



Local Common Wealth



Business Plan

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Prepared by Keith R. Kelsch
Founder

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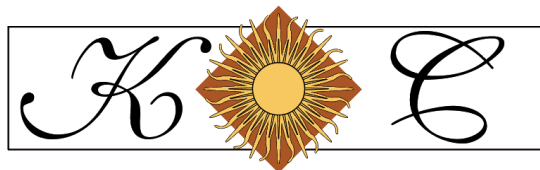
PERSONAL STATEMENT

They say all good things come from a history of persistence. In 2008 I launched a company called HotZing. I won several competitions but ran into serious technology handicaps, namely that technology was changing so fast that I could not finance the rapid changes. I spent over \$200K of my own funds. HotZing was based on the vision of creating the first ever community service engine. Iterations of the brand changed over the 3-year attempt but I never gave up the vision. I eventually closed company and took the loss until fate sparked a better vision.



In 2008 I launched Kelsch Construction and struggled for a few years. I now have over 1.2 million under management. I specialize in commercial & residential construction. See www.kelschconstruction.com for more.

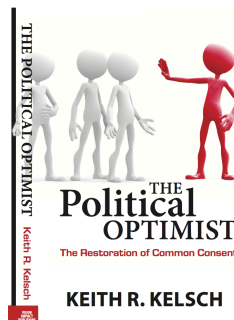
KELSCH CONSTRUCTION



At the same time, I founded a business networking chapter under the BNI brand, also known as Business Network International. It is now the most successful BNI chapter in southern Utah. After 18 months with BNI, I recognized a huge problem in business networking. I then launched Local Common Wealth LLC in 2016 and spent a year building a new network from scratch. This was not easy since I used all my best contacts to build a BNI chapter. We now have 25 members in our first networking group, which is named The Dixie Business Network. We have signed member applications stating member fees and more. We have passed nearly \$450K in referrals in 2017 and just under \$200K in 2016. We are on track to pass over \$1 Million in 2017.



Suffice it to say, I know a lot about business Networking. I am 52 and ready to give birth to a life vision. See my resume that shows other experience and education. In 2016 I published *The Political Optimist: The Restoration of Common Consent* and then launched www.genuineoptimist.com. This is the only blog site in the world talking about optimism as the united effort of a community culture and not an individual achievement. It is the philosophy behind www.LocalCommonWealth.com. I am fascinated with creating non-political cultures where people work by consent and mutual support. A renaissance is coming.



If you ever want to know what happens when good people organize without the fear of scarcity, that's what happens when a Local Common Wealth chapter launches. It is the purest form of community abundance in the world. What started out as a Community Service Engine is now a Local Common Wealth.

Sincerely,



COMPANY PROFILE

Nature of the Business

Local Common Wealth is a wealth-building, business networking organization with multiple revenue verticals; it serves as a hyper-local analytics technology in the form of an open-facing community CRM, and other basic services to bolster the value of Local Common Wealth chapters.

Type of Business

We are a B2B service capitalizing on the rising trend of consensus collaboration.

Reasons for the Business

Macro Economic Drivers

Twenty years ago small businesses used the local paper, radio, or phone book, and maybe a local coupon book, but that was it. Now small businesses are faced with online social networking, SEO, multiple listing services, PPC advertising, email and text messaging, and yes more local phone books (some towns have up to five phone books). Consequently, the multi-billion dollar advertising industry is far less effective because so many are in the game and the value is extremely watered down. A growing trend is surfacing, a back-to-basics model where real face-to-face business networking is on the rise, but with no real vision or technology to take command of this trend.

History of Business Networking

The first business networking organization in the United States was the Junto group founded by Benjamin Franklin. The Junto group met every Friday night to discuss morals, politics, and natural philosophy (science). They also discussed each member's success in health and business. From their humble network they created the first library and helped to improve citizens by the use of their institutions. Not only did they build each other's businesses, but they built lasting value in the community. Business networking organizations have never matched this first original model. Like the Great Pyramid, the blueprints of its original design were lost to costly expenditures that ignored time-tested principles of conservation. Let me explain.

In 1905 business owners in Chicago rotated from office to office to conduct networking meetings. This formed into Rotary. Within 20 years Rotary changed to a service organization and adopted the motto "service above self." In 1915 Kiwanis formed in Detroit as a business networking organization and later changed to a service organization with a motto, "serving children of the world." In 1917 Lions formed first as a business networking organization called The Business Circle and latter changed to a pure service organization with a motto "we serve."

The Problem

These service organizations once attracted many but they are now struggling to retain their numbers. Why? Because they have lost touch with the market, namely human value in their communities. They once focused on business networking to build wealth in their businesses and now they give service to others outside the community, mostly to those in foreign countries. This is done with little understanding of how energy is used to generate more wealth and then conserved within a closed system. When it comes to real value, they have lost site of

conserving value in their local market. When trying to attract new members, if real value is not conserved locally, it's hard to grow an organization and attract new members.

Even chambers of commerce are dying across the country, all because they put real business networking that preserves local value aside in favor of luncheons, lectures and costly administrative overhead. The chamber model is a hierarchy of politics that has lost site of the conservation of energy that members can retain in their businesses and in the organization. In other words, they are too top heavy with no wealth preservation. They are like the Dead Sea, constantly taking and giving nothing back.

It is getting worse. We now have franchise-owned business-networking organizations (like BNI) plus for profit CEO/Leadership services, like Corporate Alliance, both pulling vital wealth and autonomy from the community. Like chambers of commerce, they are hierarchical and prone to political posturing. You see people hawking and selling their own stuff, as apposed to people helping each other and building wealth in common. The current networking models above thrive on manufactured scarcity and push reject true abundance. The potential of a Junto group, or something like it that truly acts like a rising tide that lifts all ships, has been lost.

The purpose of business networking is to build wealth first in individual member businesses, and second to build wealth in the organization itself. If you want to understand how powerful university alumni associations can create so much wealth, it's because they make wealth generation and wealth preservation their focus. Building wealth in both member businesses and in the organization is fundamental to an abundance culture. Building wealth allows us to accomplish greater things in our lives and in the organization. It allows for greater value to benefit all members equally. The problem is we never conserve that wealth in a closed system. We siphon it off. This is called a leak.

For example, in the local St George, UT area, there are over 7 BNI chapters, with over \$145,000 in member fees leaving the community annually to feed franchise owners in another state. This is a serious leak. Meanwhile each chapter struggles to become sustainable. The problem is even greater when those member fees do not produce a better technology or any added value to the members in those networks.

Imagine a balloon within a balloon. This is an example of a closed system, a larger balloon conserves the helium within the smaller balloon. A community that preserves value within its own system is a vibrant culture and sustains wealth better. The result is more abundance and less scarcity in the network.

Let's put this idea into real business terms. A great business knows how to run as a closed system of abundance. It returns wealth to itself, to its employees, and to further improve its value. This is the very meaning of Local Common Wealth, it's a cultural energy conserved in a closed system. It is more akin to free enterprise, which adds value, than capitalism, which is the acquisition of value. In other words, a great business conserves more wealth to itself for its employees, to be innovative, competitive and to add more valued in the market.

After 100 years, the organizations above have no wealth to show for all their efforts because they have forgotten the higher principle, which is to conserve value within a closed system for the benefit of all those in their organization. They are designed to acquire value from members and not add value to members. This is why service organizations are failing. However, for those

networking organizations that are growing in membership, the fear of scarcity fuels their growth. A genuine abundance culture is a far better model because it offers a visionary approach that is as profound as the first Junto group.

The Solution

Local Common Wealth was founded as a business networking organization with a simple motto, “a rising tide lifts all ships.” We do not push scarcity, we promote abundance within a common consent model and we adhere to the conservation of value within each chapter.

Local Common Wealth is different. Each chapter is run by common consent (like a micro republic), thus we have no political hierarchy to constantly centralize wealth and power to itself, which leads to social protectionism and bloated costs. Essentially, we are headless. Please read the founder’s book *The Political Optimist: The Restoration of Common Consent*, now at Amazon. This book is also a central text in the communications department at Dixie State University.

Second, groups meet twice a month to discuss relevant issues in business and community. We pass referrals and we pitch each other’s businesses. We do not allow members to sell or pitch their own business. We do that for each other. When we pass a referral, it first goes to a member in one’s group, then if no member is able to receive that referral, it goes to a member in another group inside the common wealth chapter. A chapter can have up to 6 groups with up to 350 members total.

Lastly, 75% of the member fees stay local within the local common wealth chapter. Only 25% go to Local Common Wealth, which is used primarily as a technology fee. Our first Local Common Wealth chapter, The Dixie Business Network, meets twice monthly. This chapter is an independent 501c3 organization. In 2016 they passed over \$160,000 in referrals with just a few members. In 2017 they are on track to pass \$1,000,000 with more members. They have electricians, plumbers, contractors, insurance agents, nutritionists, lawyers and more in this first group. Notice the competitive difference in value.

<i>BNI, Local Chambers, CEO Leadership Organizations Etc.</i>	<i>Local Common Wealth</i>
1. They never build wealth in common; the costs support a franchise model or administration.	1. 2/3 of fees stay in the local chapter to build wealth in common.
2. They do not attract retail businesses.	2. We can attract retail businesses.
3. Their members pitch their own business.	3. We pitch each other’s business.
4. Most organizations do not pass referrals. If they do pass referrals, it is to a small group.	4. We pass referrals in our networks and in larger Common Wealth chapters.
5. Seat value is competitive & defined by the organization, or there is no seat value.	5. Seat value is competitive and defined by you, the power of common consent.

TECHNOLOGY/PRODUCT

Our Unique Approach

Local Common Wealth is fundamentally a service media, a bold approach required to solve the

challenge of organizing in a headless body and conserving business-to-business value in the community. Inside our Platform As A Service (PAAS), branded as www.ladybuglocal.com, users create a profile. Inside this personal user account, which is public facing and anyone can get a personal account, the user can create an imbedded business, non-profit, or other listing with complete business contact info. The public-facing access becomes explosive down the road.

Our Compelling Benefits

Social network technology is not a B2B service. They do not serve the way communities function. Communities are run by individual connections tide to whole group connections. Connect people to all their groups first and you can build a strong intranet between those groups and between each user.

Lady Bug Local is a technology built with the knowledge that communities are about multiple group connections and how those groups reach individuals and how businesses need to better interact with those groups as well as individual profiles. In Lady Bug Local we allow users to manage their personal profile like they manage a professional profile in LinkedIn, however this profile is connected to a local intranet. Businesses and local organizations will have the ability to communicate to specific profile data within targeted market areas, and the contact information of the user remains anonymous unless authorized. We allow users and whole groups to monetize their profile data, which creates a reverse search for businesses while regenerating wealth back into the community. We call it information banking, empowering users and members to monetize their own consumer profile, and it begins within a visionary business networking organization. And from there it reaches into the community in the same way the Junto group eventually reached out into the community.

Technology Approach

Today's investors look for one of four things, User Traction, Revenue, Scalability, and Value Added Potential (or new value creation). We are going after Scale and Value Added Potential first. Our space demands.

For instance, lean startup practices do not consider scale at the start and so they tend to disregard value added potential. User traction and revenue without scale or without value added potential can be stuck in a single and narrow vertical, often consumer driven and unable to support a genuine B2B model, and this is just as risky as anything. We chose to lower risk by creating a technology that can move into many verticals in both B2B and B2C, and for our initial launch we have chosen a simple, proven vertical (referral tracking), to be used as a supporting technology in community service organizations, specifically Local Common Wealth networks. Again, our competitive space demanded that we approach the market with a platform technology that is not just another private member access point but can rise as a full community service media. This means we need to build the platform first to handle basic contact management before servicing referrals within networking organizations. First a user contact management, then business contacts or CRM, and then referral tracking. This three-leg approach gives us a far more powerful support for growth and scalable potential.

Our Three-Phase Technology Approach

PHASE ONE

Lady Bug Local is a Community Service Engine, a combined local search and service intranet platform technology capable of multiple civic and business verticals and with a central focus of passing referrals and conserving wealth inside networks and their respective communities.

PHASE TWO

Lady Bug Local disrupts advertising by empowering users to manage and monetize their own profile information bank, and it disrupts search by letting businesses and local organizations search 24/7 for matching user profile data while maintaining user anonymity, a kind of reverse search from consumer-to-business to business-to-consumer.

PHASE THREE

Lady Bug Local continues perfecting hyper local analytics by serving whole group organizations with Local Common Wealth chapters as the first community of users. After that chambers, alumni associations, clubs, groups, foundations, and even planning and city council participation, continually growing to incorporate a powerful local intranet that conserves wealth locally and regenerates commerce back into the community while giving constant overlap to create more and more connective power, and more connective voice, for businesses and the community inside a powerful local intranet intranet.

MARKET OPPORTUNITY

Who Are the Users?

There are over seven thousand chambers of commerce nationwide. This is a good vertical in desperate need of public value to offer, but they are not our first users. They are only a potential user in need of a technology value with greater reach into the community.

Local Common Wealth chapters will service as our first vertical. Specifically small businesses in our own networking organizations will serve as our first group of users needing a contact management feature, which is needed first inside an easy-to-use referral tracking system.

Other users will be additional service organizations like Lions, Elks, United Way, Shriners, Rotary, and local chapters or local franchisees needing a service media that lists and manages all members, cross-manages each other's members, adds value to memberships, and organizes groups better than meetup.com, which we do for free because we have a genuine B2B revenue model.

There is a vastness of community organizations needing something like meetup but they cannot see paying a monthly fee for a simple meetup site, plus meetup does not allow for business sites or business networking organizations on their platform. Local businesses need a better service, which Meetup or even Facebook does not offer. At last count, meetup.com had over 30,000 meetup groups all paying \$14.00 a month. While they monetized faster than most service networks, they are still not penetrating the vast number of local groups and community organizations, particularly networking groups. This is why from here we reach out first to our own Local Common Wealth networking model, then to clubs, schools, and minor civic organizations, alumni association (which are dying for a model like this) and later to private groups needing to stay in touch with their members over their entire life cycle, again something alumni associations are starved for.

With Lady Bug Local, users can list a business or a community organization, launch a free community site, and interact, rate, comment and subscribe to various business, non-profit, and organization sites. They can also manage all their contacts, and control their Profile Information Bank, and finally utilize the Lady Bug Local application library for advanced services.

Underlying Market Drivers

- The rise of business networking with no real dominant technology in the market and only 1 real competitor in the space, BNI.
- A trend toward more local solutions in commerce and more local networking online for all the various community service organizations that exist.
- A big trend toward more consensual movements that are horizontal and not top heavy in leadership.
- A demand for affordable advertising that targets likely consumers in specific markets when a consumer has a matching need. In other words, a 24/7 reverse B2C search that let's consumers take part in the transaction.
- A technology regenerates wealth back home.
- Opportunity for local independent media (such as radio) to monetize off of a larger platform like Lady Bug Local in a way no social network or other service provides.
- Demand for more user privacy, the rise of block chain encryption, which is being used mostly for currency exchanges but will soon be used secure personal data.
- API interface for multiple vertical markets and ongoing application development using sub domain parsing.
 - We have two applications (animal records and auto records) with business development already complete and with many more on the drawing table.
- A demand for value, innovation, and simplicity in one user experience.
- A push for local revenue sustainability.
- Connecting people where they live.

Competitive Position

Lady Bug Local is a service media and not a social network. We have combined the functionality of a local search with a social network, and yet our network is community driven and not user driven (meaning we reach users by serving whole groups directly), and the search feature is parsed into business, non-profits, and local organization sites. This later concept better accommodates the needs of each listing type because we are able to build specific applications for those sites. By solving for group needs we solve for user needs.

Third-party Market Studies

Takeaways from the 2013 15miles/Neustar Localeze Search Usage Study Conducted by comScore. http://www.localsearchstudy.com/local_search_study_2013.pdf

- “Searchers became less likely to return to Portal Sites [Google, Yahoo, Bing, AOL etc] to obtain local business information and more likely to return to IYP sites [SuperPages.com, Yellowpages.com, DexKnows.com, Yellowbook.com, and Local.com].”
- “Fewer Portal searchers are using consumer rating/reviews. Similarly, fewer cite finding helpful consumer rating/reviews.”
- “Smartphone ownership continues to increase, with market share among U.S. mobile phone owners increasing 12%. The top five activities for mobile browsing are search (56%), social networking (40%), news (39%), weather (31%), and entertainment news (30%).”
- “39% of people cite Local Search Sites [Citysearch.com, City.Ask.com/Maps.Ask.com, Mapquest.com, Yelp.com and Manta.com] as their primary or secondary source for local business information. Local business searchers are using a greater variety of secondary online sources including Portal Sites, IYP Sites, Local Search Sites, Social Networking Sites, and Consumer Review/Rating Sites. The average searcher uses 2.5 different types of sources.”

- “Most local business searchers are satisfied with the business information they found online regardless of search category. However satisfaction among Portal Site searchers declined from 84% in 2010 to 80% in 2012. Searchers became less likely to return to Portal Sites to obtain local business information and more likely to return to IYP sites.”

Trends in Social Media Impacting Business, by Lisa Brown, June 2015.

www.socialmediatoday.com/mike-johansson/1440381/5-trends-social-media-impacting-business

‘Big Brother,’ big data and privacy worries. With so much time online consumers are increasingly concerned about the digital footprints they are leaving behind. For example, according to the Edison-Arbitron 2012 research report called The Social Habit 56 percent of 143 million Americans on Facebook are "very concerned" or "somewhat concerned" about the privacy of their personal information on Facebook. ^[LIP]_[SEP] The issue is well-summarized by the *Stanford Law Review* in Privacy in the Age of Big Data which essentially concludes that "the growing ubiquity of data collection and the increasingly robust uses of data enabled by powerful processors and unlimited storage" are concerning and calls for "a model where the benefits of data for businesses and researchers are balanced against [user] privacy rights." *ZD Net, September 4, 2008.*

In the same year Lady Bug Local was founded under a concept using a different tech approach, *Ten Leading Platforms for Creating Online Communities* was published by Dion Hinchcliffe, IT business expert and strategist, and he wrote, “Creating online communities of customers and workers has been one of the hotter topics in business and technology this year. Whether you’re on the business side, in IT, or are just trying to build virtual teams around shared goals, online communities are rapidly becoming a popular way to organize people and accomplish work in a highly collaborative manner. It’s beginning to be understood that communities aren’t just for socializing but for getting things done.” This is no longer a hot topic. It is the trend. More information on this found in our financial summary.

BUSINESS MODEL (OUR STRATEGY)

How Do We Sell Lady Bug Local?

We first service our own Local Common Wealth chapters with a simple contact management CRM followed by a referral tracking system, beginning first in the intermountain west with St George, Utah as the first launch, with Colorado, Idaho, Nevada, Arizona, and then into California thereafter. While some competitors offer a static landing page or API interface, we can offer a fully integrated connection with a public access for all users. We charge for a membership fee and inside that fee is a technology fee. It is easier to sell a membership into a community that offers value than another technology with pumped up promise and no practical value that improves local community commerce.

Two Big Problems

Community service organizations are dying

- Chambers of Commerce
- Rotary, Lions, Elks
- Hospice, Red Cross, etc.
- Big Brothers/Big Sisters
- 4H, FBLA, Clubs, DECA
- Girl Scouts/Boy Scouts
- PTA, Boosters, Alumni
- Shelters, food banks, etc.

Technology is not meeting their needs

- They have life members
- They exist to serve
- They talk to each other
- They support each other
- They teach each other
- They mentor the future
- They fundraise
- The help those in need

Later we include a local media partner. Local media uses social media outlets like Twitter, Facebook and Instagram to expand their media. The key to partnering with independent and local media outlets is first to expand their media with a simple and unique feature, and second to let them monetize off of you. Local media needs a value such as Lady Bug Local to add to their portfolio of services. You cannot be a community service and not support local media. Building a strategic alliance with local media is key to exponential growth.

With our networking model in place, we launch the user Information Bank, which includes a powerful vertical for small businesses. At the same time we become fully mobile with IOS and Android service. Launching the Information Bank with mobile access is our goal.

Price for the Service and the Value

The price is roughly \$20 a month for the membership technology fee. We collect all member fees and return to each chapter their fees. See application form on next page. Here is the breakdown of fees and revenue:

Member fees can be whatever the local chapter decides. The lowest amount we recommend is \$500 a year with \$250 going to Local Common Wealth (tech fee) and \$250 staying within the local chapter. Chapters will most likely raise member fees to \$750 a year and even higher in some cases. Local Common Wealth does not take any additional fees. It always stays at \$250 in annual technology fees. In this regard, we never take more than 50%. Members can save up to \$40 if they pay up front for the annual membership. We offer monthly fees as well, but there is a transaction fee we add to the cost each month. We also charge an absent fee if a member is not in attendance and cannot get a substitute. This fee is \$10, and only \$1 goes to Local Common Wealth, the rest stays in the local chapter. Chapter can raise this fee if they so choose.



Local Common Wealth

MEMBERSHIP APPLICATION FORM

Prospective members of a Local Common Wealth are required to complete this registration form. All memberships begin in the same month of their Consent Date. If you become a member in April, your renewal must be paid before the end of April in the next year. We have 12 renewal periods. Each network has two meeting periods (not including holidays) to accept or deny your membership.

NEW MEMBERSHIP RENEWAL CHANGE IN MEMBER DESCRIPTION

GROUP _____ CHAPTER **The Dixie Business Network** DATE _____

CLASSIFICATION AND DESCRIPTION

Classification: Local Common Wealth does not assign classifications. Members give their own business, non-profit, student or institutional classification. If you are a restaurant, say restaurant. If you are an attorney, say attorney; if a handyman, say handyman.
Description: Members also describe the products or services of their business, non-profit or course of study if a student. If accepted into the network, members will be expected to conduct their business, service or study according to this description. Be as detailed as you need to be. The network may request that you rewrite this description either to enlarge its scope or to better refine its focus to work best within the network. You will then be asked to conduct business within the scope of this description. You may request to edit this upon the consent of the networking group.

MEMBER CONTACT INFORMATION

PERSONAL NAME			
BUSINESS NAME			
ADDRESS 1		MOBILE PHONE	
ADDRESS 2		MAIN TELEPHONE	
CITY/STATE		FAX TELEPHONE	
ZIP CODE		PRIMARY EMAIL	
WEBSITE		OTHER EMAIL	

MEMBERSHIP TYPE AND PAYMENT

MEMBER TYPE	DESCRIPTION	MEMBERSHIP DUES (Annual)	MEMBERSHIP DUES (Monthly)	Absence Fee
BUSINESS	Business Membership	\$500 (save \$40). Non-refundable.	\$45 Mo	\$10
NON-PROFIT	Must show non-profit status and submit copy of articles. This is a non-voting membership.	\$300	\$27	\$5
STUDENT	Students over the age of 18. Must show student ID and get unanimous consent from network.	0	0	\$5
PAYMENT METHOD	Please go online for payment, at www.localcommonwealth.org , or wait to be invoiced by the chapter administrator.			

Distribution of funds

\$250 goes to The Dixie Business Network	\$250 goes to Local Common Wealth (tech fee)
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SIGNATURE AGREEMENT

By signing this application form, you agree to the following:

1. Acceptance of membership is voluntary upon unanimous consent, provided individual member interests are not adverse to the common wealth chapter and member conducts him or her self within the above self-classification and description.
2. Local Common Wealth Chapters are Non-profit Community Networking Organizations. There are no capital accounts, dividends and no guarantee of cash benefits to members. The benefits of membership are very much the same as any member organization with a membership fee. As we grow in members we all receive more value and more benefits. This is the very meaning of a Common Wealth.
3. By signing, you agree that the local chapter may raise the membership fee, but no additional fees will go to Local Common Wealth. The \$250 tech fee to Local Common Wealth can never increase without full chapter consent.
4. By signing, you agree that you have read and accept the Local Common Wealth Bylaws for your local chapter.

Member Signed _____ Date _____

Group Manager Witness _____ Group Consent Date _____

Local Common Wealth, PO Box 1338, St George, UT 84771. Phone 435-619-9350. Email keith@localcommonwealth.org www.localcommonwealth.org

Other Partners for Distribution

- Local Chambers of Commerce, civic and community service organizations needing a simple means to track members, schedule events, record history, post alerts, and pass referrals.
- Local media needing to expand their own media into a service engine like Lady Bug Local. No other social or search listing service allows for this, and they do not allow for local media to monetize from inside a third party technology.
- B2B cooperative advertising (local Fitness Yoga teaching gluten free diets engages in cooperative advertising inside Lady Bug Local with a local pizza place that sells gluten free pizza). We help match for internal cooperative marketing inside Lady Bug Local, first within our networking groups and later the community at a higher price.

Market Influencers to Target

- State/local chambers
- Small independent media
- Corporate retail franchises
- Churches and non-profits
- Networking organizations
- Clubs and groups
- Service organizations
- Schools, colleges, universities
- City, county and state governments
- Alternative media
- Media and data aggregators

MANAGEMENT TEAM

CEO and Founder, Keith R. Kelsch (age 52)

keith@localcommonwealth.com

Keith moved to the bay area for six months to learn first hand how tech companies operate. Keith found something interesting. Technology companies isolate their vision into singular vertical markets and their potential is automatically limited. Even worse, with their isolation, the communication of that vision to the team then becomes not just a challenge but a very costly one, all because the team is not properly on board. After these tech companies hire their team, they are then forced to police their recruitment because any innovation outside that vertical is left to the executive level founders. Because of this knowledge, Keith is building a team connected to the vision and invested in its value added potential to all stakeholders. Keith worked in the non-profit housing sector and saved a non-profit housing program by getting it off high-risk status. He secured over three million in grant funds and over ten million in sales in less than two years and was awarded the Mutual Self Help Program Director of the year by the United State Department of Agriculture.

Early in his career, after Keith completed a BA in English, he entered the film industry in Los Angeles and continued to advance his education earning a Masters in Rhetoric from Humboldt State University. Keith then opened Utah's first charter high school and coached an award winning debate team in the first year and was awarded the Susan Larsen Excellent in Teaching Award from Southern Utah University. Keith then went after a Juris Doctorate and worked in higher education administration, recruitment, admissions, and academic advisement.

Keith is a published author, editor, public speaker, business developer, recruiter, and natural leader. He owns and operates Kelsch Construction at www.kelschconstruction.com and he is the thought disruptor at www.genuineoptimist.com. When it comes to technology, Keith knows how to talk to developers just as he is able to work with subcontractors in construction or teach various courses at the college level. Keith understands the pros and cons of every technology, how fast it takes to develop ideas in some, and what the complications are in using others. Keith is a 2002 Winter Olympic Torch Bearer and former talk show host and finalist in several

original speed pitch ideas dealing with earlier iterations of his ideas. It is important to note this is not Mr Kelsch's first endeavor into technology development. In 2008 he was a finalist in the Utah Concept to Company competition. Many of the original ideas in that model are now part of Lady Bug Local, thus giving many years of experience behind this venture.

FINANCIAL SUMMARY

Funds Raised, Funds Seeking, and Accomplishment

As any other enterprise, Local Common Wealth started out as an idea given birth and financed by Keith Kelsch, CEO of Local Common Wealth LLC. Mr. Kelsch along with family and friends have collectively invested enough funds to organize the business idea and launch the first Local Common Wealth chapter. At least \$12,000 has been spent to do the following: build a basic website, design a brand, organize a first chapter, engage in intense business development, networking and craft operating procedures and more.

We are seeking \$50,000 from UMLF Micro Lending, to be used for technology development and capital to operate for 18 months years. The company will begin to raise funds through organic growth and through the use a PPM under SEC Reg. D rule 506. This will call for a Pre-Organizational Subscription Agreement¹, however organic growth is our preferred approach.

All money will be used to continue perfecting the technology and expand its operations. Simultaneously, we launch a podcast and vlog that promotes the movement of business networking along with the rising trend for decentralization models. You can see this now launched at www.genuineoptimist.com. Mr. Kelsch will use this platform to market and promote the working model in Local Common Wealth.

Comparable Companies:

In the Area of Search

Local.com, manta.com, Yelp.com, YP.com, and others in the local search market.

General Summary	Key Points
In all cases, these are listing sites emphasizing placement, ratings, data aggregation, multiple keyword/category placement, and with very little user involvement. They are not full platform technologies and yet they are generating revenue in a vertical with almost no value added potential.	<ul style="list-style-type: none"> • Yelp is a massive marketing/sales model focusing on major metro MSA's, however their price is extremely costly for its said value. Not found in smaller and rural MSA's. Focused on dying ratings service. • The same for the major search listing sites. They focus on major metro areas with no additional vertical potential revenue.

In the Area of Service Groups

Meetup.com

General Summary	Key Points
Meetup reached a revenue model quickly but is now stuck in a narrow vertical. Despite this, they just passed their 100 million RSVPs a few years ago. There are several dozen sites like meetup. See list here, none with a strong revenue model because none of them are	Most if not all major group/social sites are not adequately reaching into the full spectrum of community organizations, clubs, boosters etc. Mainly because they do not know how these groups work, that they are far more organized and structured than a user- dominant approach. They

<p>B2B. http://www.siterapture.com/sitesimilarsites.aspx?SiteID=156</p>	<p>have a history to keep, voting, and far more calendaring of events, and a greater need to connect locally.</p>
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In the Area of Local Applications, Information Banking, and Like Services
None in the Same Space

General Summary	Key Points
<p>Lady Bug Local is a “platform” and new platform entries are rapidly launching but not in our space. Outside the area of search and networking they are growing because of the increasing demands for customized Application Program Interfaces (APIs) by users and businesses. Platforms such as Amazon Web Services (AWS), Imeen who launched a developer platform for music, YouTube in March 2008, Yahoo in August 2008 launched its Fire Eagle, Mozilla Weave that will store users’ browser metadata, and still more will enter the market, all focused on consumer or end user service.</p>	<p>Why are so many platforms surfacing? Because the markets for API developer syndication and their potential number of apps for users, are huge. Building an application inside a platform is cost effective, saves time, and has an immediate market reach verses trying to build a stand alone website application.</p> <p>While the Internet is growing in users, in is also contracting into larger platforms. We have only begun to see the trend.</p>

Analyst Reports for Market Opportunity

Think about the role communities have had in your life; how communities shaped the way you act and behave; how communities of customers and workers have driven your business and personal economics; and most importantly, how communities have been with us since the beginning of time.

Now think about the number of communities you are a part of (groups, clubs, service organizations, networking services, businesses etc), and the economics associated with those communities. How about the communities in the United States of America with a GDP of \$14.99 trillion, or China with a GDP of \$7.318 trillion, or Japan with its \$5.867 trillion economy?

In the U.S. alone there are 22.0 million recorded companies (companies only) serving a population of 313.9 million people. Aside from the U.S., worldwide estimates place the rest of the globe at about 71.5 million companies. The numbers are staggering. Collectively the total number of U.S. companies with the rest of the world will grow to over 100,000,000 businesses. With these numbers, and with the untold millions of connections to non-business communities, are the present number of platforms sufficient to satisfy the demands of all these communities? A resounding No!

¹ Sources include: United States Census Bureau, World Bank, NationMaster.com, Webopedia, Apigee Institute, publisher TNW The Next Web

USE OF FUNDS

How Will the Company Spend the Money?

Expenses for twelve months listed below.

Expenses	Total
Marketing	\$1,000
Accounting	\$500
Bandwidth	0
Bank Charges	\$500
Insurance	\$800
IP/Legal	\$1,500
Misc.	0
Rent	0
Supplies	0
Payroll Taxes	0
Consultants	0
Salaries	0
Tech Development	\$30,000
Postage	0
Travel	\$1,000
Loan Payments	\$12,000
TOTAL SPENT	\$47,300
IN RESERVE	\$3,700

Milestones to be Accomplished With the Money, first 12 months.

YE 2017

- Secure 50K by Oct 2017, and build the MVP for online service.
- Begin charging member fees with first group by Oct 15 2017.
- Have a thirty-member group flourishing by 15 of Dec 2017.
- Have \$7,500 as annual member fees by Jan 1st 2018.

YE 2018

- Launch 2nd group in the St George, UT area and have 20 additional paying members by Mar 14, 2018.
- Begin promotion of site and model nationwide. Intense marketing via blogging, podcasting, guest media appearances and more. Use www.genuineoptimist.com for this.
- Get in the pipeline up to 10 additional networking chapters launched nationwide by the end of 2018, with revenue of \$75,000 annually.

YE 2019

- Begin development of the information bank and pre-launch by late 2019.
- Continue growth of new networking groups and begin allowing chambers and other community organizations access.

FINANCIAL SUMMARY

Revenue Projections

YE 2017	\$5,000	One networking group with 20 members in each
YE 2018	\$75,000	Twelve networking groups of 25 members in each
YE 2019	\$125,000	Twenty networking groups with 25 members in each
YE 2020	\$250,000	Forty networking groups of 25 members in each

By late 2020, we launch the second vertical, the information bank, and revenue projections become exponential. By this time we have a robust platform and a solid technology for exponential growth and very disruptive potential.



Lady Bug Local APP

#1 Sign In/Login

We need a stand-alone login confirmed either by email or cell phone. This is the standard. I would not use a federated login with Google or Facebook.

- Email as unique identifier/user
- Password (eight characters no captcha)
- Click Privacy & Use Policy (this is written)
- Verify new user via email or phone
- https secure (I will purchase SSL certificate, let me know when you need it.)

#3 Add Business

- Name of Business
- Street Address
- Street Address
- State/Province
- Postcode
- Country
- Business Number
- Fax Number
- Business URL
- Email
- Facebook
- Linkedin
- Business logo
- Keywords/ phrases** (associated w/ business)
- 1
- 2
- 3
- 4

Join a Common Wealth (pull down list to select Common Wealth Chapter. Once selected, a second pull down to select group in that chapter. This kicks a message to all members of a new member submission in that group. Once approved they can pay for their membership and the entire Common Wealth is notified of the new member.

Start/Manage Common Wealth
Talk to me about this.

#5 Payment & Distribution

- \$500 annually (save \$40 if annual)**
- \$45 monthly. The difference of \$3.33 for monthly helps with transaction fees.**
- \$250 goes to the local common wealth chapter, to be deposited into their checking account.
- \$250 goes to LCW checking.

#2 User Admin Panel

- My Account** (personal user account, free to everyone)
- My Contact Info (first, middle & last name, email, cell number, full mailing address, and social media links.) This is a personal user account for everyone. Facebook, Instagram, Twitter, etc.
 - My profile picture
 - Change Password (enter twice)
 - Change user email
 - Privacy Policy (Again, I have this written)
- They key is to not let anyone enter contact data for another person. Everyone manages their own personal and business contact information, and if any user changes his or her contact data, it is then updated automatically across the platform.**
- We are building an open-facing CRM model.
 - Down the road the user can "invite contacts" to join.

- My Business (add new business) (1 referrals) (2 Messages)**
- **When a new business is created, the name shows here as a link to the admin panel for that business. When a new referral arrives, a number shows how many referrals have just been received, same for any new messages for that business. These are B2B referrals and messages.**

#4

- Name of Local Common Wealth Chapter**
- DATE OF ORIGINAL MEMBERSHIP
 - BILLING
 - MY SEAT VALUE\$34,879, show total received last 12 months.
 - GROUP VALUE,\$ show total received last 12 months
 - CHAPTER VALUE,\$ show total received last 12 months
 - AVERAGE GROUP VALUE.... \$show average seat value of group members.

Messages
Show messages from members and from the entire common wealth.

- Receive Referrals, newest first.**
- **Date**
 - **Name/Business giving referral**
 - **Name of Contact Referred**
 - **Phone of Contact Referred**
 - **Email of Contact Referred**
 - **Comments**
 - **REFERRAL AMOUNT:** Enter dollar figure of business received.
 - **REFERRAL CLOSED:** Close referral with comments.
 - **TIME STAMP:** Tabulate time passed for the referral to be acted upon.
- NOTE: These last three items trigger a message system telling the giver of the referral that action has taken place, which is then sent as a message. Both time stamp and referral amount are recorded to measure the seat value of each member and the value of the group and chapter. We can also show who is the fastest to act on referrals and who is giving the most referrals.

- Send Referral**
- **DATE:** date referral is given. Auto populates.
 - **Accepted** show date and time referral was accepted, and same for not accepted.
 - **FROM:** name of person giving referral. Auto fill is okay if logged in.
 - **TO:** name of member receiving referral from pull down of all members in user's immediate network first. This pull down will show their group first and then members in their entire common wealth chapter. This can get up to 350 members. Later we can select from other Common Wealth Chapters. Pull down should show name of member and their business name. Down the road we can have a simple search to help find the best fit for the referral.
 - **REFERRAL:** enter the name to send referral from contact pull down, or choose "open public" referral if sent to the entire group or chapter.
 - **PHONE** of referral.
 - **E-mail** for referral.
 - **Address** of referral contact
 - **COMMENTS:** place for instructions.

Local Common Wealth Chapter Agreement

This Agreement is broken in two sections. Section One, titled Local Common Wealth, is fixed by Local Common Wealth and cannot be altered locally. Section Two, titled Local Chapter, can be altered by local Chapter Councils, provided it is done by common consent from the council itself.

SECTION ONE, LOCAL COMMON WEALTH

I. MISSION AND PURPOSE

Local Common Wealth believes a rising tide lifts all ships. The mission of Local Common Wealth is to generate wealth in member businesses and in Local Common Wealth chapters. A chapter is several (not more than six) networking groups working as one community, or one Common Wealth. Through the highest form of democratic consent, which we call common consent, chapters preserve wealth in the chapter and advance ideas and not people. We are a headless organizations and we gladly give up our desires for a president or executive controllers. We live by consent in modular form and we love to build consent.

II. ORGANIZATION OF CHAPTER

- 1) Year of organization, _____.
- 2) Last updated by Local Common Wealth International, _____.
- 3) Last Updated by local Chapter Council _____.
- 4) We are the _____ Local Common Wealth chapter.
- 5) Geographic area of coverage is the _____, as approved by Local Common Wealth International.
- 6) Our purpose is to build wealth and freedom in common through rewarding relationships in business and community.
- 7) The duration of existence is perpetual.
- 8) The location of our principal office is _____.

II. MEMBERSHIP

- 1) New members are admitted first into a Local Common Wealth Group.
- 2) Acceptance of membership is voluntary upon unanimous Group consent, provided individual member interests are not adverse to the mission of the Chapter Trust.
- 3) Prospective new members must take the Local Common Wealth survey and they must give the Group at least two regular meetings before being admitted as a member by common consent.
- 4) If any member in the Group does not render a decision within the two-week assessment period, the decision for a new applicant defaults to an approval.
- 5) Local Common Wealth does not assign business classifications to new members. This means there are no competitive business category placeholders. Each new member defines his or her own classification, along with a written description of services or products sold. This is then approved by full consent of the Group.

- A. Members give their own business, non-profit, student or institutional classification. If the member runs a restaurant, they can say restaurant. If a member is a college, say college; if a member is a handyman, say handyman, and if an undergraduate student, say undergraduate student.
 - B. Members also describe the products or services of their business, non-profit, or course of study if a student. If accepted into the Group, members will be expected to conduct their business, service or study according to this description. The Group may request that you rewrite this description either to enlarge its scope or to better refine its focus to work best within the Group.
- 6) Once admitted, the new member is required to operate within their defined classification along with the description of services, products sold, or area of study as a student. If they wish to alter or change their classification or description, it must be approved by unanimous consent of the Group.
 - 7) There can be two or more members in a Group with the same described classification, provided the Group approves the decision by unanimous consent.
 - 8) A Group can add as many new members as common consent will allow.
 - 9) If an applicant is not admitted into a Group, the applicant can apply to other Groups in the Trust (Chapter), or gather fifteen people and seek unanimous consent from the Chapter Council to start a new Local Common Wealth Group.
 - 10) It takes ten (10) people to start a new Chapter Trust, and it takes fifteen (15) people to create a new Group in an existing Chapter.

II. MEMBERSHIP RESPONSIBILITY

- 1) In order for a rising tide to lift all ships, new members in a Local Common Wealth Chapter must focus on bringing additional members into the Chapter Trust. Members are to work with Group managers to help facilitate this growth.
- 2) When a new member enters a Group, they are sworn in with the following pledge.
 - I will follow the principles of common consent as written in the Local Common Wealth Trust Agreement.
 - I will build wealth and freedom in my Local Common Wealth Community.
 - I will treat each member as an equal to the principles of Local Common Wealth

III. MEMBERSHIP ATTENDANCE

- 3) Out of the member fees, \$200 is put into an attendance account. When a member cannot attend or when the member cannot get a substitute for their attendance, \$25 dollars is deducted from the attendance account and placed in the Group's account as managed by the Chapter Council. When the \$200 runs empty, the member is required to deposit another \$200.
- 4) If the member has a substitute attend in their behalf, no deduction from the attendance account is taken. It is the responsibility of the member to educate their substitute on how the Group meets and be prepared to pitch other members' business.
- 5) Excused absences include medical, military, and bereavement. Local Common Wealth allows for up to eight excused absences consecutively. If a member continues to miss more than eight absences consecutively or more than eight absences in three months (whichever comes first), the Group may choose to remove the member by unanimous consent. Unanimous consent in this case means all members voting except the member with the excessive absences.
- 6) If unanimous consent is not reached, the member may remain in the Group as long as they continue to deposit funds into their attendance account.

- 7) If a member fails to reimburse their attendance account after 30 days from running the account empty, they are removed from the Group administratively and their voting privileges in the Chapter stop.
- 8) If a member is removed from their Group due to running their attendance account empty and not depositing funds within the thirty-day requirement, they may petition in writing to the Chapter Council for reinstatement.

IV. LOCAL COMMON WEALTH MEMBER BENEFITS

- 1) There are no capital accounts to members of Local Common Wealth.
- 2) There are no guarantees to members regarding any future benefits from Local Common Wealth LLC.
- 3) If there are added benefits and services as a result of the growth of wealth in the local Chapter, the local Chapter Trust is left to define these benefits and services. Local Common Wealth only puts members on the right course toward freedom in order to create wealth and greater freedom independently as members and as a whole within the local Chapter Trusts. In this sense, Local Common Wealth is the Trustor and local Chapters are the Trustee.
- 4) To see added benefits to members in their local Chapters, please see Member Benefits in the second section titled Local Chapter.

V. MEETING OF MEMBERS IN A GROUP NETWORK

The weekly Group Meeting agenda is set as the following:

15 Minutes, open networking to learn how to pitch each others' business.

5 Minutes, welcome visitors, give report, and any calls to action

1 Minute each member, where members pitch each others' businesses

8 Minutes, business coaching, Provided by Local Common Wealth

1 Minute each member expresses needs and wants

3 Minutes, grateful note

1 Minute close meeting and remind members of any calls to action

- 1) At Local Common Wealth, we pitch each others' businesses. This fits with our mission that we bring into business the best qualities we see in family and community.
- 2) When a member first arrives to the weekly networking meeting, he or she selects a fellow member, or is assigned one by the Group manager. They then find become informed about that member's business in order to effectively pitch that business, service or course of study if a student.
- 3) Meetings start promptly and must end within a maximum of 90 minutes.
- 4) As the Group grows in excess of twenty, thirty and forty members, the amount of time given to pitch each others' businesses and the time given to express personal needs and wants will be reduced by the Group manager in order to move through the agenda and end the meeting on time.
- 5) In the event of odd numbers in attendance, the Group Manager will take part in the Pitching of members' businesses and that other member will pitch Local Common Wealth. When there are even numbers, the Group Manager does not engage in the Pitch, however the Group manager may engage in the needs or wants, but does not have a vote in the Group.
- 6) Groups meet once a week, any day Monday through Thursday.
- 7) Groups do not meet on Fridays, Saturdays or Sundays.

- 8) 7:30 AM is the earliest a Group may start, and 3:30 PM is the latest a Group may start a meeting in order to be done by 5:00 PM.
- 9) Optimal start and end times for Group Meetings are the following:
 - 7:30-9:00AM Mon, Tues, Wed, or Thurs
 - 8:00-9:00 AM Mon, Tues, Wed, or Thurs
 - 12:00-1:30 PM Mon, Tues, Wed, or Thurs
 - 1:30-3:00 PM Mon, Tues, Wed, or Thurs
 - 3:00-4:30 PM Mon, Tues, Wed, or Thurs

VI. MEMBER REFERRALS

- 1) At Local Common Wealth, using our online technology, we pass referrals immediately to members in the Group.
- 2) If there is no person to receive a referral in a Group, the referral is passed to the larger Chapter. This is called a Chapter Referral.
- 3) Referrals are passed through the technology approved by Local Common Wealth and Local Common Wealth retains the right to use its sister company, Hotzing Inc, to serve as this technology.
- 4) Members are expected to follow and use the technology to pass referrals promptly.
- 5) Members receiving a referral must register the amount the referral is valued.
- 6) If the referral eventually ends in a completed transaction, the value is credited to the member who gave the referral. This member can come from another Group or from the open public, which is part of the Chapter Referral technology unique to Local Common Wealth.
- 7) Local Common Wealth Inc. tracks referrals and the cash value of all completed referrals.
- 8) Local Common Wealth also tracks the time to open a referral and close a referral in addition to other data relative to helping increase wealth in the Local Common Wealth community.
- 9) When a referral is sent, the following data fields properly record the life cycle of the referral:
 - a. Identify if the referral is a Group Referral or a Chapter Referral
 - b. Business or Person to whom the referral is being given
 - c. The contact name of the person being referred
 - d. The means of contacting the referral, including phone number, email or physical address.
 - e. A description of the need regarding the person being referred.
 - f. Indicate time or date referral must be contacted along with other annotated information.
- 10) When a referral is received, the following data fields will be shown:
 - a. Time and date referral is opened so all parties know.
 - b. Message field to the member who referred the business, with a note that may read, "I made contact, thanks for the referral.
 - c. An area to close the referral, edit the cash value of the referral, and another open field to give thanks for the referral.

VII. MEMBERSHIP FEES

	Group	Group	Group	Group	Group	Group
1 Groups	10	5	3	3	3	3
2 Groups		5	3	3	3	3
3 Groups			3	3	3	3
4 Groups				3	3	3
5 Groups					3	3
6 Groups						3
TOTAL REPS	10	10	15	12	15	18

- 1) The first ten members of a new Chapter are assigned a number from 1-10.
- 2) For example, if there are five representatives for a Group, and if a third Group joins the Chapter, representatives in Groups 1-2 are released except for the first three representatives.
- 3) When there are four Groups, all Groups are reduced to three representatives each.
- 4) The term of service on the Chapter Council is set for two years, always beginning from the organization date of the Group, and ending either when released due to new Group creation in the Chapter, or when the two-year term ends, whichever comes first.
- 5) Members on the Chapter Council can trade numbered positions if all current Group representatives agree by common consent. This should be done before any new Group joins the larger Chapter.

IX. COMMON CONSENT IN GROUPS AND CHAPTERS

- 1) In order to secure both Vote and Voice for each member, and in order to effectively reach 100% consent, there can never be more than seventeen (17) and never less than nine (9) on any council for both Groups and Chapters.
- 2) This means when a Group reaches eighteen (18) members, two (2) councils in the Group are created and each council has one (1) representative on the Chapter Council.
- 3) When a Group reaches thirty-five (35) members, three (3) councils in the Group are created, with each council having one (1) representative to serve on the Chapter Council who is select by 100% consent.
- 4) There can never be more than fifty-one (51) members in a Group, thus giving three (3) councils with seventeen (17) members in each.

IX. GROUP EXCUSED HOLIDAYS

- 1) Groups do not meet the week between Christmas and News Years.
- 2) Where networking meetings land on other holidays, they are excused by the Groups themselves, again using common consent, or by the local Chapter Council.

X. CHAPTER COUNCIL

- 1) The Chapter Council is the managing body of the networking .
- 2) The number of council members varies based on the number of Groups in the .
- 3) All decisions must be made by common consent. This means 100% agreement.
- 4) There is no proxy voting in the Chapter Council. A full quorum is required to effectively represent a vote on any issue.
- 5) When a Chapter Council first organizes, it must complete the following:
 - Secure ten members all willing to serve on the Chapter Council until there is a second Group that causes a split in members from the first organizing Group.
 - Have all ten members pay their membership fee.
 - Formally organize as a Sub-chapter T Member .
 - Use this constitution as the operating agreement. And make changes as needed to the second section.
 - Select a local bookkeeper, CPA or a person in-house to manage the accounts.
 - Open a local bank account with two signers to receive funds and make expenses.
 - Appoint a chairperson who can legally engage in contract.
 - Secure a facility to hold networking meetings.

XI. CAPITAL ENDOWMENT OR TRUST

- 1) All capital in the local Chapter is put into a community endowment or trust.
- 2) The capital, trust or endowment held by members in common shall be held in perfect security, and not more than \$300 shall not be taken out of the endowment or trust by any one, but only by the common consent of the Chapter council.
- 3) Perfect security of funds operates two accounts. The first account is for all cash funds managed by the Chapter. The second account is for all approved expenditures made by common consent of the council. When funds are approved to be spent, they are moved into the managerial account, where they can be spent.

XII. GROUP MANAGERS

- 1) Group managers are hired by Local Common Wealth
- 2) The responsibility and purpose of Group managers is to run the weekly Group networking meetings, take attendance, witness the execution of common consent decisions, and report back to Local Common Wealth.
- 3) Group managers must be approved by the Chapter Council.
- 4) A Group manager may administer up to eight Groups a week, as long as they do not overlap.
- 5) Group managers help communicate for the Chapter Council and any Policy changes by Local Common Wealth.
- 6) Representatives 1, 2, and 3 to the Group may serve as Group Manager in the event the Group Manager is ill or unable to manage a meeting.

XI. AMENDMENTS

- 1) Only line items in Section Two of this constitution may be changed by local Chapter s, and they cannot alter or conflict with Section Two as managed by Local Common Wealth unless approved by Local Common Wealth Inc.
- 2) Amendments to Section Two must be approved by a unanimous consent in the Chapter Council and then sent to Groups for the same common consent approval.

XII. DISSOLUTION (optional)

- 1) In the event of a Group dissolution due to poor performance or poor attendance, any members wishing to remain in the Chapter are to be placed into other Groups by the Chapter Council.
- 2) In the vent of a Chapter being dissolve for whatever reason, all connection to Local Common Wealth Inc is severed.

ADDITIONAL SECTIONS TO BE WRITTEN...

SECTION TWO, LOCAL CHAPTER

XIII. MEMBER BENEFITS

XIII. RIGHTS OF MEMBERS

XIII. TRANSFERABILITY

XIII. TERMINATION

III. ADDITIONAL CONTRIBUTIONS

IV. DISTRIBUTION OF BENIFITS

- obligation to allocate and distribute net savings, at discretion of the board of directors (otherwise, without this "pre-existing legal obligation," it may be difficult to obtain the tax advantage of making patronage refunds)
- method of allocation (proportionate to patronage)
- define "distributable net savings" (allow for board discretion to reduce for reasonable reserves to be retained by the co-op)
- distribution and notice -- what form, when (usually within 18 months and 15 days of the close of the fiscal year), portion payable in cash (minimum 20 percent)
- automatic consent and acceptance of tax liability by members when they cash their checks
- deferred patronage refunds (the 80 percent not paid in cash) -- how handled, how accessible to members

VI. CHAPTER COUNCIL

- Powers, number of seats (variable number based on the number of Groups)
- qualifications (often missing -- should say "member in good standing," not associated with interests adverse to the Chapter, define whether employees are eligible to be directors)
- nomination procedure (establish nominations committee and process)
- elections and terms (when terms begin, staggering of terms, length, elected "by majority vote")
- conflict of interest (duty to disclose)

- compensation (provide for reimbursement, whether directors can receive compensation for services in addition to role as director, and need to disclose such)
- removal (for cause or without cause)
- vacancies (who can fill vacancies, replacement in office until when)
- employee directors (also called "internal directors"; elections/nominations procedure if different, limits) -- optional

VII. MEETINGS OF THE CHAPTER COUNCIL

- regular meetings (provide for regular, schedule meetings; perhaps establish need for advance notice for a board meeting; require meetings of a certain frequency or specific schedule)
- special meetings (how to call, who can call, etc.)
- quorum for board decision-making must always be full 100% consent.
- open and closed meetings (parameters for open and closed meetings)
- allowance for telephone conference calls ("where all directors can hear each other") -- optional
- action without a meeting (procedure for taking action without a meeting)

VIII. OFFICERS AND COMMITTEES OF THE BOARD

- establish officers (president, vice president, treasurer, secretary)
- duties of officers
- committees (especially necessary if giving committees any powers of the board between meetings; probably good establish audit and nominating committees)

IX. AGENTS BONDING AND INDEMNIFICATION

- General Manager hired by council to manage affairs of the Chapter
- indemnification -- must be carefully worded to protect council members and Chapter

X. NOTICE AND WAIVER

- notice (definition of what constitutes "notice," e.g., "shall be deemed delivered when deposited in the mail with first-class postage with names and addresses as they appear in the records of the co-op")

waiver of notice (provision for waiver of notice by participating in voting or by attending meetings unless participating specifically to object that the meeting is not la