



OmniBazaar

Shop without middlemen. Pay without bankers.™

OmniBazaar, Inc. Executive Summary October 2021

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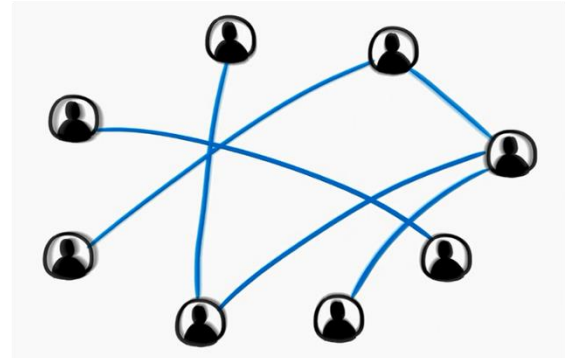
Business Overview

**Amazon, eBay, Alibaba,
Rakutan, Etsy, etc.**



**Bank Account and
Credit Card Required**

Sellers pay 12-18% fees
Authoritarian control
Tracks every click ("big data")
Pushes content/advertising
Content censorship



Barter for BitcoinSM

Sellers pay 0-2% fees
Community owned and operated
No tracking of user information
See only the listings you choose
Community policing

**Bringing e-commerce and financial inclusion
to 2.5 billion "unbanked" consumers**

OmniBazaar is a *functioning* cryptocurrency-enabled, decentralized, e-commerce marketplace, developed using our own *patented* "peer-to-peer-to-peer" network technology. The OmniBazaar system includes its own built-in cryptocurrency (OmniCoin), reputation tracking, escrow agents, an [influencer marketing](#) system, social messaging, and bonuses to provide user incentives for participation and growth.

OmniBazaar provides a simple "gateway" to both e-commerce and cryptocurrency for billions of "un-banked" people, by allowing users to "*barter for bitcoin*". Even people without a bank account or credit card can now barter a product or service to immediately receive OmniCoins, Bitcoins or Ether.

With OmniBazaar, online sellers save 90–100% of the fees they would pay Amazon or eBay. Online buyers benefit from lower prices, and escape from "big data" tracking

and "push" marketing. Social influencers enjoy a simple way to monetize their social networks. Marketplace buyers and sellers can generate additional income by providing services in the marketplace.

We have developed a user-acquisition reward system that allows social influencers to easily monetize their social networks. This system helped us acquire 10,000 registered users in the first 12 weeks of operation.

OmniBazaar is an explicitly "white-market" marketplace with built-in technology safeguards to deter and remove illegal product or service listings.

We have developed a patented "peer-to-peer-to-peer" network architecture. This architecture allows users to place listings in the marketplace without continuously keeping a network node running on their computer.

We have built-in a revenue model for the company. OmniBazaar, Inc. will receive a small percentage of each marketplace transaction, to support its continued development and maintenance of the software.

Our distributed mode of operation makes the OmniBazaar network almost infinitely scalable, with minimal costs to the Company for computing infrastructure, offices, equipment, or personnel. After the software has been written and the marketplace user base established, profit margins are expected to be exceptionally high.

On 13 December 2016, we received patent #US 9,519,925 B2 for "Decentralized Internet Shopping Marketplaces" from the USPTO. We have also received a second continuation patent to further secure our IP claims. We have trademarks on the relevant names and own the related domain names.

OmniBazaar marketplace is currently in use by the public. Initial launch of the OmniBazaar marketplace and OmniCoin occurred on 31 October 2018. The free software application is available for Windows, MacOS and Linux here: <http://download.omnibazaar.com>.

The OmniBazaar/OmniCoin White Paper is available in 16 language at <http://whitepaper.omnibazaar.com>.

Additional information is available at <https://OmniBazaar.com> and <https://OmniCoin.net>. A video tour of the OmniBazaar application is available here: <https://youtu.be/jrFrZRgkCxI>.

Offer

We are currently seeking \$500,000 in pre-seed (Angel) funding in exchange for 10% of the fully-diluted shares of the Company. We also plan to raise \$5,000,000 in a subsequent Seed round to obtain the remaining funding we project will be required to reach profitability (break-even).

Revenue Model

Individuals and small businesses transact business among themselves using the OmniBazaar software to list and shop for products and services. Buyers pay no fees to join the marketplace, no fees to shop or to create listings, and no monthly or annual membership fees. Users can pay a small fee to other marketplace users in exchange for optional services, such as listing publication and escrow services.

By default, OmniBazaar, Inc. receives one-half of one percent (0.5%) of each marketplace transaction, paid by the seller. Sellers can choose to pay an additional fee between one-half and two percent (0.5–2.0%) for priority placement of the seller's listings in the OmniBazaar marketplace.

OmniBazaar will include additional services, such as a cryptocurrency Exchange Module to allow users to participate in a decentralized cryptocurrency exchange (“CryptoBazaar”), a local fiat-currency-to-cryptocurrency trading platform, and a decentralized asset ownership trading system. Users will also pay transaction fees when they choose to use the features provided by these modules.

User Rewards and Incentives

Users receive rewards, in the form of OmniCoins, for providing services to other users in the marketplace. These services include transaction processing, publication of listings, referral of new users, and escrow services. By rewarding marketplace service providers, we believe we can avoid the circumstance where every individual tries to reap the greatest possible benefit from the system without regard for the overall health of the system (the [“tragedy of the commons”](#)).

User rewards and incentives are discussed in more detail in the “Marketing Strategy” section of this document.

Infrastructure Requirements

We have designed the OmniBazaar marketplace network to operate *completely* “peer-to-peer”. All infrastructure, computing power, data storage, and network bandwidth for the OmniBazaar marketplace will be provided by the users of the marketplace.

This distributed mode of operation makes the OmniBazaar network almost infinitely scalable, with minimal costs to the Company for additional computing infrastructure, offices, equipment, or personnel. After development of the software has been completed and the marketplace user base established, profit margins are expected to be exceptionally high.

OmniBazaar, Inc. does not receive, process, or store *any* user financial, or transaction information. OmniBazaar, Inc. operates exclusively as a software publisher, and does not provide any network servers, data storage, publishing, transaction processing, brokerage, escrow, exchange, or other services to users of the marketplace network.

Avoiding Illegal Listings

OmniBazaar is designed to be a “white-market” e-commerce site. The company actively discourages use of the marketplace for illegal purposes and has built the software to allow user to have privacy *but not anonymity or “hidden services”*. We have included warnings to users against illegal activities, technology to make users and listings traceable, and by implementing a “community policing” system. This system allows users of the marketplace network to report and vote to remove prohibited content. OmniBazaar, Inc. will also mitigate the company’s exposure to criminal activities by not providing any of the data storage, publishing, escrow services, communication relay, network bandwidth, or other services associated with the marketplace, and by not being a party to any of the transactions between users.

Development Stage

The software applications necessary to implement the OmniBazaar marketplace and OmniCoin network have been developed, tested and released to the public.

Mission

Our mission is to [disintermediate](#) e-commerce and make it available to the billions of people who cannot currently participate.

The goal of OmniBazaar is a free-enterprise economic and financial system “of the people, by the people, for the people”. We are creating an e-commerce marketplace without the middleman, and facilitating payments without the bankers.

Relevant Market Size

Anyone who currently buys or sells goods or services on the internet is a potential user.

More specifically, OmniBazaar will be able to serve the 2.5 billion "un-banked" people world-wide who cannot use existing, centralized, e-commerce sites, because those sites require credit cards and bank accounts.

Existing Market Segments

Other existing players in the target market segment include Amazon, Alibaba, eBay, Rakuten, Craigslist, and various others. We estimate the market for direct trade and barter in the United States alone to be in excess of a trillion dollars per year.

In their 2018 fiscal year, the top 3 e-commerce sites, Amazon, Alibaba and eBay produced collective gross revenues of \$219.5 billion by enabling \$1.05 trillion in commerce through transactions with 1.09 billion active users. These numbers represent approximately 29% growth in revenue from the previous year. This shows the large and growing market for consumer-to-consumer and business-to-consumer trade on the Internet. We believe OmniBazaar and CryptoBazaar will be able to compete aggressively with other online marketplaces by offering users *more privacy, lower transaction fees and no merchant charge-backs*.

Competitive Analysis

The competition that OmniBazaar will need to overcome will be other online shopping venues. Top examples, already mentioned in an earlier section, are Amazon, Alibaba, eBay, Rakuten, Craigslist.org, and barter networks.

eBay charges small sellers who do not pay a monthly subscription fee a “final value fee” of 10% of the final selling price of each item listed, plus a variety of additional optional fees for improved exposure, visibility, designs, subtitles, international services, etc. In addition, if payment is transacted through eBay's subsidiary, PayPal, the cost to the merchant may be another 2.7 to 3.5% (plus a transaction fee) for each transaction under \$3000. Therefore, it is possible for eBay merchants to pay as much

15% of their total sales revenue to the venue. Active sellers who subscribe for \$19.95 to \$199.95 qualify for “final value fees” ranging from 4 to 9%.

Despite standard transaction fees of up to 10 to 15%, eBay's Gross Merchandise Volume (GMV) for fiscal year 2018 exceeded \$22 billion. This shows that the market for this type of service is huge. We believe OmniBazaar can be extremely competitive in this market.

Similarly, Amazon charges a “referral fee” of 8 to 15%, on almost all categories of products, for sellers who list on Amazon but pack and ship merchandise themselves. We believe that many merchants will prefer a 1.0% transaction fee, cryptocurrency payments, and more privacy, and will list on OmniBazaar instead of (or along with) Amazon. These merchants would be able to make more money, while charging sufficiently lower prices. These lower prices should make buyers willing to pay the other 0.5% of the total transaction fees.

We expect OmniBazaar to be profitable while receiving one half of one percent of the final selling price on each transaction — a small fraction of Amazon’s or eBay's fees. This is possible because all the infrastructure, storage, bandwidth, computing power, transaction processing, escrow services, and infrastructure expenses will be distributed among, and provided by, users of the marketplace.

We believe that OmniBazaar can also be competitive with Craigslist.org, despite the fact that almost all listings on Craigslist are free. OmniBazaar will provide several valuable services that are not available to Craigslist users, including a simple built-in payment system, better privacy, an available escrow system, and a social networking system. We believe that many sellers who have used or would use Craigslist will be willing to pay 1.0% to obtain these advantages.

OmniBazaar should be able to compete easily with existing barter networks. Most barter companies charge transaction fees of 10 to 15% (often split between the buyer and the seller), usually charge a monthly fee, and often charge a fee to join. All transactions are brokered by, and pass through the barter company, and are conducted in “credits” issued and controlled by the barter company (or a larger barter network). These “credits” or “currency units” are usually not easily convertible to cash. Because the barter company is acting as a broker in every transaction, US tax law requires the barter company to track all transactions and provide 1099 income statements to all users, for all barter income. OmniBazaar, on the other hand, will charge sellers only 1.0%, will have no monthly fees or fees to join, and will enable users to transact business using cryptocurrencies that are readily exchangeable for cash. And, because all transactions will take place directly between the buyers and sellers, using a

cryptocurrency payment system, there is no practical way for OmniBazaar to track transactions or provide tax information to users.

Marketing Strategy

We recognize that acquiring active user, listings, and transactions in the marketplace is critical to the success of OmniBazaar. For this reason, we have developed a strategic plan for acquiring users. This plan involves offering cash incentives that directly translate to new users and marketplace transactions.

Just as Uber has acquired millions of new users by offering free rides, we intend to attract new users by giving free OmniCoins to new users when they join.

Our financial projections take into account our expectation that, in the beginning, many new users will sell the free OmniCoins they receive and leave the marketplace. But we also expect and project that, over time, an increasing percentage of users will see the value of the OmniBazaar marketplace and the OmniCoin currency and will hold onto some or all of their OmniCoins.

We will also distribute OmniCoins to users who refer their friends, and when those users make their first sale in the marketplace. We believe this will provide enough incentive to cause a significant number of people to install and use the OmniBazaar marketplace.

After the initial distribution of user acquisition bonuses has concluded, users who introduce new users to OmniBazaar will receive a portion of the transaction fees resulting from all transactions of the introduced user, for as long as both the introduced user and the introducing user are active in the network. OmniBazaar tracks this “introduction” relationship, and automatically pays the incentive payment at the time such transactions are processed.

These two “introduction incentives” are a central element of the OmniBazaar marketing and growth strategy.

Even in the absence of an “introduction incentive”, we believe that personal referrals and “word-of-mouth” would still be the primary engines of growth for OmniBazaar. eBay and Craigslist achieved most of the growth of their user bases not by national advertising campaigns, but by person-to-person recommendations. By rewarding personal recommendations that result in new users, OmniBazaar will provide even more incentive for existing users to tell their friends.

The OmniCoins distributed in this manner will be generated in the same manner, and at the same time, as the “mining” rewards that most cryptocurrencies pay transaction processors (“miners”). This strategy has the added benefit of releasing OmniCoins to a larger number of users, instead of only a small group of miners.

Revenue Model

OmniBazaar, Inc. will generate revenues via the following:

- Software Maintenance Fees from marketplace transactions
- Software Maintenance Fees from currency exchange transactions

The business will operate as a software publishing company, and will not itself provide network servers, data storage, transaction processing, brokerage, escrow, exchange, or communication services. The business will only provide computer software development and maintenance. The software will enable users of a peer-to-peer network to mutually provide these services for each other.

Start-up Summary

Concept development, patent, incorporation, business plan, private placement memorandum, and software development costs have been financed by founding shareholders’ investments and loans.

Funds from the current Angel offering will be used primarily to develop the mobile and web versions of the marketplace software, develop the decentralized cryptocurrency exchange and penetrate Central American markets. This should allow us to increase the number of registered users to at least 100,000. Funds from the \$5,000,000 Seed offering will be used primarily to fuel user acquisition. About 45% will be used to further develop and improve the marketplace software, and to operate the business prior to break-even.

Table: Start-up

Operational Expenses	
Legal	\$50,000
Office, Stationery, etc.	\$50,000
Insurance	\$50,000
Rent/Utilities	\$50,000
Computer	\$50,000
Telephone/Internet	\$50,000
Contract Software Developers	\$500,000
Salaries	\$800,000
Design/Marketing/PR	\$400,000
Tech Support and Other	\$250,000
Total Operational Expenses	\$2,250,000
User Acquisition	
Assets for User Acquisition	\$2,750,000
Total User Acquisition/Marketing	\$2,750,000
Total Requirements	\$5,000,000

Start-up Funding

Our current Angel funding offer entails offering up to five hundred thousand (500,000) Preferred shares at \$1.00 per share in order to raise \$500,000. These shares represent approximately 11.1% of the fully-diluted equity of the company.

Our subsequent Seed funding plan entails offering investors up to one million (1,000,000) shares of Preferred Stock at \$5.00 per share, in an offering targeted to raise at least \$5,000,000, in the seed financing round. These one million shares will represent about twenty percent of the fully-diluted shares of the company. If necessary, we are prepared to raise additional money in a subsequent funding round, at a higher cost per share.

If our sales forecasts are accurate or conservative, only one round of funding prior to an Initial Public Offering (IPO) may be necessary. We project that OmniBazaar will produce sufficient cash flow quickly, so that subsequent rounds of private financing may not be necessary.

Use of Funds

To execute on our business plan, we are seeking a total of \$5,000,000 in outside funding, structured as two Angel and Seed rounds.

The primary uses of this funding include:

- Operations and Staffing: \$2,250,000
- User Acquisition / Marketing: \$2,750,000

Projected Profit and Loss

	FY 1	FY 2	FY 3	FY 4	FY 5
Revenues	\$49,052	\$4,509,739	\$20,709,976	\$72,162,137	\$264,573,176
Minus User Acquisition Costs	\$1,827,939	\$5,175,606	\$14,035,607	\$38,699,331	\$125,749,771
Gross Profit	(\$1,778,887)	(\$665,867)	\$6,674,369	\$33,462,806	\$138,823,405
Gross Profit (%)	-3626.6%	-14.8%	32.2%	46.4%	52.5%
Other Expenses	\$956,000	\$1,140,800	\$1,434,360	\$1,725,076	\$2,199,794
EBITDA	(\$2,734,887)	(\$1,806,667)	\$5,240,009	\$31,737,730	\$136,623,611
Depreciation	\$10,000	\$20,000	\$30,000	\$40,000	\$50,000
Amortization	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Preliminary Exp Written off	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000
Interest Expense	\$21,200	\$21,200	\$0	\$0	\$0
Income Tax Expense	\$0	\$0	\$96,500	\$7,906,900	\$34,125,900
Net Income	(\$2,836,087)	(\$1,917,867)	\$5,043,509	\$23,720,830	\$102,377,711

Infrastructure, personnel and other expenses are projected to remain low in subsequent years, because OmniBazaar will not be required to provide computing power, data storage, network bandwidth, or other services for the operation of the peer-to-peer marketplace.

As previously discussed, we intend to use much of the available cash during the first three years to support and maintain the user acquisition program.

Tax planning will be of considerable importance, as taxes are projected to be the single largest expense item in subsequent years.

Team

Richard Crites is Founder, majority shareholder in OmniBazaar, Inc., and designer of the OmniBazaar marketplace software and system. He has a master's degree in Aerospace Engineering from Stanford University, 30+ years of entrepreneurial business management experience, 15 years of financial services experience, and 6 years of recent experience managing software development.

William Moon holds an MBA in Finance from the Stanford University Graduate School of Business and is a Chartered Financial Analyst (CFA). He has over 30 years of experience in finance, including 20 years as Chief Financial Officer of Internet and

technology companies. In addition, he has been a top performing analyst in the stock market with oversight on managed funds in the market.

David Crites has an MBA from Northwestern University's Kellogg School of Management, a bachelor's degree in Electrical Engineering, 15 years of experience in software, electronics, and semiconductor industries, and experience drafting and prosecuting patents.

Chuck Koch has a bachelor's degree in Electrical Engineering and 25 years of leadership in Business Development, Sales Management, and Marketing in telecommunications and Internet technology companies (Hewlett Packard, Agilent, and Digital Lightwave).