

Executive Summary

Desired Amount: \$300,000 (\$200,000 required)
Funding Source/Terms: 3-year Term Equity Position
Company Name: Luxury Passage Incorporated
Industry Type: Travel/Transportation (SIC 45220101)
Time in Business: No time in business, corporation formed in 1994
Principals: David J. DeKoker, Robert S. Wohlstadter
Use of Funds: Set up of sales office and funding for items necessary to begin marketing Fractions

Narrative:

LPI is a sales, service, and management company. We will first be selling Fractional Ownerships in Westwind medium-jet equipment. After the sale, we will continue to service, operate and manage all aircraft of the LPI program. We have set the pricing structure to appeal to smaller-group air travelers who are moderately successful (\$250 - 300,000/yr disposable income), yet sales and operations will still yield excellent profit margins. The program is designed to offer prestigious and luxurious air travel (including limousine service) for leisure and limited business travel.

History:

The concept of timesharing of private jet aircraft was first presented by one of our founders, Robert S. Wohlstadter in 1994 at an informal meeting. The idea sprang to him from his ownership in a time-share condominium. We immediately agreed that this was a good idea and began planning our program. A rough business plan for financial feasibility was drawn up and the business was incorporated in 1994. Since that time, we have been undergoing changes in the business plan as well as sorting through possible funding sources and methods. Early viewers of our "new concept" seemed skeptical but that was before this method of business was proven successful. A couple of years later, this concept became known as Fractional Ownership and is a very popular and profitable method of affording private jet travel today.

Mission Statement:

Luxury Passage Incorporated intends to create, develop and expand a virtually untouched Fractional Aircraft Ownership market by providing luxurious leisure air travel to moderately successful individuals in personal jet equipment throughout the hemisphere.

Stage:

Start-Up phase. Preparations are ready to begin sale of the first aircraft.

Market Niche:

Our niche is affordable luxury private jet leisure air travel for successful professionals in used equipment. No one has taken the Fractionals to the financially affordable level we plan, which broadens the customer base. This niche also provides "rich and famous" treatment, and offers an "exclusive membership" flying club-type program, to private individuals.

Market Research:

The Fractional aircraft concept is a proven fact in the business sector, as witnessed by NetJets Owner, Mr. Warren Buffet. Non-scheduled air transportation use is rising. The Indianapolis area appears to be the perfect market area for our first aircraft, due to income levels and their propensity to spend on pleasure travel. Moderately successful individuals wishing a luxurious level of travel are then relegated to fly airline First Class or Air Taxi charters. First Class is disappearing and Air Taxi has a disappointing safety record. Since our annual fee is less than both First Class and Charter, we are confident a strong need exists for our "alternative method" of leisure air travel.

Financial Overview:

5 year aggregate net of \$161.8 million on revenues of \$465.8 million.
- 1st year net of \$11.1 million on revenues of \$20.8 million.
- 2nd year net of \$15.7 million on revenues of \$38.2 million.
- 3rd year net of \$31.7 million on revenues of \$79.9 million.