

# The BNIC Network LLC

## \$70,000 Proof-of-Concept Capital Raise

My name is Michael Evans, and I am the President of [The BNIC Network LLC](#), an operating company of [Temple Rose Holding Company Inc.](#) We have a subsidiary [real estate investment management company](#) that will start redeveloping properties in the hardest hit neighborhoods of Detroit using a proprietary “closed sales system”. As a Series LLC, The BNIC Network LLC is also a Parent Investment Club that is legally able to create a network consisting of an unlimited number of subsidiary investment clubs, and it is through this network that we will raise money to fund projects that help rebuild the Black community.

I have more than 25 years of developing and managing complex operational and financial systems, including when I was the CFO for three years for Santa Barbara County’s Behavioral Health Department where I developed and managed a \$106 million annual operating budget. [Perkins Coie LLP](#), a billion-dollar per year law firm that represents tech companies such as Amazon, Google, Facebook, and Intel, is our General Counsel. I am seeking **\$70,000 to fund our proof-of-concept real estate project** where we will utilize our “flip and hold” real estate investment strategy using the [Real Estate Deal Management System \(REDMS\)](#) I developed to manage and shift risk, while generating double digit annual returns for equity investors. Our tagline is:

*“We don’t hit homeruns. We hit singles and doubles...and we never, ever strike out.”*

In return for their investment, investors will receive an **annualized projected return of at least 15% per year**, collective ownership of 10% in the subsidiary real estate investment management company, as well as collective ownership of 10% in the first subsidiary blockchain-based software development company. Investors should expect their money to be invested for at least 18 months, at which time if we have not sold the property, The BNIC Network LLC will purchase it.

### The Flip & Hold Strategy

The “Flip & Hold” strategy has two parts. The first part is to purchase distressed properties, rehab them, and then sell them to make at least a 25% cash on cash return over the flip period (typically 3-6 months). Once we purchase and rehab a property, we will spend no more than three months trying to sell it either as an owner-occupied property or as a turnkey rental property to an out of state investor. If we can’t sell it within those three months, then the second part of the strategy kicks in.

Our flip company will sell it to our buy and hold company for a predetermined price so that the flip company makes a 25% cash-on-cash profit for the equity investors. Our buy and hold company will be in a position to hold onto the property for at least 10 years while generating at least a 10% cash-on-cash annual return after taxes by leasing the property. Neither the flip company nor the buy and hold company are concerned about financing, as both a 1<sup>st</sup> and 2<sup>nd</sup> mortgage are provided by our internal lending company.

The fact that we control all aspects of the real estate deal (the flip, the buy and hold, and the financing) makes this a “**closed sales system**” that is not dependent on the resale value of the property as determined by the market, but rather on the strength of the rental market and the property’s ability to generate positive cash flow. This is determined and managed by the REDMS, which considers the purchase price, the After Repair Value (ARV), the rehab budget and time, and the market rent. The REDMS takes these factors into consideration and returns either a clear “**Deal**” or “**No Deal**” indicator. We only move forward when the REDMS returns a “**Deal**” indicator.

## The Proof-of-Concept Project

The proof-of-concept project will allow us to put the REDMS through a real-life test and adjust the algorithms, processes, and risk management strategies incorporated in the system as necessary. \$70,000 covers the purchase and rehab for the flip portion of the investment strategy, as well as the purchase by the buy and hold company from the flip company. The \$70,000 is being raised by a subsidiary LLC of The BNIC Network LLC (first investment club) through the sale of 70,040 member interest units of the LLC. The BNIC Network LLC owns at least 590 member interest units and is also the Managing Member of the LLC, where it is responsible for determining how the \$70,000 is invested in the proof-of-concept project. The funds will be invested as both equity (flip company and buy and hold company) and debt (funding promissory notes from the internal lending company that are secured by 1<sup>st</sup> and 2<sup>nd</sup> mortgages issued by the internal lending company against the property). The investment club and its investors will have four income streams from the proof-of-concept project:

1. **6% annual return** on promissory note issued by the internal lending company and secured by 1<sup>st</sup> position mortgage.
2. **8% annual return** on promissory note issued by the internal lending company and secured by 2<sup>nd</sup> position mortgage.
3. **25% preferred cash-on-cash return** from the equity position in the flip company over the flip period.
4. **10% preferred cash-on-cash annual return after taxes** from the equity position in the buy and hold company.

Since the LLC is providing funding for all four different investment opportunities in the proof-of-concept project, the total average annualized return is projected to be at least 15%, as The BNIC Network LLC will purchase the property from the buy and hold at the end of the 1<sup>st</sup> year if it hasn't sold it.

In addition to providing a real-life, real-time test of the REDMS, the proof-of-concept project will also provide for the deployment of **The BNIC Network LLC's Minimum Viable Product (MVP)** of its first blockchain-based software platform for putting real estate onto the blockchain and offering fractional ownership of the entity that owns the real estate property (\$5,000 is allocated towards the development of the MVP).

### Benefits of Investing

1. Projected to earn **at least a 15% annualized return**.
2. Investors collectively receive **10% ownership in the subsidiary real estate investment management company**, which entitles them to 10% of the company's profits.
3. Investors collectively receive **10% ownership in the subsidiary blockchain-based software development company** that develops the Special Purpose Vehicle Minimum Viable Product (SPV MVP), which entitles them to 10% of the company's profits.
4. **Support our efforts to rebuild the Black community.**

Please contact me directly if you are interested in investing or to request additional information.

Stay Blessed!



Michael C. Evans, President

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