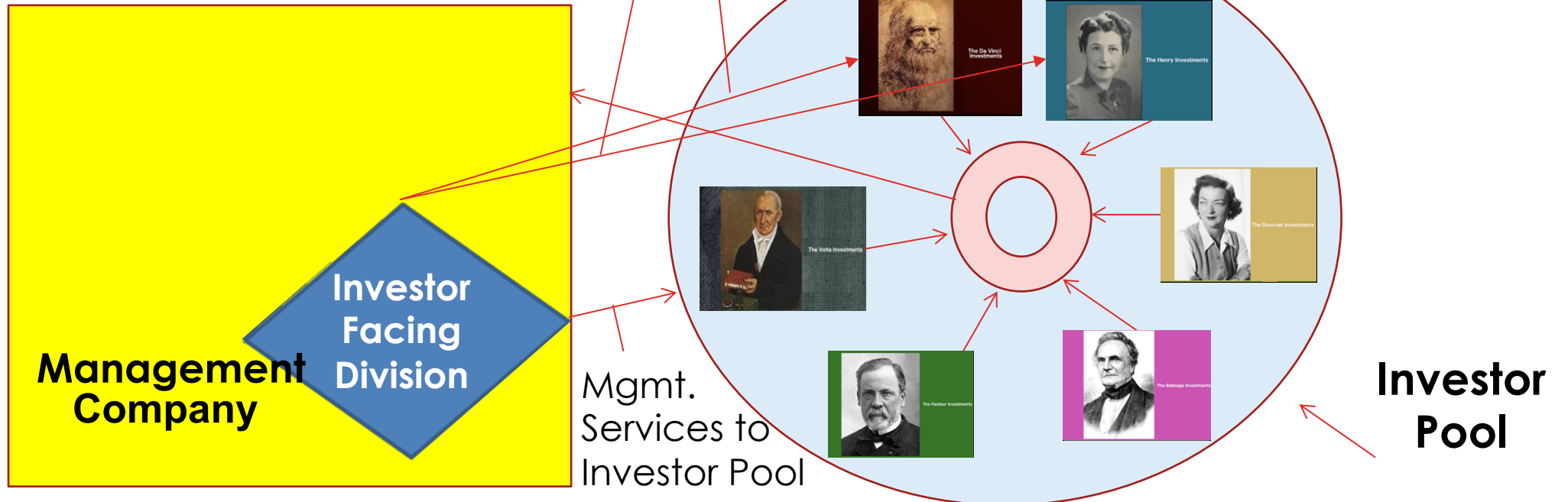




# Archimedes' Offspring

Relationship  
Between  
Management and  
Investor Pool

Management services are provided directly to Families that have already completed at least one securities offering



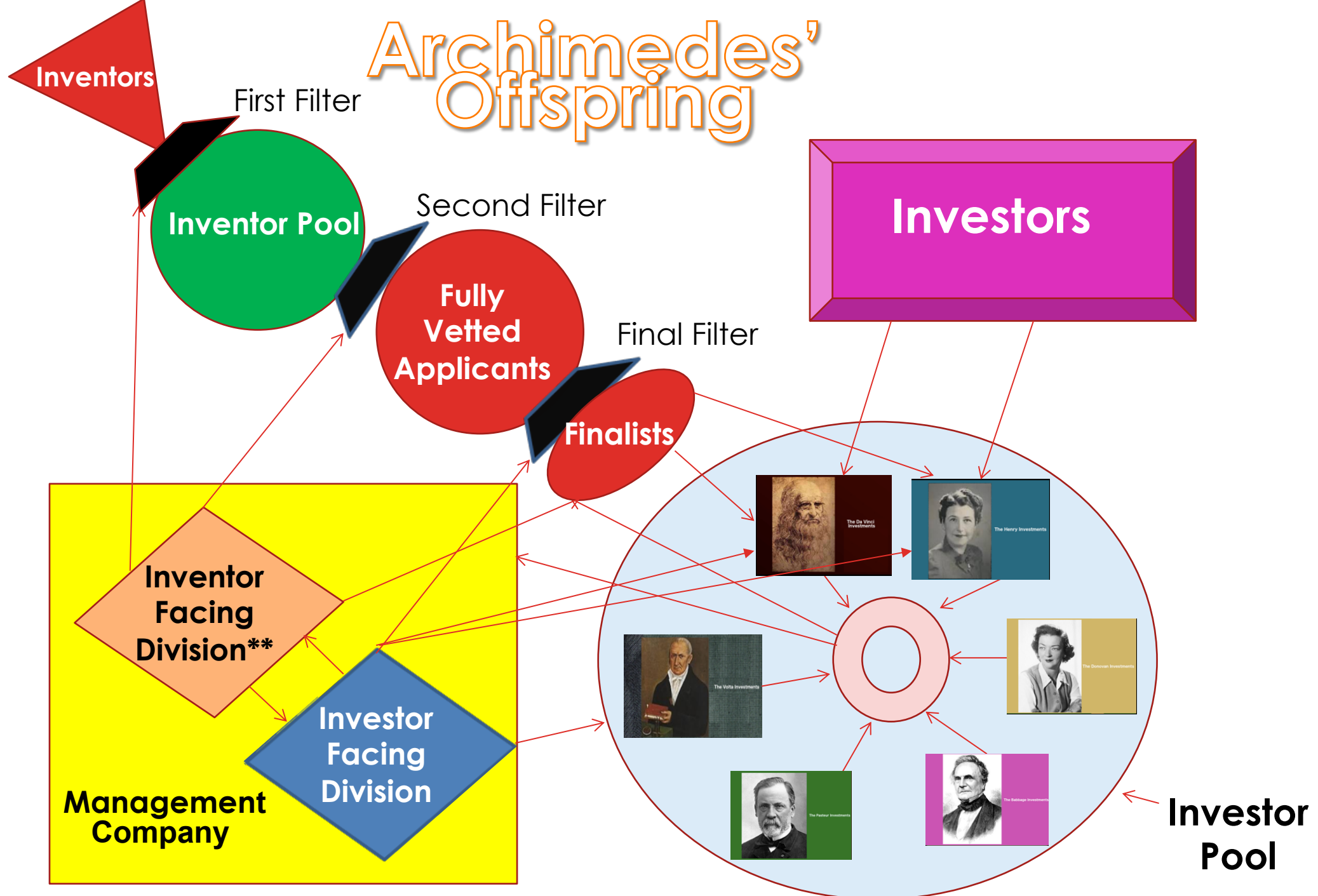
**Management Company**

**Investor Facing Division**

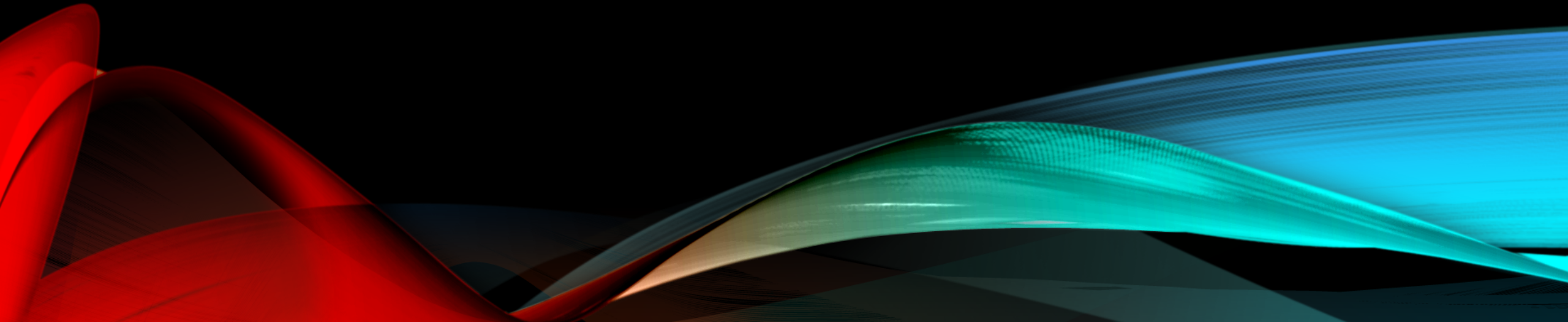
Mgmt. Services to Investor Pool

**Investor Pool**

# Archimedes' Offspring



TIMING



# INITIAL TIMELINE – INVENTOR-FACING DIVISION

- INVENTOR FACING DIVISION
  - Family Fund Inventor Names
  - Rollout of AOS to inventors at MIT Inventor Group
  - Radio Show for inventors
  - Begin Postings on social media
  - Miscellaneous
- January 1, 2025 – Done
- Present to launch (app. February 2025) (continuing)

# INITIAL TIMELINE – INVESTOR-FACING DIVISION

- INVESTOR FACING DIVISION

- Prepare talking piece for RZC for use with inventing community and industry experts
- Bring on staff and arrange to have independent contractor agreements in place
- Begin work on campaign
  - Preparation of offering documents (legal and crowdfunding)
  - Creation of general public awareness of AOS
- File offering documents with SEC
- Commence offering by initial Family

- February 28, 2025
- September 30, 2025
- October 1, 2025
  - Legal
  - Financial & Accounting
  - Marketing
- February 1, 2026
- February 28, 2026