AMERICAN SMARTPHONE, INC.
DBA SAYGUS

BUSINESS PLAN

Revised: October 2018

TABLE OF CONTENTS

The V Series

Saygus is one of only two American smartphone companies currently selling handsets. Saygus is the only American smartphone company currently selling Android handsets.

The company has developed a new Android smartphone series called the "V" Series; the first generation of which was authorized to sell on the Verizon network in 2011. We are the *only* non-public smartphone company in existence today that has been authorized to sell on a major network in the United States and are an "Authorized" smartphone maker for Verizon today. This is something many multi-billion dollar companies such as Huawei and ZTE have attempted and not achieved.

Saygus management believes that the V Series is destined to rank among the world's top smartphones because it has been designed to be the *ultimate convergence device* for businesses and consumers. The new V Squared provides the great features and benefits of the top end smartphones but also includes the following:

- Wireless HD (Ultra Gig) chip for 60 Ghz beaming of full HD images, videos and movie to any TV or monitor with HDMI and USB ports on back. (Forbes named our V Squared their top pick of five at CES 2015 as most "disruptive innovation" at the show).
- fully programmable (open source) capability;
- multi-boot capability for simultaneous multiple OS options of Android/ Firefox/Ubuntu etc.;
- dual Micro SD card slots for memory storage of up to 1.24 TB (more a Terabyte) with the 256 GB of internal memory storage for high resolution photos, HD movies and recording of 4K video;
- sunlight viewable screen allowing outside viewing of movies, videos and Internet surfing;
- battery savings chip for up to 50% savings of battery life which effectively boosts our 3200 mAh battery to approximately 5000 mAh, making it the best battery in any high end smartphone class;
- audio enhanced entertainment media player with dual 'water ready' high fidelity speakers;
- mobile payment capable;
- dual SIM card slots that allow the user to simultaneously hold and utilize an extra SIM card within the same device for the same or a separate wireless carrier line;
- 13MP front and Dual 21MP/16 MP back cameras with OIS (Optical Image Stabilization)
- wireless charging (Qi);

These features and more are converged together into a compact, high-powered, value-priced smartphone device with exceptional battery life and a plethora of additional exclusive features.

The original Vphone won the "Design & Engineering Innovation Award" at the Consumer Electronics Show ("**CES**") in Las Vegas, beating all other competing manufacturers including Motorola, LG, Samsung and HTC. It also took third place at CTIA-The Wireless Association (CTIA) Tech Awards. In addition, it was named number two on CNN Money's "Coolest Gadgets of the Year" list and was featured in *Popular Science* magazine. As a result of the excitement surrounding the award winning Vphone, Saygus was named by *Laptop* magazine as one of the year's Top Mobile Startups. Since then, Saygus has been developing the all new V Squared with the very latest in cutting edge features.

Saygus' ability to demonstrate low bandwidth, two-way video calling in 2010 first drew Verizon's attention to its concept of a new smartphone. In 2014, the original Vphone was listed on the Verizon website for having officially passed Verizon's Open Development Initiative ("**ODI**") lab as the first authorized device in the V Series (see Saygus' web page on Verizon's website in this document). Verizon's lab certification and authorization-to-sell made Saygus only the seventh smartphone company in the world to obtain authorization on Verizon's network and the only "start- up" company ever to receive a network authorization from a major United States carrier. The Verizon authorization included a three-year contract to sell the original Vphone through Verizon's approximately 30,000 reseller locations, such as Best Buy, Wal-Mart, Radio Shack, etc. The Verizon contract gave Saygus the seat at the table that it needed for industry credibility and market distribution with the largest cellular network in the United States. With that relationship in place, Saygus made a strategic decision to move directly into the more advanced, next generation Saygus smartphone in the series rather than launching the original Vphone. The V Squared, our new phone, runs the Google's Android OS – again offering a feature set that is unparalleled in today's smartphone market.

The New V Squared

The V Squared's look and feel is sleek and beautiful, and the hundreds of people who have had the opportunity to see it and hold it in their hands have overwhelmingly expressed excitement about its design elements, comfort and ease of handling. The V Squared is designed for media junkies and power users and its combined feature set is like no other high end smartphone on the market today. It has the exterior design of an American muscle car from the side – the tail spoiler of a 68' Chevy Camaro and the front end of a new Pontiac Firebird. Loaded with amazing features, it is easy to see why we refer to the new V Squared as the American muscle car of smartphones. We won't release the complete feature set until launch time, but here are some highlights:

- Huge storage capacity - For videos, photos, apps and documents; almost double the capacity of most high-end phones built in; for even greater storage capacity, the V Squared will also come with two Micro SD card slots.
- Lighter and easier to handle than big screen phones like the Galaxy series, while having a comparably sized screen.
- "Direct sunlight" viewable screen.
- Waterproof for an IPX3 rating – certified for "washable/shower usable".
- Dual high fidelity waterproof speakers for great sound at higher volume
- Groundbreaking audio enhancement software.
- Google Android operating system.
- USB host port with multiple connectivity for devices such as printers, displays, game controllers, medical devices, memory sticks, etc.; the V Squared utilizes a USB 3.0/2.0, Type C port.
- Two SIM card slots for users to swap wireless carriers for personal and work use or use two lines of the same carrier.
- Unlocked (or "rooted") for instant developer access, thus allowing deeper access to the system, as well as allowing installation of custom firmware.
- Wireless HD technology allows for short-range, uncompressed video transmission for video with resolution up to four times 1080p (4K) from Silicon Image, the creators of HDMI. Watch movies, play high resolution video games and movies through a direct device to device HD connection. Laptop is no longer needed for business presentations and pictures can be projected to your TV in seconds for everyone to view.
- IR transmitter gives you the ability to control your home theatre directly from your phone, with no dongles or attachments.
- Near field communications (NFC) enabling mobile payment at participating retailers.
- 21MP/16MP dual rear digital cameras with auto focus/flash, optical image stabilization (OIS) and eventually 3 to 5X Optical Zoom.

- Hardware camera button makes the camera fast and easy to access.
- 13MP front digital camera which also includes auto focus and optical image stabilization.
- Battery life that exceeds most smartphones in its class.
- Wholesale priced approximately $100 less than current competitive products in its class.

  Anticipated retail price of $199 to $249 with a two year contract; approximately $749 to $779 retail price without a contract, $200 less expensive than the iPhone models and $100 less expensive than the latest Samsung Galaxy smartphones, but with more features and the same high quality.

PLEASE NOTE THAT FOR COMPETITIVE REASONS, ONLY SOME OF THE NEW FEATURES ARE DESCRIBED IN THIS DOCUMENT.

Awards and Recognition

The new V Squared has won numerous awards and has garnered significant industry recognition over the past few months. In 2015, we were once again honored by the number one consumer electronics organization, CEA (Consumer Electronics Association), as they recognized Saygus for its outstanding design and development of its V Squared smartphone. This was Saygus' second International Innovation Award.

- **"WONDER PHONE"** – Tom's Hardware
- **"DREAM PHONE"** – PC Magazine
- **"THE SUPERMAN PHONE…" "UBER PHONE"** – Brian Tong of CNet
- **"BEAST OF A SMARTPHONE"** – Gizmag
- **"SWISS ARMY KNIFE OF SMARTPHONES"** – Tom's Guide

During our second Consumer Electronics Show win, the V Squared proceeded to gain even more momentum by winning two more industry wide distinguished awards. First, "Top Pick of CES" which is Android Authority's award that focuses on the top ten Android devices and/or technologies at the Show;

and second, “Best of CES” from Gizmag, which is their tribute which recognizes a handful of innovations expected to be the next big thing.

- **“SPEC LOVER’S DREAM”** – Tech Radar
- **“THE MOST DROOL WORTHY PHONE”** – Popzara
- **“THE KILLER-SUPER-MEGA-SMARTPHONE”** – Computerbild
- **“SUPER-PHONE”** – Mobile ID World

Saygus and its V Squared have also been named to a variety of industry “top” lists including:

Forbes Magazine’s “Top 5 Most Disruptive Innovations”

5 Best Smartphones Announced at CES – The Fuse Joplin

Top 10 Smartphones Released at CES – International Business Times

Top 10 Standout Smartphones of CES – Computer Business Review

Top 10 Most Anticipated Smartphones of – International Business Times

Best New Phones at CES (four named) – Recombu

Top 10 Gadgets (only 2 smartphones were on this list) – International Business Times

Again, at the world’s top mobile device show, Mobile World Congress (MWC) in Barcelona Spain a few weeks later, Saygus added to its prestigious list of titles two more of the most coveted in the mobile industry:

Coolest Gadgets of Mobile World Congress – WIRED Magazine

The Smartphone Stars of MWC – Computerworld

MWC Day Four Roundup – Digital Trends (recognizing the top products of day four at MWC)

Manufacturing

Saygus buys off-the-shelf hardware from various original manufacturers and assembles the hardware

components into the phones using Saygus' own unique designs and layouts, which are owned by Saygus. We load the Android operating system onto the phone at our offices in Shenzhen, China. Android is free to manufacturers because the mobile search function in Android defaults to Google (which owns Android) and Google generates revenue by delivering ads in response to mobile searches. Google knew that by providing a mobile operating system for free to smartphone manufacturers they would be able to generate significant revenue from the searches done on those mobile devices.

The balance of the technology in the V Squared consists of special software that is written either by a contracted design and manufacturing firm (which software is owned by Saygus or is licensed to Saygus) or by in-house software and hardware engineers at Saygus.

Future Products

The V Series combines the best of current smartphone features, and is positioned as the *ultimate convergence device.* It is the first smartphone to combine its unique feature set into a single handheld unit. To stay ahead of the competition, Saygus engineers are planning additional features in future models for use in business, medical, military, law enforcement, construction, government and personal applications. Next generation exterior designs will allow for ease of handling and compact use with further advances in everything from touch screen design to device durability, and advancements in personal and business mobile communications. Saygus management expects the multi-featured V series devices to become market leaders in the coming years with sales that will project the Saygus brand name to a position of prominence in the mobile device industry.

With the smartphone market looking to grow to almost two billion units annual by 2021, there is significant opportunity for growth. By capturing even a small percentage of the market, Saygus could become a $15-25 billion company.

Saygus also has plans after smartphone market success is established – and further research is conducted – to offer additional versions of other mobile and wireless industry devices. Tablets and larger 5.5 inch screen smartphones are of particular interest as both the tablet and large-screen smartphone markets are rapidly expanding. There are wireless video receivers that are needed to receive the video and high definition audio that are being sent from our new Wireless HD smartphones, and there appears to be a market for our own receivers. These receivers could offer a greater feature-set and be sold with Saygus smartphones and tablets, thereby adding value to the mobile products while also maintaining their own margins of profitability. This would be complementary to our smartphone stable of products worldwide.

Mobile devices permeate and dominate the consumer landscape with the promise of connecting all people in all industries everywhere. New market segments will continue to open up and opportunities to capitalize on those segments with innovative and industry leading hardware and software products will emerge. We look forward to examining those mobile markets and the products that might meet the needs of consumers across the globe.

V Squared Images and Feature Set

* These features are unique to the Saygus V Squared: **Sunlight Viewable Screen** allows you to watch videos, TV or movies outside with excellent screen resolution; **USB Host** with multi-connectivity capability for mouse, keyboard, jump drive, joystick, medical/engineering/construction/business devices; **Battery** with an extended power chip giving the V Squared the longest battery life; **60GHz Wireless** HD gaming and movie beaming allows the user to connect to WiFi on the V Squared and project the video or game to their TV; **OEM Unlocked** “Out of the Box”- programmers have access to much of the OS allowing apps and programs to be written on the V Squared without permission from Saygus or Google prior to such access. This is not the case with all other smartphones; **Power Button** location is the provided easy power access to both large and small hands; **External Speakers** are surround sound with 3D sound capability; **IR Transceiver** lets V Squared owners play music from their V Squared through car stereo systems; **Kevlar Protection Front and Back** means that the V Squared has the first ever Kevlar combined front and back for a lighter feel and the ultimate protection in a handheld device.

V Squared
(Actual Size)

Verizon Wireless Website Featuring the Original Saygus Vphone

verizon wireless

News | Contact Us

Home | About Open Development | Device & Module Showcase | Get Your Device Certified | search | Go

Saygus, Inc. - Saygus Vphone

Key Features

- Android OS Smartphone
- Personal WiFi Hotspot/13 Devices Simultaneously
- VoIP Capability
- USB Host and Client
- Two-Way Video Calling Capable

For Device Information

http://Saygus.com/vphone
10421 S Jordan Gateway Suite 500
1.801.748.1780
Info@Saygus.com

For Support Information

http://Saygus.com/
10421 S Jordan Gateway Suite 500
1.801.748.1780
Info@Saygus.com

SHARE

BACK TO DEVICES

The Saygus Vphone is the first handset by Saygus and winner of the International Consumer Electronics Show's Design and Engineering Innovation Award ('Handset' category) as well as the 3rd place finisher at CTIA's E-Tech Awards. This high end Android Smartphone is ODI's first approved Android device and features the industries top rated Qwerty keyboard, Bluetooth, USB Host Port - supporting output devices including keyboard, jump drive and mouse, as well as two-way video calling. The Vphone sports a 3.5" Capacitive Touch 800x480 WVGA full color screen, a 1500 mAh battery with up to 8 hours of talk time and is a mobile Hotspot with the capacity of providing simultaneous connectivity to as many as 13 devices. These exciting capabilities make the Vphone, with its combined feature set and consumer friendly price, the one smartphone in the world closest to being the 'ultimate convergence device'.

Hardware

Microprocessor:	Marvell PXA 310 806mhz
Memory:	256M RAM
Storage:	512MB Flash + MicroSD
Compass/ GPS/ accelerometer:	Compass/ GPS/ Accelerometer
Camera:	5MP Rear Camera with Auto-Focus and Flash/VGA Front Camera
Scanning technology:	Barcode Scanning with Camera

Software

Graphics:	MPEG2, MPEG4, H.263, H.264, JPEG, PNG, GIF, BMP, etc.
Audio:	MP3, MIDI, AAC, AAC+, AMR-NB, AMR-WB
Operating system:	Android 2.2
Software:	Video Calling, Document Viewer, File System Explorer, Web Browser, Calculator, Email, Instant Messenger, Image Browser, Voice Recording, Alarm, Calendar, etc.
Application development:	Android SDK

Interface

Keyboard:	Slide Out Qwerty Keyboard
Touch panel:	3.5" Capacitive Touch Screen
Display:	800x480 WVGA 16bit color
USB Host port:	USB Host supports external input/output devices including keyboard and mouse (Software drivers may be required)
Bluetooth:	Bluetooth integration is also possible with supported devices

Connectivity

Voice transmission capable:	CDMA cellular and VoIP
Ethernet:	WiFi only
USB:	one USB OTG 1.1 host / 2.0 client
Bluetooth:	Bluetooth v2.0+EDR + Stereo (A2DP)
Wi-Fi:	WiFi 802.11b/g (MicroAP, Infrastructure, Ad-Hoc)
CDMA Voice:	CDMA 800 Mhz - 1900 Mhz
AMPS Voice:	no
GSM Voice :	no
CDMA 1xRTT Data (Mobile IP/SIP):	yes
CDMA technology class:	EV-DO rev A
EVDO Data (Mobile IP/SIP):	yes
Connectivity (Tethered Data / DUN):	RNDIS, PAN, DUN, WiFi AP
GSM Data:	none
E911 - GPS Capable:	yes
Pre-Pay Capable:	yes
DSU (Over The Air Upgrade):	yes
DSU (Over The Air Upgrade) - RIM OS:	no
UMTS:	no
UMTS technology class:	no
SMS:	yes

Chassis

Physical dimensions- L x H x W:	4.58 in x 2.34 in x 0.79 in
Weight - (ounces / pounds):	5.6 oz
Weight with battery:	6.7 oz

Certifications

FCC / IC / UL / CE / HAC

Power Source

Power source:	1500 mAh battery / USB charge port - 120V to 5.5V U.S. power to USB adapter included

Key Strategies

Saygus' goal is to become a leader in the smartphone industry. To achieve those goals, Saygus will implement the following key strategies:

1. Position the new V Squared as:

- The ultimate convergence device;
- The best combined feature set in an Android smartphone;
- The best value in industry;
- A real competitor to the iPhone; and
- A true American designed and manufactured smartphone.

2. Drive initial sales of the V Squared phone through online retailers such as Amazon UK, Amazon India, Flipcart, MediaMarkt, Overstock.com, and through mid-sized cell phone distributors that service agents and medium-sized resellers. This will create brand awareness and demand among the large wireless carriers worldwide.

Direct channel "open market" distribution provides many advantages to Saygus. Its primary benefit gives immediate distribution in smaller volumes requiring less initial component purchases and financing. Saygus can sell 100,000 phones to multiple "open market" retailers in smaller volumes of 5,000 to 10,000 units per month. Lower volume orders allow Saygus to streamline its distribution process and initial logistics as it prepares for larger multi-million unit orders.

3. Drive primary distribution through Verizon's "big box" resellers through leveraging management's contacts and Verizon's commitment to the key buyers at all of its major resellers, such as Best Buy, Radio Shack, Wal-Mart, Target, etc.

4. Secure certification and distribution on all major networks throughout the world. Since winning the CES Design & Innovation Award for handsets, Saygus has received numerous requests for sample phones from buyers and carrier representatives around the world. In comparison to the cost and difficulty of passing Verizon's certification program, passing foreign network certifications are generally less costly, less time consuming and require far less engineering work.

5. Create and Extend Vertical Markets. Saygus is currently working with a major vendor to the United States Army to develop a nationwide mobile handset for disaster scenarios. Our current fully programmable and unlocked (or "rooted") V Squared, or a V Series device specifically designed for this purpose, may establish the ideal platform to provide high-end, reliable communications with customized emergency service capabilities in a durable, tough exterior. The V Squared can provide consumer-friendly features for daily use before, during or after catastrophes at an exceptional price point. Saygus is also in discussion with distributors with captive customer bases to build "software-customized" devices to meet the special needs of their respective customer base. No other smartphone maker offers this level of customization. Our most recent US Military

contact whom we met at the CeBIT show in Hanover, Germany, has confirmed that the US Government is actively seeking a mobile device maker with the capability to custom design cell phone equipment and devices for the military and other government agencies.

6. Distribution: Saygus plans to distribute through a variety of sales channels. Initially, we will sell as an unlocked phone directly to customers via our website. In parallel, we will also sell via international distributors to carriers. To date, we have the following distribution outlets pending sample phones for initial purchase orders; Amazon India, Amazon UK, Amazon USA, Flipkart, Verizon, along with other international independent distributors.

7. Saygus Iris Recognition Phone Financed by US Government: Saygus is working with US government contractor that specializes in security and biometric technologies developed for the US Government, US Military, FBI, and US local law enforcement agencies. They also provide onsite training for the proficient use of these technologies. This contractor is including the Saygus V Squared in its proposal to the government for a new phone with their iris scanning technology. The US Government will be paying for 10,000 phones as well as paying the NRE (Non-recurring Engineering) fee to help us develop it. This fee will pay for engineering to set up the production and will likely be between $250k-$500k. Cooperating on some minor additional development with this contractor, Saygus can provide the US Government with its requested project. This project is approximately worth $6.5M in revenue.

8. Handset distribution deal with one of the top ten-largest telecommunications companies in the world. Purchase order for nearly half a million units. This will be our first purchase order, which we expect to turn into sales of millions of units next year. This represents approximately in $7 million in gross profit to Saygus.

9. Saygus currently has a MOU in place with the Chinese Health Industry Investment Fund which is focused on investment, financial management and development of the Chinese healthcare industry. This organization partners with other international organizations to drive innovation and development of their target markets. This organization represents nearly 1.4 billion Chinese patients. We have a strong working relationship with their upper management. In fact, Saygus management met with this organization’s chairman and COO in August 2018 at the Saygus offices to discuss and solidify this deal. This agreement represents millions of units to be sold to the Chinese healthcare market and years of recurring revenue for Saygus.

Key achievements

- Secured Verizon "lab certification" on the original Vphone with our team who has unique competencies necessary to efficiently repeat the process with each new V Series device. Verizon is the number one U.S. carrier with 120 million subscribers, 35.8% of U.S. market and approximately 30,000 U.S. reseller locations.
- Two Previous models awarded the "Design and Innovation Award" for wireless handsets at the Consumer Electronics Show.
- Awarded the Top Picks of CES from a world leading Android device group.
- Recognized internationally by numerous industry leading media companies and top industry affiliates.
- Created first smartphone with desktop-like connectivity and hosting features.
- Created first commercially available smartphone that is "unlocked" (or "rooted") with multi-boot capability for instant customer/developer access.
- Created the first smartphone with low bandwidth, two-way video calling.
- Created first smartphone with "edge to edge" borderless displays.
- Created first smartphone with Kevlar front and back
- Created first smartphone with a 13 MP Optical Image Stabilization camera in front.
- Created first smartphone with a 21 MP Optical Image Stabilization camera in back.
- Created first smartphone with dual LEDs.
- Created the first smartphone with Dual Micro SD card slots.
- Created the first smartphone with Wireless HD transmitting.
- Created the first smartphone with biometric side swipe scanner.
- Created first sunlight viewable screen with up to 50% overall battery savings.

Key strengths

- Exceptional design and development team with proven competencies to rapidly achieve network certifications. This team helped Saygus achieve Verizon ODI Certification, something no other group has achieved prior to Saygus.
- Strong, established, multi-year relationships with Verizon, Qualcomm and other leading U.S. cell phone distributors and technology companies.
- Top team of Linux software architects, developers and programmers; experienced smartphone software and hardware component designers and developers, including our Chief Technology Officer (Tim Riker), who is one of the world's leading Linux handheld device experts.

- Visionary and accomplished founder and majority shareholder (Chad Sayers) with decades of successful product marketing and product distribution experience, including experience negotiating contracts with Fortune 1000 manufacturers such as Samsung, HTC and Sharp Electronics as well as major resellers.
- Outstanding manufacturing GM, Dr. Henry Liu, who helped build some of Motorola's top selling and most successful phones.
- Exceptional team of industry experts and consultants with more than 20-years' experience and track records of industry-leading unit sales performance at LG and HTC.
- Highly-regarded, American-owned, contract manufacturer located in China's technology region that provides low-cost, high quality products and manufacturing services.

The Smartphone Industry

Total smartphone shipments reached nearly one billion units per year in 2013. Sales increased to 1.4 billion units sold during 2017. Forecasts are expected to increase to 1.7 billion by 2021. Google has reported that Android Operating System activations exceed 1.5 million per day and that there are more than two billion monthly active Android devices worldwide.

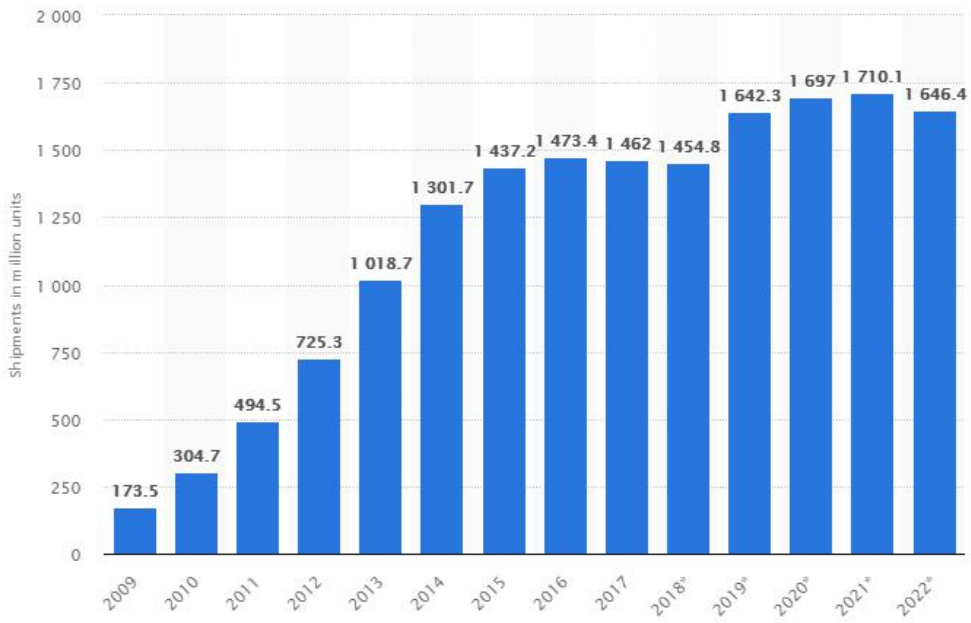
"The worldwide smartphone market is heading for certain growth in the years ahead," says Ramon Llamas, senior research analyst with IDC's Mobile Phone Technology and Trends team.

The increase in smartphones will come at the expense of feature phones (that is, basic cell phones that are not "smart"). Jefferies & Company estimates that feature phones will continue a steady decline over the foreseeable future, which decline will be due to the strong user adoption of smartphones.

Finally, the smartphone has become the fastest adopted technology in the history of the United States. Only the television comes close in adoption. It is likely that smartphones will reach 75% penetration in the United States in the next few years, making it the fastest-spreading technology in history. Regarding international adoption, historically the adoption of advanced technologies is usually closely linked to a country's gross domestic product (GDP) — but mobile phones have completely bucked that trend. In 2001, there were just one billion mobile phone subscribers in the world — most of which were in developed countries. Today, there are six billion mobile phone subscribers worldwide according to IDC, and 73% of those (approximately 4.4 billion) are in developing countries that account for a mere 20% of the world's total GDP.

According to CCS insight, a leading research firms in the technology industry, smartphone vendors will shipped a total of 1.6 billion smartphones in 2018 with an anticipated total of close to 1.8 billion by 2021.

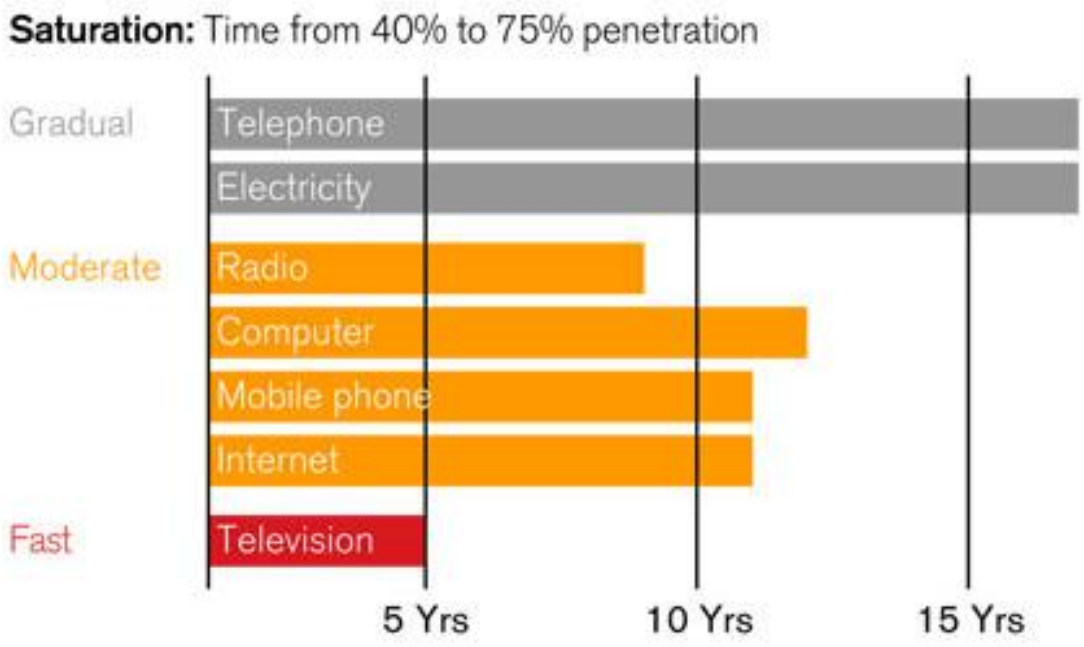
Global smartphone shipments forecast



U.S. Smartphone Penetration Reaches 75 Percent

According to mobile source ComScore, 182 million people in the U.S. owned smartphones (74.9 percent mobile market penetration) making the smartphone the fastest adopted technology in the history of the United States.

Only the television comes close in adoption. Regarding international adoption, historically the adoption of advanced technologies is usually closely linked to a country's gross domestic product (GDP) — but mobile phones have completely bucked that trend. In 2001, there were just one billion mobile phone subscribers in the world — most of which were in developed countries. Today, there are six billion mobile phone subscribers worldwide according to IDC, and 73% of those (approximately 4.4 billion) are in developing countries that account for a mere 20% of the world's total GDP.



Competition

The incredible growth of mobile technology worldwide sets the stage for all future mobile devices. The Saygus V Squared is a paradigm shift in mobile device technology. It is indisputably a quantum leap in mobile device mentality, philosophy, engineering and development that has caught the Big Guys unprepared. The V Squared capitalizes on the proliferation of multiple mobile device technologies that are out of development and ready for the consumer market. These mobile device technologies have otherwise been ignored by our competitors giving Saygus the opportunity to capitalize on their integration.

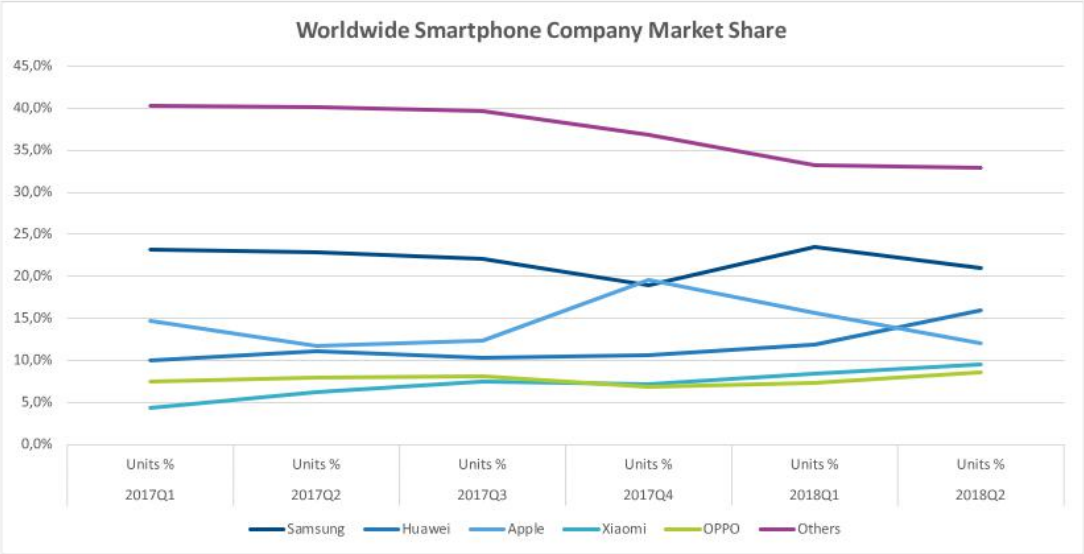
It would appear obvious that any company making vast amounts of profits in a market like smartphones, is likely unmotivated to modify, innovate or integrate new features or technologies that are unnecessary to incorporate into new models if their sales continue to rise without doing so.

This is the window that Saygus has entered through to compete quickly and with unexpected ease against its competitors. It is worthy to note that ten or twenty or even fifty million V Squared smartphones sold in one year will have little effect on our large competitors who sell hundreds of millions of smartphones annually when there are some 175 million new smartphone users purchasing smartphones for the first time per annum for the next few years.

Saygus expects to become known as “the” smartphone maker that is on a consistent cycle of innovation for the benefit of the end user. This reputation is expected to bring new inventors and innovations to Saygus at an accelerated rate over our competitors keeping the relevancy of our devices at the top of the smartphone market curve and at an increase of sales annually.

According to an IDC report, Android will continue its dominance over other mobile operating systems as the platform accounts for 85 percent of the global smartphone pie. This dominance is expected to continue for the foreseeable future.

Finally, IDC reported the following global smartphone market share percentages 2017-2018:



It is important to note the purple line in this chart: Others. This makes up approximately 35% of the latest smartphone market. In 2017 that represented more than 500 million smartphones sold! Concordantly, there have been some young Chinese smartphone makers that have grown to great size and also had excellent revenue growth in a short period of time. Xiaomi was started in 2010 and sold 32 million smartphones in Q2 of 2018, all from their own website, and has been valued at over $50 billion. OnePlus, another Chinese smartphone manufacturer, sold ½ million smartphones from its own website in its first year, and five million, a ten times growth, in just the first quarter of its second year. Neither of these two companies' products are innovative or groundbreaking in any significant or competitive manner.

Financial Summary

Upon a prospective investor signing a copy of our standard form Non-Disclosure Agreement (a copy of which will be provided upon request), the latest version of our complete financial model will be made available for review, discussion and analysis with an officer or director of the Company, either in person or via webinar. Until a prospective investor has signed a copy of our standard form Non-Disclosure Agreement, we will not make a complete copy of our financial model available because of confidentiality and competitive concerns. An abbreviated summary of our financial model is set forth below.

Year-1 and Year-2 Roll Out Plan (in thousands)

The charts below detail our development, orders and minimum shipment plans over the next two years. Saygus intends to initially launch our devices through various GSM subscribers and retailers via our online sales' portal to potentially millions of subscribers. By doing so the V Squared will be injected directly into the mainstream market and leverage our forthcoming carrier certifications to allow us to launch on at least six major carriers around the world within the first 24 months. There is a high demand for new smartphones with customized feature sets, and Saygus has already built an award-winning device. By selling the new V Squared on multiple major networks, Saygus' Management is confident the company will generate substantial unit sales.

Management sales' projections are focused on the network providers where the company expects to obtain initial certification. In the charts below, the darker boxes represent our entries into the various carrier labs and the subsequent certification milestones. The numbers in the "Units Shipped" line follow the numbers in the "Total Units Ordered" line by an average of 60 days, reflecting our turnaround time with our contract manufacturing partner. Month "One" and year "One" in the charts reflects the first month or year following achievement of Verizon lab certification. Preliminary sales prior to certification are not reflected in the charts.

[See Chart on Next Page]

ORDERS AND REVENUE IN THOUSANDS

YEAR-1	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Year One Total
Unit Orders-Verizon	App/Samples	7.5	5	5	5	5	20	25	30	25	20	30	178
Unit Orders-AT&T (VP3)													
Unit Orders-Sprint							Into Lab			App/Samples	75	30	105
Unit Orders-T-Mobile (VP3)													
Unit Orders-Canada (VP3)													
Unit Orders-Cricket				Into Lab		App/Samples	15	30	30	15	15	15	120
Unit Orders-Metro PCS				Into Lab		App/Samples	15	30	30	15	15	15	120
Total Units Ordered		8	5	5	5	5	50	85	90	55	125	90	523
Cum Units Ordered		8	13	18	23	28	78	163	253	308	433	523	523
Units Shipped		**.0**		**7.5**	**5**	**5**	**5**	**5**	**50**	**85**	**90**	**55**	**308**
Cum Units Shipped				8	13	18	23	28	78	163	253	308	308
Total Revenue	$	$	$	$2,625	$1,750	$1,750	$1,750	$1,750	$17,500	$29,750	$31,500	$19,250	$107,625

YEAR-2	Month 13	Month 14	Month 15	Month 16	Month 17	Month 18	Month 19	Month 20	Month 21	Month 22	Month 23	Month 24	Year Two Total
Unit Orders-Verizon	30	30	30	30									120
Unit Orders - Verizon (VP2)		Into Lab		App/Samples	75	30	30	100	100	100	50	50	535
Unit Orders-AT&T (VP3)							Into Lab				App/Samples	75	75
Unit Orders-Sprint	20	15	15	15	15	15	15						110
Unit Orders - Sprint (VP2)					Into Lab		App/Samples	100	100	50	25	25	300
Unit Orders-T-Mobile (VP3)	Into Lab			App/Samples	75	35	35	75	75	35	35	35	400
Unit Orders-Canada (VP3)	Into Lab			App/Samples	20	5	5	15	25	8	8	8	94
Unit Orders-Cricket	15	15	15	15	15	15	15						90
Unit Orders-Cricket (VP2)					Into Lab		App/Samples	50	50	15	15	15	145
Unit Orders-Metro PCS	15	15	15	15	15	15	15						105
Unit Orders-Metro PCS (VP2)					Into Lab		App/Samples	50	50	15	15	15	145
Unit Orders-EMEA										Into Lab		App/Samples	
Unit Orders-South America										Into Lab		App/Samples	
Total Units Ordered	80	75	75	75	215	115	115	390	400	223	148	223	2,134
Cum Units Ordered	603	678	753	828	1,043	1,158	1,273	1,663	2,063	2,286	2,434	2,657	2,657
Units Shipped	**125**	**90**	**80**	**75**	**75**	**75**	**215**	**115**	**115**	**390**	**400**	**223**	**1,978**
Cum Units Shipped	433	523	603	678	753	828	1,043	1,158	1,273	1,663	2,063	2,286	2,286
Total Revenue	$39,375	$28,350	$25,200	$23,625	$23,625	$23,625	$67,731	$36,225	$36,225	$122,850	$126,000	$70,245	$623,076

YEAR-3	Month 25	Month 26	Month 27	Month 28	Month 29	IPO Month 30	Month 31	Month 32	Month 33	Month 34	Month 35	Month 36	Year Three Total
Unit Orders - Verizon (VP2)	75	75	75										225
Unit Orders-Verizon (VP4)	Into Lab		App/Samples	100	50	50	50	300	150	75	50	50	875
Unit Orders-AT&T (VP3)	75	50	50	50	50	50	100	100					525
Unit Orders-AT&T (VP5)				Into Lab				App/Samples	100	75	50	50	275
Unit Orders - Sprint (VP2)	75	50	50	50	50								275
Unit Orders-Sprint (VP4)				Into Lab		App/Samples	100	100	75	75	50	50	450
Unit Orders-T-Mobile (VP3)	50	50	50	50	50								250
Unit Orders-T-Mobile (VP5)		Into Lab			App/Samples	75	50	75	75	50	50	50	425
Unit Orders-Canada (VP3)	20	10	10	10	10								60
Unit Orders-Canada (VP5)		Into Lab			App/Samples	30	10	30	50	30	30	30	210
Unit Orders-Cricket (VP2)	15	15	15	15									60
Unit Orders-Cricket (VP4)		Into Lab		App/Samples	50	30	30	50	50	25	25	25	285
Unit Orders-Metro PCS (VP2)	15	15	15	15									60
Unit Orders-Metro PCS (VP4)		Into Lab		App/Samples	50	30	30	50	50	25	25	25	285
Unit Orders-EMEA	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Unit Orders-South America	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Total Units Ordered	525	465	465	490	510	465	570	905	750	555	480	480	6,660
Cum Units Ordered	3,182	3,647	4,112	4,602	5,112	5,577	6,147	7,052	7,802	8,357	8,837	9,317	9,317
Units Shipped	**148**	**223**	**525**	**465**	**465**	**490**	**510**	**465**	**570**	**905**	**750**	**555**	**6,071**
Cum Units Shipped	2,434	2,657	3,182	3,647	4,112	4,602	5,112	5,577	6,147	7,052	7,802	8,357	8,357
Total Revenue	$42,920	$64,670	$152,250	$134,850	$134,850	$142,100	$147,900	$134,850	$165,300	$262,450	$217,500	$160,950	$1,760,590

Projected 7-Year Revenue Model (in thousands)

The chart below projects our sales and growth in earnings before interest, taxes, depreciation and amortization (EBITDA). EBITDA is a non-generally accepted accounting principles (GAAP) metric used by the Company to measure our operating profitability. If we are successful with our strategy, Year-1 shipments will be approximately 308,000 units, generating an estimated $107.6 million in revenue and over $2.5 million in EBITDA. In Year-2, we project larger order quantities and increased distribution via additional carrier certifications. We therefore expect sales to increase to nearly 2.0 million units, generating an estimated $692 million in revenue, and increasing EBITDA to approximately $64.9 million. We project Year-3 sales to grow even more substantially. We anticipate sales of at least 1.1 million units for the year to Verizon alone, and additional sales of approximately 5.0 million units to the other carriers throughout the world for a total sales projection of over 6.0 million phones, generating approximately $2.1 billion in revenue, and $241.9 million in EBITDA. For Years 4 through 7, we project a conservative growth rate that's comparable

to the industry, approximately 20%. Nevertheless, by the end of Year-7, the numbers are compelling with nearly $3.8 billion in revenue and over $1.0 billion in EBITDA.

Distribution

Distribution Plan	Launch Verizon	Launch Other Carriers	Build Out Distribution Channels	Grow equal to or faster than market ---------->			
	Yr-1	Yr-2	Yr-3	Yr-4	Yr-5	Yr-6	Yr-7
Unit Orders-Verizon	178	655	1,100	1,320	1,584	1,901	2,281
Unit Orders-AT&T (VP3)		75	800	960	1,152	1,382	1,659
Unit Orders-Sprint	105	410	725	870	1,044	1,253	1,503
Unit Orders-T-Mobile (VP3)		400	675	810	972	1,166	1,400
Unit Orders-Canada (VP3)		94	270	324	389	467	560
Unit Orders-Cricket	120	235	345	414	497	596	715
Unit Orders-Metro PCS	120	250	345	414	497	596	715
Unit Orders-EMEA			1,200	1,440	1,728	2,074	2,488
Unit Orders-South America			1,200	1,440	1,728	2,074	2,488
Total Units Ordered	523	2,134	6,660	7,992	9,590	11,508	13,810
Units Shipped	**308**	**1,978**	**6,071**	**7,145**	**8,289**	**9,449**	**10,772**
Total Revenue	$107,625	$692,307	$2,124,850	$2,500,919	$2,901,063	$3,307,215	$3,770,224
$ EBITDA	$2,504	$64,885	$241,919	$280,474	$330,888	$892,948	$1,017,960
% EBITDA	2.3%	9.4%	11.4%	11.2%	11.4%	27.0%	27.0%

Projected Market Share, Valuation at P/E of 10, Investor Return

Target Market Share	Yr-1	Yr-2	Yr-3	Yr-4	Yr-5	Yr-6	Yr-7
Share of SmtPhone Mkt	0.1%	0.3%	0.8%	0.8%	0.8%	0.8%	0.8%
Share of Phone Mkt	0.0%	0.1%	0.4%	0.4%	0.5%	0.5%	0.6%

Value and Price Per Share	Yr-1	Yr-2	Yr-3	Yr-4	Yr-5	Yr-6	Yr-7
Proj Val at PE Ratio		$443,702	$1,805,473	$2,212,843	$2,607,262	$4,751,586	$5,416,806
Proj Val Per Share		$3.35	$13.62	$16.69	$19.66	$35.84	$40.85

Series B Return		2	9	11	13	24	27
Total Ret on $50k Invest		$112	$454	$556	$655	$1,195	$1,362

Forecast Financial Statements

	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue:	$ 107,625,000	$ 692,307,000	$ 2,124,850,000	$ 2,500,918,676	$ 2,901,063,265
Cost of Sales:					
Units Costs	87,022,500	559,779,660	1,718,093,000	2,022,171,386	2,345,716,868
Warranty Expense	3,480,900	22,391,186	68,723,720	80,886,855	93,828,675
Gross Margin:	**$ 17,121,600**	**$ 110,136,154**	**$ 338,033,280**	**$ 397,860,434**	**$ 461,517,722**
Gross Margin Percentage	16%	16%	16%	16%	16%
SG&A:					
Advertising & Marketing					
Market Development Funds	2,651,250	20,769,210	63,745,500	75,027,560	87,031,898
Sales Meetings & Tradeshows	120,000	240,000	540,000	594,000	653,400
Total Advertising & Marketing	2,771,250	21,009,210	64,285,500	75,621,560	87,685,298
General & Administrative					
Insurance - Business	60,000	150,000	300,000	330,000	363,000
Legal/Accounting	144,000	300,000	480,000	528,000	580,800
Office Expenses	24,000	96,000	144,000	158,400	174,240
Phone/Internet	48,000	96,000	120,000	132,000	145,200
Rent & Utilities	300,000	540,000	780,000	858,000	943,800
Sal & Wages	2,569,383	7,375,398	9,862,632	10,848,895	11,933,785
Consulting & Prof Fees	480,000	720,000	960,000	1,056,000	1,161,600
Travel	480,000	600,000	720,000	792,000	871,200
Auto Expense	24,000	36,000	48,000	52,800	58,080
Dues	18,000	30,000	42,000	46,200	50,820
Entertainment	60,000	96,000	120,000	132,000	145,200
Payroll Processing	6,680	19,176	19,176	21,094	23,203
Payroll Taxes & Witholding	274,510	737,540	986,263	1,084,890	1,193,378
Employee Insurance and Benefits	411,765	1,106,310	1,479,395	1,627,334	1,790,068
FAS 123R expense	3,136,324	6,626,185	8,993,967	11,646,322	14,813,557
Miscellaneous	60,000	120,000	180,000	198,000	217,800
Total G & A	8,096,663	18,648,608	25,235,433	29,511,934	34,465,731
Research and Development					
Original Prototype Models-Hardware Dev	2,500,000	4,000,000	4,000,000	9,400,000	5,340,000
Testing and Compliance	250,073	93,750	93,750	103,125	113,438
Software Development	1,000,000	1,500,000	2,500,000	2,750,000	3,025,000
Total R&D	3,750,073	5,593,750	6,593,750	12,253,125	8,478,438
Total Operating Expenses	14,617,986	45,251,568	96,114,683	117,386,620	130,629,466
EBITDA	2,503,614	64,884,585	241,918,597	280,473,814	330,888,255
	2.3%	9.4%	11.4%	11.2%	11.4%
Interest on Credit Line	$ 568,500	$ 4,680,000	$ 14,235,750	$ 7,117,875	$ 3,558,938
Letter of Credit Fees	$ 1,109,006	$ 4,561,468	$ 7,117,875	$ 3,558,938	$ 1,779,469
Corporate Tax	$ 677,290	$ 21,071,605	$ 79,688,996	$ 95,674,579	$ 114,565,261
EARNINGS (after tax)	$ 148,818	$ 34,571,513	$ 140,875,975	$ 174,122,423	$ 210,984,588

PRIMARY USE OF FUNDS (6 Months)			
NRE (Non Recurring Engineering Fees)	$	480,000	16%
Certification Costs - Verizon, T-Mobile etc.	$	575,000	19%
Production Run (2,000 units)	$	940,000	30%
Corporate Overhead	$	1,100,000	35%
Total	$	3,095,000	100%

NRE includes the all engineering fees for any customized component in the phone. These include the custom designed battery, antennas, cameras (size adjustments to fit into our PCB (printed circuit board design), dongle for our Wireless HD projection component etc.

Certifications Costs include FCC, SARS (antenna radiation of signal within acceptable limits to protect the user from radiation over exposure) and network reliability tests among many others that may be required by specific carriers to protect or maintain a level of efficiency for their network protection or customer satisfaction. The basic certifications required to access 70 to 80 percent of the world's wireless subscribers are FCC (mostly in the US, but this certification is highly respected by much of the world's other carriers and replaces similar like certifications in other countries), SARS and CG1 and CG2 for network reliability.

These four tests take between two weeks and 30 days and will allow us to sell to most of the carriers in most countries today.

Production Run of 2,000 phones will provide enough handsets to send to dozens of carries around the world for their assessment while we are passing the basic four certification tests mentioned in the previous paragraph. Once resellers and retailers have the phones in their hands, they will determine in as little as a few days to a number of weeks, how many they would like to order. At this point a PO will be provided to us.

Corporate Overhead includes all salaries and fixed and variable expenses as expected and consistent with our launch requirements for travel, legal, consultant expenses etc.

Management

Our management team is made up of the following individuals:

Name	Position(s)
Chad Sayers	Founder
Sergio Leveratto	Strategic Advisor, Future CEO
Roger Yack	President, Director
Tim Riker	Chief Technology Officer/ Co-Founder
Tim Williams	Chief Financial Officer, Director
Henry Liu	VP of Development and Production
Chris Baker	VP of Corporate Development
Dan Gralak	VP of Sales

Chad Sayers is the Founder and majority shareholder of the Company. Mr. Sayers founded Saygus, Inc. in 1999 and is the conceptual creator of the V Series of smartphone handsets. Prior to founding Saygus, Mr. Sayers specialized in niche marketing and sales for more than 18 years, receiving top sales honors at each of his various positions. He also created and implemented marketing programs for major companies as an independent marketing consultant. From June 1999 to December 2013, he was CEO at Saygus, Inc. His market development project with CONOCO was hailed as one of the most successful in the company's history and his consulting engagements with Inktomi, UB Networks and VHS Network were also highly successful.

Mr. Sayers began his entrepreneurial career in college by launching an invention promotion and development company that promoted new products and services to demographic-specific markets. Through that company, he established relationships with major mass market retailers such as Home Shopping Network and Wal-Mart. He sold distribution into, and negotiated agreements with, many major companies, including Samsung, Sharp, Wal-Mart, Sav-On Drugs, Target and Albertsons. Mr. Sayers was later recruited to be the Senior Vice President of Product Procurement at the Video Home Shopping Network ("VHS Network") in Nashville, Tennessee, where he reported directly to the owner/founder of the company. Mr. Sayers was responsible for sourcing products for the VHS Network and establishing trading relationships with manufacturers and retailers worldwide. He was also the producer of some of VHS's most effective product videos. Mr. Sayers launched his own real estate development business in the late-1990's.

Sergio Leveratto currently serves as a Strategic Advisor to Saygus and is expected to become the CEO (contingent)[1]. Mr. Leveratto was recently the Chief Sales and Marketing Officer at HzO, a waterproofing technology company and a Saygus partner. While at HzO, Mr. Leveratto created and implemented their aggressive growth strategy, which included expansion into APAC and Europe. He oversaw triple digit annual growth during his tenure. Previous to HzO, Mr. Leveratto worked at Nokia for over 13 years in senior roles. His final role at Nokia was as head of Nokia's sales and marketing for Europe where he oversaw all the mobile operator accounts for Europe while leading an international multidisciplinary team. He has orchestrated the launch of many mobile devices during his career. Previous to his role in Europe, Mr. Leveratto was head of business units in the United States and Latin and South America. Early in his career, Mr. Leveratto was a mobile device product manager for Telefonica Movistar where he managed their mobile phone product portfolio distribution and pricing. Mr. Levatto has a BS in Business from Universidad Argentina de la Empresa and is fluent in English, Spanish, Italian and Portuguese.

*Upon completion of equity round funding

Roger A. Yack is the President of Saygus and also serves on the Board of Directors. Mr. Yack has over 40 years' management and CEO experience. Mr. Yack founded of an award winning pool and spa company in Southern California, where he served as CEO for more than 27 years. Prior to joining Saygus, Mr. Yack owned and operated a vacation and lifestyle company he helped develop an innovative B2B2C sales and

[1] Upon completion of equity round funding.

marketing approach that is unique in the industry. Mr. Yack is a highly motivated and performance driven executive with extensive business development and team leadership experience. He is an expert in product development and sales team management.

Tim Riker serves as Saygus' Chief Technology Officer and is the Company's co-Founder. Tim Riker is an award winning Linux architect who is known throughout the tech industry. Prior to working with Saygus, Mr. Riker served as CTO at Lineo, one of the top Linux software development companies in the world, and as the Linux Project Director at Texas Instruments for the creation of the world's first Linux operated calculator. Mr. Riker has been a Linux programmer for more than 14 years, directing numerous embedded Linux software design and development projects, including the Sharp Zaurus Project, where his Linux Operating System won "Best of CES" at the 2004 Consumer Electronics Show. Mr. Riker also developed Linux software for mobile devices at Caldera before moving to Lineo.

Mr. Riker has written and directed Open Source projects around the world, and has been instrumental in the implementation of numerous ground-breaking software developments, from search engines to desktop Operating System projects. He is currently the founding engineer and director for the international Linux TuxScreen project and a member of the Debian GNU/Linux development team, maintainer of BZFlag, an Open Source, OpenGL, multiplayer, multiplatform, BattleZone-type 'capture the flag' game, among other engineering and software development projects. Nicknamed "Guru" by fellow Linux developers around the globe, Mr. Riker continues to break ground on new applications in Linux technology. His international Open Source and Linux engineering project successes have established him as one of the top Linux programmers in the world today.

Mr. Riker also has extensive experience in building multiple full text and bibliographic search systems similar to the current Google search engine, but designed to update faster and scale better. Most CDROM-based white and yellow page directories on the market today use a limited version of a search engine that he created. He is also an expert in computer and network security on Linux and UNIX based systems and has presented at many Linux Users' Group meetings and larger forums including the Ottawa Linux Symposium (OLS) in Canada and the Consumer Electronics Show in Las Vegas, Nevada. He has been involved in many Open Source projects including embedded systems, 3D gaming, IRC bots, wiki software, etc.

Timothy C. Williams was recently appointed as Vice President & Chief Financial Officer of Saygus. Mr. Williams is responsible for the all financial aspects of the business. Mr. Williams holds a Bachelor's degree in Business Administration from Eastern Michigan University; he has also been a member of the Financial Executives Institute, Detroit Michigan Chapter. Mr. Williams has over 30 years of experience in financial management for manufacturers, wholesalers and retailers. Prior to joining Saygus, Mr. Williams served as Vice President and CFO of Innovative Solutions Technologies Inc., Acadian Energy Inc., Belden Paving, Internet Telebusiness & Marketing Services, Inc. and as the Vice President of Finance and Treasurer for Spring Arbor Distribution Company, among other companies.

While at Acadian Energy, Mr. Williams was instrumental in a merger between the Texas-based company and an Ontario, Canada-based publicly traded Capital Pool Corporation. During his tenure at Spring Arbor, Mr. Williams provided superior leadership in the financial management of the company as it grew from a virtual start-up to an organization with annual revenues exceeding $225 million. Included in his many accomplishments at Spring Arbor were the acquisition, financial consolidation and integration of eight competing companies over the years; the use of innovative strategies which resulted in significant savings for shareholders; and the management of mutually beneficial relationships with banks and other financial institutions involving loans and credit lines exceeding $30 million annually.

Wenyu (Henry) Liu serves as Saygus' GM of Manufacturing. From November 2010 to November 2013, he was Vice President of Research & Development, Business and Program Management at TeleEpoch, Inc. From June 1999 to November 2010, he was Senior Engineering Manager at Motorola. Dr. Liu worked in the handset division of Motorola for 13 years. He began at Motorola as Senior Software Engineer and was promoted to Principal Staff Engineer, Engineer Manager and finally Senior Engineering Manager. As Sr. Engineering Manager, he was assigned as the Integration Manager in charge of 80+ software engineers from four countries for various projects. Dr. Liu's managerial efforts assisted Motorola in the design and production of the V60 (phoenix), V66 (sapphire), and panther handsets which were the precursors to Motorola's most successful handset in Company history, the V3, known as the Motorola RAZR, where Dr. Liu was also the Lead Software Integration Manager. Dr. Liu also was the Software Integration Manager for numerous other Motorola handsets and has assisted in the design and launch of some 50 cellular phones and 10 smartphones. Dr. Liu left Motorola in 2010 after assisting Motorola in its integration of the Android OS (Operating System) into Motorola's first Android OS handsets including the Droid. He has also been a handset industry consultant.

Dr. Liu was educated at SUNY (State University of New York) where he majored in Telecommunications, a division of Electrical Engineering, with a focus on Wireless Communications. Dr. Liu has a Masters in Computer Engineering with a design emphasis on ASIC (Application Specified Integrated Circuit) and VLSI (Very Large Scale Integrated Circuits), and a Masters in Economics with a focus on Business Management. He also has a PhD in Telecommunications with a focus on both hardware and software.

Chris Baker serves as Saygus' Vice President of Corporate Development. From February 2008 to June 2011, Mr. Baker founded and served as CEO of DashMedia, Inc. From October 2004 to February 2008, Mr. Baker served an Associate at Goldman Sachs. Mr. Baker has been implementing numerous initiatives to increase stockholder value, including development contracts with military suppliers, funding sources from major banks, and certain business development opportunities. Mr. Baker's background is in technology and finance, and he holds a Bachelor of Science in Finance from Brigham Young University. Early in his career, he served as a Budget Analyst and Project Manager for the Salt Lake Organizing Committee for the 2002 Winter Olympics, where he implemented the financial reporting system that helped produce the subsequent $100 million surplus for the 2002 Winter Games in Salt Lake City, Utah.

After the Olympics, Mr. Baker worked at Goldman Sachs' Private Wealth Management (PWM) group where he managed financial reporting, compliance initiatives and special projects. While working at Goldman Sachs' Private Bank, Mr. Baker oversaw all vendor relations with all third-party banking suppliers.

Dan Gralak currently serves as Saygus' Vice President of Sales. Between October 2008 and March 2012, Mr. Gralak served as Vice President of Sales at Acer. From September 1999 to December 2007, he was Vice President of Sales at LG Electronics. Dan Gralak is a 25-year veteran of the cell phone industry having held senior sales management positions at Uniden, Sony, Acer and LG InfoComm. He spent eight years at LG InfoComm as Vice President of Sales, during which time he increased LG InfoComm's United States market share by 40% and led LG to the number one position in overall United States cell phone sales through carriers, distributors and retailers, for both CDMA ("Code Division Multiple Access") and GSM ("Global System for Mobile") products. When Mr. Gralak began at LG, the company was shipping approximately 200,000 units per year; by the time he left his position as the senior executive in charge of sales, LG was shipping nearly 40 million units per year. Mr. Gralak has extensive experience in global markets, new product launches, channel strategy and channel development (including carrier, distribution and retail channels). He has an extensive "Rolodex," along with hundreds of long-time personal relationships with channel buyers and mobile executives around the world. Mr. Gralak earned his Bachelor of Arts degree from the College of DuPage, majoring in Business.

Advisors to the Board

In addition to our executive officers and directors the following individuals serve as Advisors to the Board:

Bob Watson – Advisor to the Board

Bob Watson has been the Managing Partner of Watson Strategic (a strategy and corporate development firm) for the past 10 years. Mr. Watson previously served as Saygus' Chairman of the Board, leading the Company's strategic initiatives and serving as the point person on investor relations. Mr. Watson spent his early career with Procter & Gamble in New York and with J. Walter Thompson Advertising Agency in Chicago. He has been CEO of four companies, including one of the first personal computer software companies, which he took over in 1981. After leading two start-ups and two turnarounds as CEO, Mr. Watson moved to Silicon Valley and spent more than a decade there engineering turnarounds, leading M&A transactions and developing growth strategies for emerging technology companies. He has worked for many of Silicon Valley's top venture capital firms. Mr. Watson is a graduate of Columbia University in New York City.

Greg Merten – Advisor to the Board

Greg Merten is a graduate of Oregon State University with a Bachelor of Science degree in Electrical Engineering with a solid-state physics focus. The early part of his career was spent in the semiconductor industry, first with Fairchild Semiconductor and then with Hewlett-Packard Co., which he joined in 1972 in the San Francisco Bay Area. While at HP Mr. Merten became involved in the development and commercialization of Inkjet technology for which HP shares the original patent.

During most of the last 20 years, he was been responsible for HP's Inkjet operations which produce the Inkjet cartridges worldwide, serving as Vice President and General Manager of Supplies at HP. He grew his HP organization from 75 employees at a single site in 1984 when the first Inkjet product was introduced, to nearly 10,000 employees at six sites around the world by 2001.

Mr. Merten continues to consult in leadership and communications effectiveness at HP and other major companies, and he frequently speaks to business and government groups. Mr. Merten was honored for his accomplishments by Oregon State University with an election to the Academy of Distinguished Engineers and a selection as a Distinguished Alumnus. He was named "Business Person of the Year" by the Benton County Chamber of Commerce for extraordinary leadership in the development of the Inkjet business. He currently serves on several Boards and previously served as a director of the Company.

Paul Hasenfus – Advisor to the Board

Paul Hasenfus has more than 30 years' experience in the wireless and electronics industry. His diverse background in both the domestic and international cellular handset markets has made him a well- respected consultant in the indsutry. Mr. Hasenfus has worked in business development and product management roles with leading manufacturers in the cell phone and electronics industry including Haier, Motorola, Panasonic and BenQ. While in these roles, Mr. Hasenfus has been a strong product advocate forging valuable ties with engineering teams throughout various projects.

During Mr. Hasenfus' years in the telecommunication industry he has been the Director of New Business Development of Wireless Products at BenQ, Director of New Business Development and Product Management at Haier America (handset distribution) and Concept 1001, an AT&T Authorized Licencee, served as Sales Manager for Major Accounts at Motorola and COO for EasyCall USA.

Mr. Hasenfus has a Bachelor in Business Management from De La Salle University and a Masters in International Business from University of Dubuque. He lived in Asia for more than four years and completed his Masters while living in Singapore. He has helped design and build more than 100 handsets.

Ownership

Ownership of American Smartphone Inc., is currently based on 158,992,785 shares of common stock issued and outstanding, 1,795,673 shares of Series A Convertible Preferred Stock, and 1,668,000 shares of Series B Convertible Preferred Stock, issued and outstanding, at or immediately prior to the offering. Voting and dispositive control over all of the shares of common stock are held by Saygus, Inc., pursuant to an Asset Purchase. Saygus, Inc. has initiated and is in the process of (a) converting the Series A Convertible Preferred Stock into common stock, and then, (b) dissolving Saygus, Inc., and distributing the shares of American Smartphone, Inc., common stock to the prior shareholders of Saygus, Inc., on a pro-rata basis in accordance with their ownership of Saygus, Inc.

Saygus Shareholder Cap Table

Common Shareholders	**Shares**	**Percent**
Founders and Executives	110,882,918	69.74%
Shareholders with more than 250,000 shares	24,616,160	15.48%
Shareholders with less than 250,000 shares	23,493,707	14.78%
Total Issued and Outstanding Common Shares	**158,992,785**	100.00%

Preferred Shareholders		
31 Preferred A Shareholders	1,795,673	51.84%
51 Series B Convertible Preferred	1,668,000	48.16%
Total Issued and Outstanding Preferred Shares	**3,463,673**	**100.00%**