

Em Johnson Interest, Inc. – Financial Summary

Em Johnson Interest (“EJI”) is a company poised for growth in this challenging market and economic time due primarily to the company’s niche of urban development public-private projects in its pipeline. During the period of 2005 and 2006, EJI experienced losses attributed to the increased staffing and project investments made to sustain the growth of the company. The losses in the operations of the company were offset by the use of bank lines of credit and investments in the company made by the President to support operations during this growth period. These investment and borrowings proved prudent, as the company undertook and completed two large-scale urban redevelopment projects – the \$35 million Richmond Village and the \$85 million Fillmore Heritage Center projects in 2007. As a result of these two projects and other miscellaneous revenue, EJI generated gross revenue in 2007 of approximately \$4.0 million and profits of approximately \$2.5 million. During 2008 the company continued this revenue generation with a projection of approximately \$2.5 million in gross revenue. Additionally, during this period the company repaid most of its lines of credit investments of which, most notable, are over \$250,000 to California Bank & Trust, \$300,000 to Silicon Valley Bank, and \$250,000 to NCB Development Corporation. Currently, EJI has assets of over \$8.0 million, including over \$1.5 million in equity capital invested in projects such as the 16th & G project in San Diego, Mission Bay N4-P3 in San Francisco, and the 7th Street project in Berkeley. Additionally, EJI has over \$900,000 invested in a significant ownership position in Yoshi’s San Francisco Jazz Club & Japanese Restaurant creating the strategic anchor of the Fillmore Heritage Center project, as well as, over \$500,000 invested in the creation of the Jazz Heritage Center non-profit. EJI projects over \$1.5 million revenue in 2009 despite the slow economy, and significantly greater revenue in 2010 thru 2013 as development projects in the EJI pipeline move from predevelopment to under construction and completion. EJI as the Managing Member of EJI Partners, LLC will have a minimum initial investment of \$250,000 in capital in EJI Partners, and will also continue to provide corporate and personal guarantees on project lending as necessary to undertake company development projects. EJI has had a great recent history with its financial partners, including several banks and equity investment partners. Recently, EJI borrowed and has repaid directly over \$65 million in construction loans to banks and financial institutions including Bank of America, Silicon Valley Bank, and the National Electrical Benefit Fund, and over \$60 million in joint ventures to Citibank over the last 5-7 years. Additionally, partners who have invested over \$7.5 million in equity capital with EJI have been repaid in full over the past three years achieving a rate of return in the 18-20% range annually. Based on these facts, the company’s wealth of experience and the projected development activities of EJI, the company fully anticipates these continued returns on capital raised by the new EJI Partners, LLC equity fund.