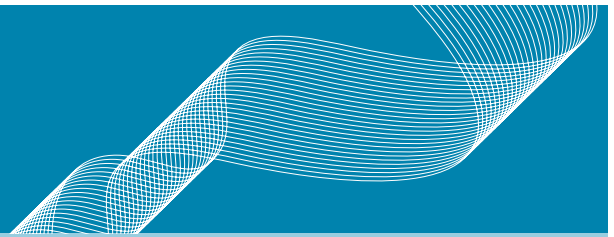


ANGEL INVESTOR TAX CREDIT PROGRAM



Louisiana Economic Development supports individual investors who choose to support Louisiana companies just starting out. With the Angel Investment Tax Credit Program Act of 2005, investors can receive refundable Louisiana income or corporation franchise tax credits of up to 50 percent of the money invested in a business certified by LED as a Louisiana Entrepreneurial Business. The refundable tax credit is realized equally over a five-year period. The Angel Investor Tax Credit Program is one more way LED enhances the entrepreneurial business environment, encourages ready sources of capital for Louisiana businesses and expands the state's economy.

To qualify for the tax benefits, the entrepreneurial business and the investor(s) must meet the following requirements:

LOUISIANA ENTREPRENEURIAL BUSINESS

- The business must possess a fully developed business plan.
- The principal business operations are in Louisiana, including Louisiana as the primary place of employment for the employees of the business.
- The business must show the number of quality jobs it will create.
- The business is not primarily engaged in the business of retail sales, real estate, professional services, gaming or gambling, natural resource extraction or exploration, or financial services including venture capital funds.
- The business has a plan of progression through which more than 50 percent of its sales will be derived from outside of Louisiana.
- The business is required to report the investment amount requested and provide a Source and Use statement showing that the investment funds will be used for capital improvements, plant and equipment, research and development, working capital for the business or other business activity approved by LED.
- The business has a Louisiana Tax Identification Number. Under no circumstances shall the LED Secretary's certification of the applicant as a Louisiana Entrepreneurial Business be considered or implied to be an endorsement of the business or any investment in that business, and the applicant shall so advise all investors of this fact.

ACCREDITED INVESTOR

- The investment in the Louisiana Entrepreneurial Business must be an investment that is at risk and not secured or guaranteed.
- Funds invested by the applicant cannot be funds raised as a result of other Louisiana tax incentive programs, funds pooled or organized through capital placement agreements or as the result of illegal activity.
- The angel investor, as defined, cannot be the principal owner of the business who is involved in operating the business as a full-time professional activity.
- The applicant's investment in the Louisiana Entrepreneurial Business must be maintained for three years.
- An Accredited Investor shall be defined as:
 1. An Angel Pool, all of whose participants shall be Accredited Investors.
 2. A natural person who has individual or joint net worth exceeding \$1 million at the time of the investment.
 3. A natural person who has individual income exceeding \$200,000 or joint income exceeding \$300,000.

Information contained in this document is a synopsis of the Angel Investor Tax Incentive Program. Statutory and rule requirements must be followed in all applications.

For more information about this program, visit OpportunityLouisiana.com or call LED at 225.342.5882.