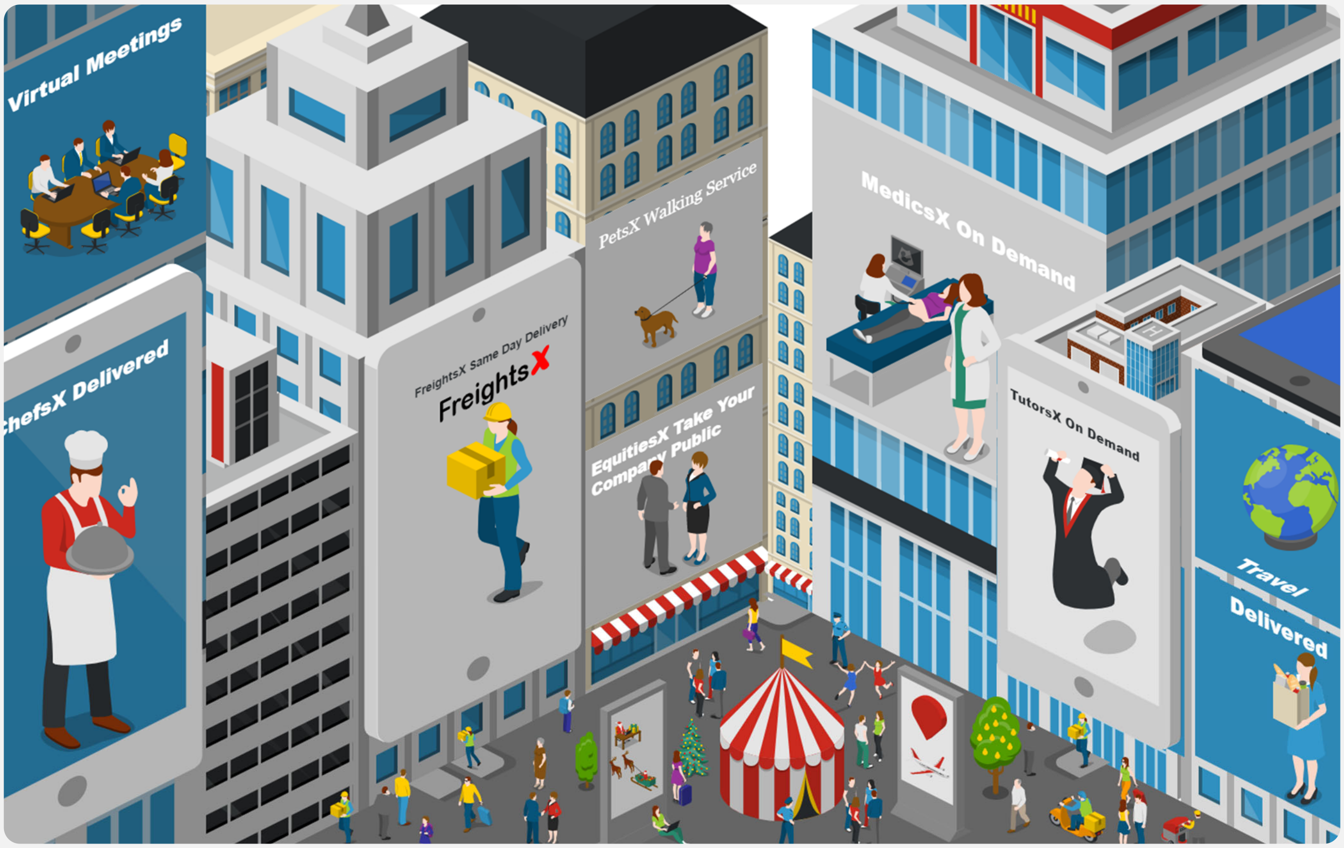
PortalsX™

Innovating Screens into Markets™

Managing Advertising Risk

The Stock Market for Impressions™



The Big Tech Way

Privacy and Power to the People

Innovation

PortalsX developed a way for advertisers and publishers to manage exposure to volatile and expensive advertising prices while retaining the ability to capitalize on market opportunities. **PortalsX** has pioneered innovating screens into financial markets holding over 120 issued patents and patents pending in this innovation. **PortalsX** is designed where users own their data and earn along the way.

Value

PortalsX is not a media broker or a bank. **PortalsX** is a provider of price risk management services, technology and financing to the advertising industry. **PortalsX** is a provider of advertising solutions and long term liquidity in the advertising market.

Scalability

Price risk management does not have to be an all-or-none proposition. Companies or individuals may apply price risk management strategies only at the times and in the volumes that make sense. **PortalsX** makes it possible.

Simplicity

You do not have to change any aspect of your relationships with your current suppliers or customers to take advantage of these services. **PortalsX** is also social network for transactions. **PortalsX** subscriptions also allow for users to lock in costs on a subscription basis or “Buy Now” ala carte.

Experience

PortalsX is actively making a market in short and long-term advertising price contracts. Our expertise flows from our experience from working at the world’s largest commodity risk manager, leading investment banks and the world’s largest commodity hedge fund.

Trust

PortalsX is a reliable, committed, long-term partner. Our parent, Simpson Holdings, Inc. has been in business since 2002 as a Texas Corporation.

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Innovating Screens into Markets
Hedging Advertising Exposure

Advertising is a $700 billion global industry and a staple of our market economy. Advertising sets trends and increases market share. But fluctuating prices for impressions can wreak havoc on the budgets of media buyers, not to mention the broadcasters and publishers who depend upon them for their revenues or cost savings. From advertising networks to social media influencers and creators that depend on advertising for their livelihood to content providers who depend on advertising to promote their latest films, the number and range of people who are effected by advertising costs or businesses whose sales and profits are impacted by the price of advertising are enormous.

Given the size of the advertising industry and its impact on our economy, it is astonishing how little was done in the past to manage this price risk. Some large companies could use the "Up-front" for network television, but his was and remains an inflexible solution and television has been declining at 3 – 4 % a year on an annualized basis, carrying substantial risk for advertising companies and does not correlate to their revenue exposures. Typical consumers also could not lock in costs as advertising and demand side platforms only allow bidding rather than fixed price contracts that are not firm and tradable. Few solutions were available to shield companies from the normal quarter-to-quarter price fluctuations in the price of an impression, or, for that matter, in fluctuating costs of media placements. Yet these fluctuating prices had a direct impact on the corporate profits, both for advertising buyers and sellers.

Today, all this has changed, **PortalsX** has created a new breed of financial and physical risk management tools and structures that can be used to immunize companies against a wide range of advertising risks and help them achieve a broad cross-section of financial goals. Already, companies in industries as diverse as technology, finance, energy, manufacturing, retailing and broadcasting are using these advertising risk management tools to:

- Assure privacy and consent
- Smooth revenues (compensate for loss of demand)
- Cover excess costs
- Hedge fluctuations in advertising budgets
- Reimburse "lost opportunity" costs
- Bolster marketing plans (drive sales)
- Diversify investment portfolios

By using advertising price risk management tools to complement existing risk management strategies, companies can better manage their sales and earnings. This, in turn, can help them reduce their cost of capital, and, ultimately, attract a wider range of investors.

Finally, the burden of dealing with unpredictable advertising prices has become an opportunity.

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Solutions to Advertising price risk

Applications for advertising risk management are almost intuitive in some situations. For example, a publisher might buy a "floor" (see Terminology) to cover lost revenue during periods when advertising prices are soft-much as a farmer might buy a floor to protect against low wheat prices. But the full potential of these risk management tools is virtually unlimited. Here are several examples of how they can be used to improve a company's bottom line:

Compensate for Loss of Demand

Erratic financial results can inflate a company's cost of capital as lenders and shareholders demand higher rates of return on their money. To hedge profits against fluctuating advertising prices, companies or individuals can use a wide variety of risk management products. A website platform or social media influencer, for example, might purchase a floor that pays out if the market for impressions softens, while still retaining the upside if advertising pricing proves to be strong. Alternatively, the publisher could enter into a zero-cost collar to simultaneously protect and limit its revenues from price extremes outside a prescribed price band. Finally, the publisher could sell a cap against some of its advertising capacity, generating an additional and dependable revenue stream, regardless of advertising price fluctuations.

Cover Excess Costs

In some cases, severe swings in the cost of advertising reduce a company's profitability-not by shrinking its revenues, but by driving up its costs. One example: a movie producer that must enter the competitive and seasonal advertising market at the last minute to promote a new film release. Film production often gets delayed, and when it does, competitors can detract from critical opening revenues. Advertising bought at the last minute at inflated prices can increase costs beyond budget. By purchasing a advertising price swap from **PortalsX** , the movie producers can easily protect their budget. The swap ensures the price of advertising is constant throughout the year at an agreed upon level.

Hedge Fluctuations in **Advertising Budgets**

To obtain favorable pricing, advertisers frequently commit to the purchase of advertising in advance. For any number of reasons-a downturn in the economy, perhaps, or an across-the-board corporate mandate to reduce costs-jobs sometimes get cut after these purchase commitments have been made. Companies that work with **PortalsX** can purchase an option that will allow them to sell back advertising they do not use. This can help to offset any lost savings associated with job loss or location changes.

Reimburse "Lost Opportunity" Costs

In an ideal world, publishers would sell, and advertisers would purchase, the exact amount of impressions they need. In the real world, schedule changes, sales estimates, budget forecasts are often proved wrong by fluctuating demand, and publishers find themselves sacrificing significant sales of impressions. For example, if a web site publisher had superior content. The web site publisher may be used to protect themselves from these "lost opportunity" costs, the web site publisher or social media influencer could purchase a risk management tool that would allow them to sell impressions to other advertisers rather than forego those impression sales due to a lack of channels.

Drive Sales

Many companies depend upon their advertising to drive sales and revenues. Often, though, companies are faced with the need to cut costs, and many times this will involve a reduction in their advertising budget. By using advertising risk management, such cuts may not be necessary. A price floor, for example, could allow a company to lock in impressions or advertising audiences at above-market prices, eliminating the need to reduce the service.

Diversify Investment Portfolios

Advertising risk management tools offer fund managers, banks, reinsurance companies and other institutional investors an opportunity to increase their investment returns without assuming any increased **risk**, since returns generated from these contracts are not correlated with returns in other financial markets. Indeed, as the advertising market grows, it has the potential to function as a separate asset class. Financial swaps are a primary component of this asset class.

What is a PortalsX browser?

PortalsX operates a Virtual exchange for both physical and financial advertising price risk management tools. The exchange may sit as a plugin in a popular browser technology or the exchange may be hosted inside a web publisher or advertising network. The exchange may interact with traditional open advertising exchanges however the primary innovations allow only the user to sell their data vault of information to the advertising impression pool market.

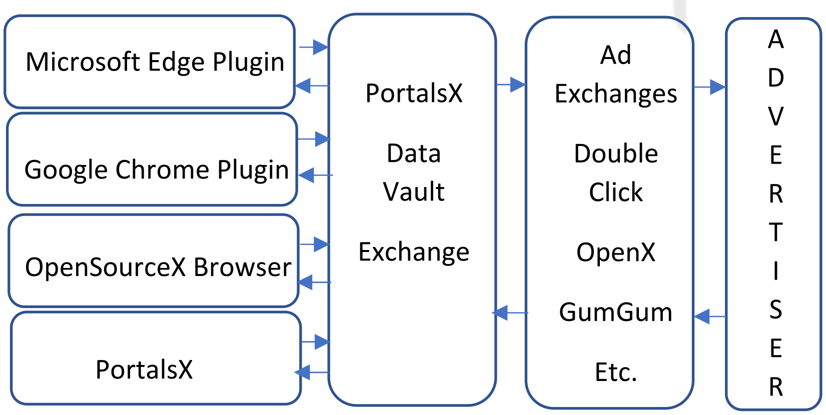
The exchange technology may also persist in the operating system or on our **PortalsX** browser.

Additional innovations are on the legal side, where the advertising contract has been transformed to a firm contract as opposed to a best efforts or non-firm contract. The firm nature of the contract allows for the contract to be homogenous so that it may be traded once, twice or many times.

The nature of the legal contract transformations not only protects user privacy but they also allow for publishers and advertisers to use financial tools in parallel with the physical advertising impression market to manage upside and downside risks.

Users are paid as they go and as they consume ads after clicking the sell button to avail their personal information and data vault to be sold into the advertising exchange markets.

An Example of PortalsX



Operating System Integrations

PortalsX may integrate the data vault exchange for customers such that they may earn as they spend timing on their computing system no different than on the internet.

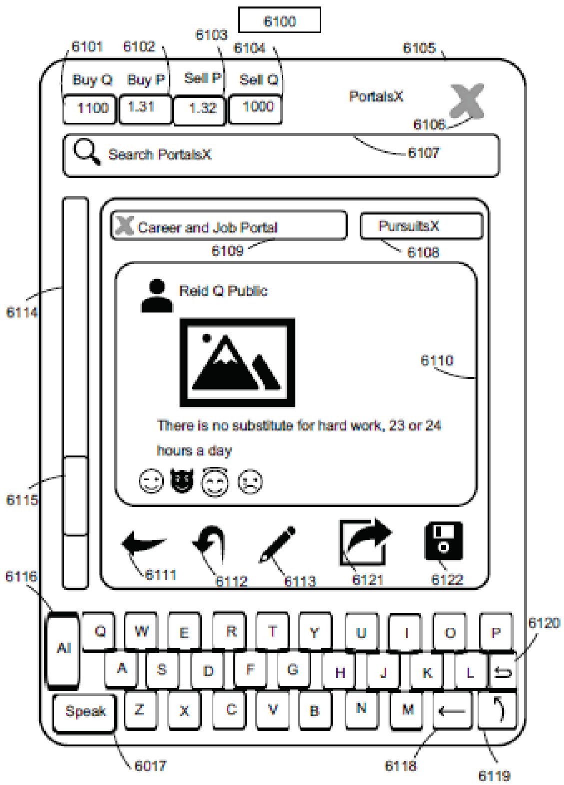


FIG. 61

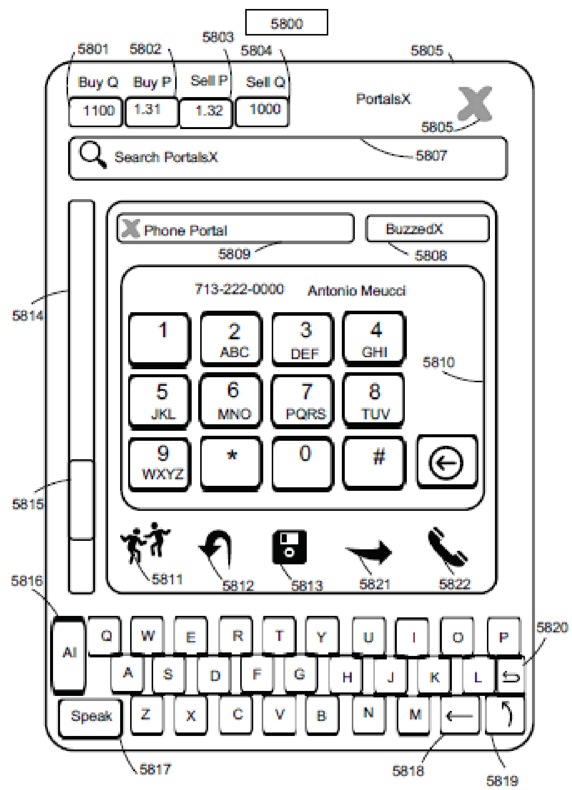


FIG. 58

How do I buy a PortalsX subscription?

Want to lock in your price of advertising? Don't need your subscription anymore? PortalsX has invented the only advertising subscription in the world that allows user to not only buy impressions, sell impressions, but also trade the impression or subscription of impressions like a commodity or stock. The PortalsX system allows for the ultimate in flexibility for the consumer or even provider of advertising services.

What is a PortalsX Advertising Community?

PortalsX has also invented as intellectual property the concept of making an impression a social community to which one may follow, friend, subscribe or like.

Go to the advertising communities menu option for an advertising community near you. Advertising Communities are run by local captains along your commute. Fellow workers who are along your route going to work or school.

PortalsX users may buy 10 impressions, 30 impressions, 100 impression, 500 impression quantities.

Terminology

SWAPS:

Swaps are privately negotiated financial contracts in which two parties exchange risk exposures over a predetermined period of time. They can be used by a media buyer, for example, to synthetically convert media purchases at floating market rates to an effective fixed rate. While there are no standardized swap transactions, all swaps share a similar structure. There is no up-front charge. Instead, the parties involved typically agree to exchange payments over the life of the agreement, with one side paying a fixed price and the other side paying a variable price. Settlement is often financial, that is, cash changes hands, but physical product does not. Each month during the life of the transaction, the difference between the two prices is determined and payment made to the appropriate party.

CAPS AN FLOORS:

These contracts are often called “price guarantees”. In exchange for paying a fee known as the “premium,” the user is entitled to full price protection when advertising prices move above or below a specified level. A price cap gives the holder protection against rising prices without sacrificing the potential benefits associated with falling prices. Floors are the opposite of caps; they protect the holder against falling prices but allow the company to retain the upside potential associated with price increases. When a customer buys a price cap or floor, the full cost of the protection is predefined (it is equal to the premium paid). There are no potential future costs related to price movements.

COLLAR:

Collars are privately negotiated financial contracts that limit the user's exposure to advertising price volatility within a prescribed range. Collars combine the features of both a cap and a floor in one transaction and can be structured to be "zero cost,” meaning that they require no up-front premium from the company using them.

Collars are over-the-counter instruments that can be customized to meet a particular set of needs. For a company hedging advertising costs, for example, a collar will establish a floor, or minimum price, and a ceiling, or maximum price, to be paid.

Understanding ACU

ACU is an advertising term that stands for “Advertising Capacity Unit” which was invented by **PortalsX** ACUs are an impression for a given data vault specification for advertising impression dimensions.

Before

There Must Be A Better Way

After

There is a Better Way

As the leader and first inventor in the development of price risk management tools for the advertising industry,

PortalsX has the experience and resources to help you manage your advertising price risks. We can structure swaps, floors, caps and collars, as well as more complex risk management products designed to meet more complex needs. We are one of the few companies in the world that could, where appropriate, combine price protection for your advertising needs. We are one of the true innovators in advertising and may not only deliver financial risk management solutions but also logistics using our technology and intellectual property to provide a marketplace to buy, sell or trade actual physical advertising.

Because every advertising price risk management tool is an over-the-counter contract designed to meet your specific needs, we can offer you a wide variety of ways to structure your payments for these products.

Depending upon the structure, you may be able to pay no premium at all, or pay your premium up -front, over time or in arrears. In some cases, premiums or payouts can be made in a physical product.

You know that your sales, profits and cash flow are too important to be affected by fluctuating advertising prices. Find out more about our risk management solutions today by contacting us at 832-916-2001. We look forward to working with you.

Make a Free Account Online:

PortalsX .com

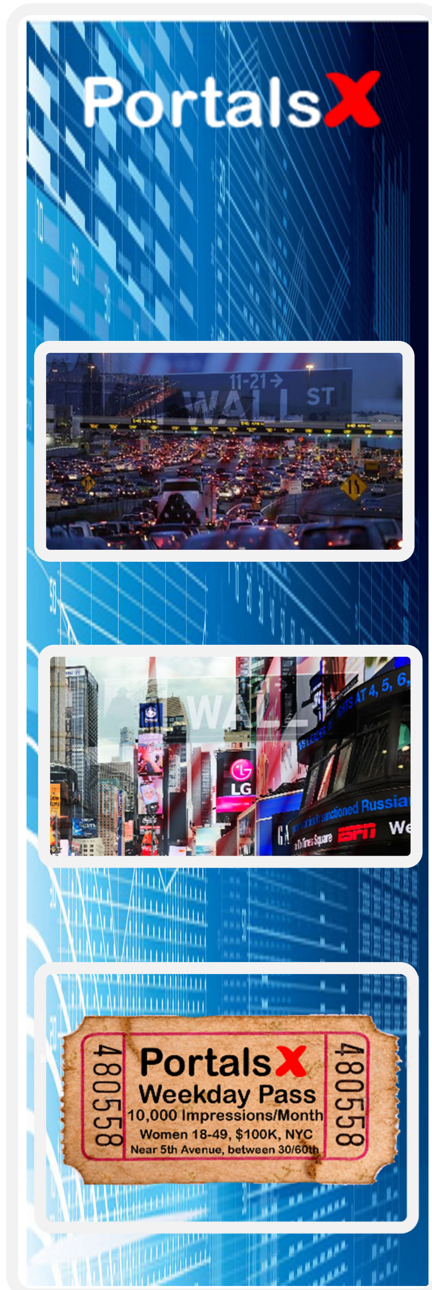
Call our Customer Service:

832-916-2001

In recent years. much has been written on how important it is that financial market participants fully understand the nature of their relationships with counter-parties. We agree that this is critical: unless a market participant has Informed Itself as to exactly where its counter party's responsibilities ends. it cannot easily assess where its own responsibility begins.

These materials describe the economic terms of advertising price risk management transactions. These transactions involve a variety of significant potential risks. Including risk of adverse or unanticipated market developments, risk of counter party default, risk of illiquidity and other similar risks. The specific risks presented by a particular transaction necessarily depend on the nature of the transaction and your circumstance.

Your company should not enter Into any financial and physical transaction unless it fully understands the potential risks and rewards of chat transaction and has Independently determined that the transaction Is appropriate In light of its objectives. experience, financial and operational resources, and other relevant circumstances. Please bear In mind chat In proposing transactions or discussing market opportunities with you, PortalsX *is acting as a potential arm's-length counter party and not as your company's financial advisor*



PortalsX

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Technical support: Call (832) 916-2001

Caps

Advertising Price Risk Management Products

CAPS ARE PRIVATELY NEGOTIATED risk management tools that provide compensation to the buyer if market prices for a given product, such as advertising time or space, move above a predetermined level.

Caps, sometimes referred to as "call options," are arranged in conjunction with the physical purchase of advertising in order to establish a maximum price a media buyer will pay for that space or impression. They provide full protection from rising prices. In addition, caps allow media buyers to benefit fully from decreases in the price of advertising.

Financial caps provide cash compensation when ·market prices rise above a predetermined level and physical caps give the holder the right, but not the obligation, to buy advertising at a predetermined price level.

To purchase a cap, the buyer pays a cash premium to a counterparty willing to assume the underlying risk. (This counterparty is often a company such as **PortalsX** which both buys and sells advertising price risk management tools and will hedge the risk of doing so through offsetting transactions with other entities.) The premium is the only cost to the buyer in such a transaction.

Companies in diverse industries with a wide range of business applications, including revenue smoothing, hedging costs and reimbursement of "lost opportunity costs" can use caps.

PortalsX

Before

There Must Be A Better Way

After

There is a Better Way

Floors

Advertising Price Risk Management Products

FLOORS ARE PRIVATELY NEGOTIATED risk management tools that provide compensation to the buyer if market prices for a given product, such as advertising time or space, move below a predetermined level.

Floors, sometimes referred to as "put options," are arranged in conjunction with the physical sale of advertising in order to establish a minimum price an advertising provider receives for advertising space. They provide full protection from falling prices. In addition, floors allow an advertising provider to benefit fully from increases in the price of advertising.

Financial floors provide cash compensation to the holder when market prices fall below a predetermined level and physical floors give the holder the right, but not the obligation, to sell advertising at a predetermined price level.

To purchase a floor, the buyer pays a cash premium to a counterparty willing to assume the underlying risk. (This counterparty is often a company such as **PortalsX**, which both buys and sells advertising price risk management tools and will hedge the risk of doing so through offsetting transactions with other entities.) The premium is the only cost to the buyer in such a transaction.
Companies in diverse industries with a wide range of business applications, including revenue smoothing, hedging costs and reimbursement of "lost opportunity costs" can use floors.

PortalsX

Floor Application

XYZ Publisher Group carries independent content in 30 markets in across the United States. While a prosperous economy has helped the company meet most of its profit targets over the past five years, XYZ's management knows that its earnings could be severely impacted the next time the economy softens and advertising prices decline. Management wishes to protect the company's revenues against this event, while retaining the ability to benefit when advertising prices are strong. To do this, the company must first calculate the impact that price fluctuations have on its sales and profits.

Example: Financial Floor

XYZ reviews historical ACU data for its major demographics (time-of -day slots) across 30 markets over the past five years. The company finds that, on average per quarter, it receives a $4.30/ACU for 5,000,000 impression ACUs, or $21.5 million

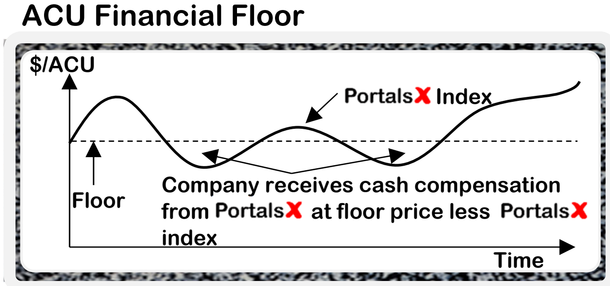
By comparing its sales records to its ACU impression data, the company calculates that its quarterly sales decline an average of $500,000 or 0.1%, for every $0.10/ACU below $4.30 per ACU.

For the upcoming year, management wishes to protect the company against any earnings shortfall associated with ACUs falling below a $4.30 each quarter, yet still be able to take advantage of any price increases.

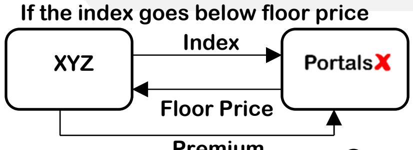
The company buys a floor from **PortalsX** with a "strike" price at $4.30/ACU, in which **PortalsX** will track the ACUs in the 30 markets from January through December and pay the company $500,000 for each $0.10 below $4.30/ACU, as measured by the **PortalsX** Index.

With this contract, the company has set a floor on its potential annual revenues of $21.5 million ($4.30 ACU x 5,000,000 units/ quarter x 4 quarters), less the cost of the floor itself. Meanwhile, if the market proves to be strong, the company will still enjoy 100 percent of any associated increase in sales and profits.

ACU Financial Floor



If the index goes below floor price

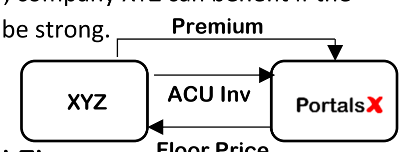


Example: Physical Floor

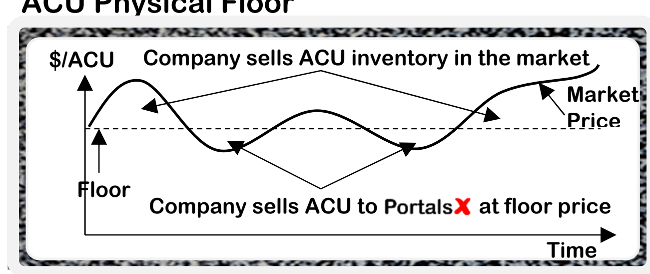
While the financial floor described above protects XYZ Publisher Group against unanticipated declines in the market price for advertising impressions, it doesn't protect the company from differences between market prices, as represented by the **PortalsX** index, and the actual prices it is able to negotiate with media buyers, which may be more or less than the index depending upon the company's negotiating strength. If the company is highly confident in its negotiating abilities, this may not be a concern. If it is a concern, the company may wish to eliminate this risk by buying a physical floor rather than a financial floor. Physical floors protect against this execution risk, sometimes referred to as "individual performance risk." Here's how:

- XYZ Publisher Group reviews its sales and income records and determines that it does not want to take the chance that it might have to sell advertising inventory below $4.30/ACU.
- The company buys a floor from **PortalsX**, giving XYZ the right, but not the obligation, to sell 100,000 ACUs to **PortalsX** at $4.30/ACU for a total of $0.43 million.

With this transaction, the company has put a floor on its revenues of $0.43 million, less the cost of the floor. Additionally, company XYZ can benefit if the market proves to be strong.



ACU Physical Floor



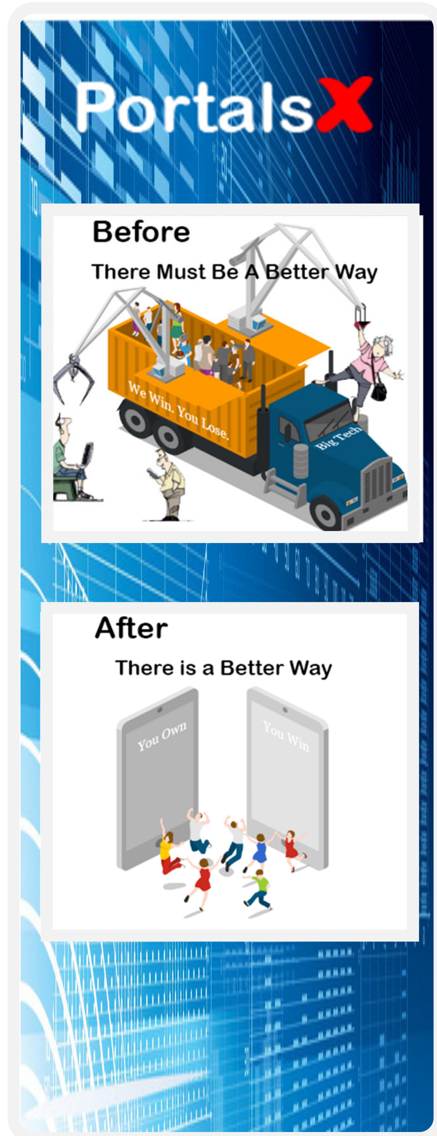
Swaps

Advertising Price Risk Management Products

SWAPS ARE PRIVATELY NEGOTIATED contracts that allow a company to reduce or eliminate the impact of specified market conditions on its business. There are two main types of swaps: financial and physical.

In a financial swap, a company receives financial compensation in the event of adverse market conditions, but pays out money in the event of favorable market conditions. Financial swaps are structured to cover a finite period of time and when used in the advertising industry are always tied to a specific advertising price index, such as **PortalsX** The parties to the contract establish a "strike" price for the chosen index. When the index falls below the strike price, one of the parties owes a payment to the other. When the index price is higher than the strike price, the payment flow is reversed. Financial swaps are always settled in cash, regardless of which party is making the payment.

A physical swap is structured much like a financial swap, again with a finite life and a specified strike price. However, the contract is settled with real assets; that is, by an exchange of advertising inventory for cash. Like financial swaps, physical swaps are typically settled on either a monthly or quarterly basis over the life of the contract.



Swap Application

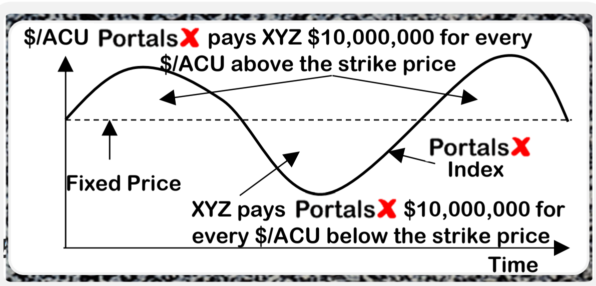
Advertising Price Risk Management Products

XYZ Department Store Company is a retail chain with 50 stores throughout California. Its revenues and profits are critically dependent upon cost effective advertising; the company runs advertising spots year-round, and also promotes sales and holiday events. Given this business model, the company's profits are highly sensitive to advertising prices. In one recent year, unexpectedly high advertising expenses reduced the company's net income by 3 cents per share.

Example: Financial Swap

The managers of XYZ agree that adverse advertising prices should not play a role in the company's profitability. They decide that they would like to eliminate the cost of unexpected increases in advertising expenses, and further agree that they would be willing to give up the financial benefits of unexpectedly low prices to achieve this cost stability.

- A review of historical ACU (Advertising Capacity Unit) impression data reveals that over the past five years, advertising prices for the cities where XYZ Department Stores are located have fluctuated by approximately 30%.
- XYZ calculates that each dollar increase in ACU increases its total advertising budget by approximately $50,000,000. Similarly, each dollar decrease in ACU cuts its costs by a like amount.
- The company enters into a swap agreement with **PortalsX** covering a one-year period from January through December, agreeing in advance to a specified ACU "strike" price for the **PortalsX** index. For each month that advertising prices are above the strike price, **PortalsX** will pay the company $10,000,000 per ACU monthly $/ACUs above the strike price. During months that index is below the strike price, XYZ will pay $10,000,000 per ACU monthly $/ACUs below the strike price.



The financial swap described above serves as a hedge against volatility in the market price for advertising impressions, as measured by an index such as **PortalsX** But it doesn't protect XYZ Department Store Company from differences between the index price and the actual prices it is able to negotiate in the marketplace. If the company is highly confident in its buying prowess, this may not be a concern. If not, it may wish to eliminate this risk by entering into a physical fixed price swap rather than a financial swap. Physical swaps protect against this risk of execution, sometimes referred to as “individual performance risk."

In this example, XYZ Department Store Company uses a physical swap to insure that it receives advertising inventory at a fixed price:

- XYZ wants to lock in a price for 5,000,000 ACU impressions over the course of the upcoming year and eliminate any uncertainty about future market prices during that period of time.
- The company agrees to pay **PortalsX** $4.30/ ACU for 5,000,000 ACUs over the course of the year, or a total of $21,500,000.
- Each quarter, XYZ pays **PortalsX** $5.375 million in exchange for 1,250,000 ACUs.

By entering into this physical fixed price swap, XYZ is assured that even if market prices increase dramatically, it will still pay just $4.30/ACU. In exchange for this protection, it is willing to give up the potential benefit associated with unexpectedly low market prices.