1 May '25 **EXECUTIVE SUMMARY**

Re: Proposal for Formation of Legacy Education & Capital Technologies Inc. ("LECT")

Presented by Barry Kostiner & Issac Qureshi, CEO and Founder of FalconCo

Background

I: Overview and Investment Thesis

The proposal presented by Barry Kostiner (CEO, Legacy Education Alliance) and Issac Qureshi (CEO and Founder of FalconCo), outlines the formation of Legacy Education & Capital Technologies Inc. ("LECT"), a platform company that has initiated its path towards a Nasdaq listing. LECT seeks to harness synergies between AI, digital marketing, social media, and capital markets to enhance customer engagement across various consumer verticals. It builds on the 26-year history of Legacy Education Alliance (LEAI), a public company (OTC: LEAI) known for its investor education seminars tied to the "Rich Dad, Poor Dad" brand by Robert Kiyosaki. At its peak, LEAI generated $100M annually, with cumulative revenues nearing $900M. Kostiner acquired LEAI at a $1.8M valuation to integrate it with his family's online degree completion business, Coopersmith, and now aims to leverage its database and intellectual property for broader digital marketing initiatives.

The investment thesis highlights a post-Covid shift toward personal engagement and live events, exemplified by Tony Robbins' education and event business growing from $5M to $20M weekly by optimizing digital-to-live upsells. LECT posits that while digital delivery suits books and music, personal transformation thrives on in-person connection, enabling premium pricing. Education serves as a conduit to asset management, as seen with Grant Cardone and Than Merrill, who transitioned from real estate education to billion-dollar asset management businesses. LECT's strategy applies low-cost, open-source AI technologies to multiple education verticals to leapfrog firms with high customer acquisition costs. The Nasdaq listing strategy benefits from applying the education digital marketing platform to investor engagement, and enables using the stock as currency to acquire synergistic cash flowing businesses.

LEGACY
EDUCATION & CAPITAL TECHNOLOGIES

II. Core Verticals and Market Context

LECT's foundation rests on five education verticals, each leveraging AI and digital marketing:

1. **Financial Wellness (Credit Repair & Tax Relief)**: Partners with Warrior Tax Relief and others to offer services like credit score improvement and tax debt resolution. The U.S. credit repair industry is valued at $6.4B (2024), projected to reach $7.4B-$8.19B by 2027-2032, while tax relief is a $1B-$2B niche. Optima Tax Relief, the industry leader, has resolved over $3B in liabilities since 2011, with estimated annual revenues of $50M-$100M. Credit Repair & Tax Relief is the gateway to building financial wellness, and helping our clients finance their participation in LECT's higher value education and investment offerings.
2. **Trading Education**: Affiliates like www.tradewiththebull.com and www.tackletrading.com tap into the $8B-$10B online financial education market (2023), part of a $315B e-learning sector growing to $1T by 2030. The model evolves from newsletters to coaching and potentially funding student trading accounts. We are partnering with Michael Bresler, who played a lead role in the growth of Agora's financial newsletter business from $500M to $1B in annual revenue.
3. **Real Estate Education**: Led by Tim Chaffin with over 20 years of coaching success, we are building on LEAI's Rich Dad Poor Dad-branded legacy education business. The real estate education market, part of a $40B personal development industry, is driven by luminaries like Kiyosaki, Robbins, Cardone, and Merrill.
4. **Wellness & Nutraceuticals**: A partnership with Harom LLC targets the $4.5T wellness industry, aligning with Mindvalley's $95M revenue model of transformative education in mindfulness and health, complementing nutraceutical demand.
5. **Online Degrees & Affiliate Marketing of Partner Businesses**: Through Coopersmith, LECT offers affordable degree completion (<$12K) by unbundling accreditation from content, partnering with universities like Kean and FAU to retain dropouts within their ecosystems.
   Our affiliate marketing model and AI-focused social media and digital marketing platform is further applied to grow sales at affiliate partner businesses.

These verticals capitalize on a global economic shift where tech, social media, and AI drive value, with education as a scalable entry point to broader financial services.

III: Strategic Foundations and Affiliates

LECT leverages LEAI's historical customer database and FalconCo's global outsourcing expertise to deploy AI-driven tools like web scraping and automated sales engines. The proposal emphasizes a transition from education to asset management, mirroring Cardone and Merrill's paths, with initial focus on trading platforms before real estate. Affiliates enhance LECT's ecosystem: Michael Bresler (11 years at Agora Financial) leads AI and digital marketing strategy, while FalconCo provides operational scale. The company targets fragmented, high-growth markets where digital adoption and personal engagement converge, such as the $1B-$2B U.S. personal finance education segment and the $53B workplace wellness sector.

Market trends supporting LECT's approach:

- The 147% surge in eToro's funded accounts (2020-2021) reflects retail investing demand from the tech-savvy Millenial demographic, while Agora Financials growth from $500M to $1B in revenue highlights the insatiable demand for trading education from more mature demographics.
- Mindvalley's growth and higher course completion rates via microlearning showcases the scalable education model that contrasts with the growing awareness of the failure of traditional higher education institutions.

LECT aims to incubate affiliate businesses for independent Nasdaq listings, using its own listing as a blueprint. This roll-up strategy targets undervalued IT services firms (<$10M revenue) and real estate / trading assets, to leverage our education platform to build IT services and asset management verticals that go far beyond the valuation and assets of a traditional education business.

Our AI digital marketing and social media platform will be further applied to the political funding arena which is in disarray after the 2024 elections. Over $4B were raised in small dollar donations in 2020 and 2024. We are partnering with Peter Brown Jr. to bring fresh strategies to this market, where politicians typically have engaged the same marketing teams for over 20 years. A goal of $40M in 2028 would reflect only a 0.1% market penetration.

Business Model

I: Revenue Streams and Projections

LECT's business model integrates three revenue streams, all amplified by AI and digital marketing infrastructure from its partners FalconCo and LEAI:

1. **Social Media/Subscription Services**: A platform akin to Clubhouse or iHeart, charging $10/month, targets 100,000 subscribers by 2027 for $12M annual revenue.
2. **Education Affiliate Sales**: High-ticket ($10K) offers from internal and affiliate content, and our four quadrants (real estate, trading, entrepreneurship, wellness) aim for 100 sales/month at $2,500 in fees per client, yielding $3M annually.
3. **Degree Completion**: Partnering with Coopersmith, LECT offers accredited degrees for $12K, targeting 1,000 students taking 6 credits/month at $25/credit sales commission, generating $1.8M annually with potential explosive growth through university partnerships.

Conservative 2027 Projections:

- Total Revenue: $16.8M
- EBITDA: $6.72M (40% margin)
- Enterprise Value: $201.6M (30x P/E)

Each successful affiliate relationship can spawn a standalone Nasdaq offering. The model prioritizes scalability, recurring revenue, and cross-selling, with education as a gateway to asset management and the roll up of synergistic cash flowing businesses using the Nasdaq stock as currency. Significant value is created through LECT's capital markets model.

II: Nasdaq Listing and Monetization Strategy

LECT has launched a Nasdaq direct listing with a $700K minimum raise from 300+ investors, using a multi-channel approach:

- **Friends & Family**: Early anchor investors via private calls and perks.
- **Closed Groups**: Angel syndicates and family offices for larger commitments.
- **Email Marketing**: A 5-step funnel targeting retail investors.
- **Influencers**: Finance YouTubers and webinars for credibility.

- **Conversion**: High-touch follow-ups and urgency triggers.

Preferred Equity: LECT is issuing $10M in preferred equity to LEAI. This enables LECT to access LEAI's intellectual property and assets, while also providing a path to clearing LEAI's liabilities and providing liquidity to fund business development. LECT will work with affiliates of FalconCo to access liquidity while reducing dilution and avoiding the toxic convertible debt strategies that have plagued many new issuances.

Management: Led by Barry Kostiner (CEO) and Issac Qureshi, with a lean $100K/month overhead post-Nasdaq listing, including legal, audit, and IR costs. The strategy emphasizes long-term strategic investors, AI-driven retail investor relations, and a roll-up of education and tech assets to transition into a diversified capital markets player.

Barry Kostiner is the CEO of Legacy Education Alliance, a financial and real estate education business focused on building an EdTech platform, acquiring an online degree business and uplisting to Nasdaq.

Barry graduated from MIT with an SB in Electrical Engineering with a minor in History, and an SM in Management Science / Operations Research, with his thesis sponsored by the Harvard Kennedy School of Government. Barry spent much of his career in energy risk management and deal structuring, including working in energy trading and derivatives sales at Goldman Sachs / J Aron and Merrill Lynch. With the recent explosion in public company valuations and small cap trading, Barry is advising family offices on taking private investments public, and structuring significant global energy and infrastructure projects.