

STAR ALLIANCE INSURANCE SERVICES

INFORMATION MEMORANDUM

2008



NOTICE

This memorandum contains confidential information regarding Star Alliance Insurance Services (“Star Alliance” or the “Company”). By accepting this memorandum, the recipient agrees that it will cause its directors, officers, employees and representatives to use the memorandum and such information only to evaluate a specific transaction involving the Company and for no other purposes, and will not divulge any such information to any other party and will return this memorandum together with any copies thereof and of such information to the Company, and destroy all electronic copies of such document and information, upon request therefore.

The information contained in this memorandum was obtained from Star Alliance and other sources. Any estimates and projections contained herein have been prepared by the management of the Company, and involve significant elements of subjective judgment and analysis, which may or may not be correct. Star Alliance makes no representation or warranty, expressed or implied, as to the accuracy or completeness of the information contained in this memorandum, and nothing contained herein is, or shall be relied upon as a promise or representation, whether as to the past or the future. This memorandum does not purport to contain all of the information that may be required to evaluate such transaction, any recipient hereof should conduct its own independent analysis of the Company, and the data contained or referred to herein. Star Alliance does not expect to update or otherwise revise the memorandum or other materials supplied herewith.

This information package is being provided only to parties who have expressed a serious interest in potentially making an investment in the Company. All contacts are to be made directly with Star Alliance Insurance Services.

Star Alliance reserves the right, in its sole discretion, to modify the terms and conditions of or terminate this process at any time (including, without limitation, negotiating with any prospective strategic partner and entering into a Definitive Agreement without any prior written notices to any person), and without any liability therefore. Star Alliance also reserves the right to reject any and all proposals without providing any reasons therefore.

Any questions or requests for further information should be directed to Star Alliance Insurance Services.

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I. EXECUTIVE SUMMARY

Star Alliance represents a unique opportunity in the insurance sector to participate in a highly under-penetrated market segment

THE COMPANY

Insurance Works, Inc. dba: Star Alliance Insurance Services (“Star Alliance” or the “Company”) was established in 1998 as a multiethnic minority-owned wholesale insurance brokerage firm that markets insurance products and services to a select group of clientele. This clientele includes the under-served Asian, Hispanic and African-American retail agent and broker community, Fortune 1,000 corporate America, public entities, affinity groups, associations and unions. The Company primarily sells property and casualty insurance, life insurance and worksite benefit products (e.g. commercial auto, professional liability, workers compensation and life) through top quality retail insurance agents and brokers. The Company is licensed to conduct business in twenty (20) states, including California, New York, Texas and Florida, and works closely with over fifteen (15) top-rated insurance companies.

Star Alliance is embarking upon a multi-year expansion plan with the ultimate objective of making the Company the pre-eminent nationwide wholesale brokerage firm that fulfills minority and emerging market insurance needs along with minority/diversity initiatives of major corporations and government entities. The Company’s key initiatives consist of:

- Marketing unique and creative turnkey Life Insurance products and services;
- Marketing aggressively to large corporations, labor unions and public-sector entities as well as foreign governments;
- Utilizing its minority ownership status (as per NMSDC) to satisfy minority/diversity initiatives at leading corporations and public-sector entities;
- Seeking alternative revenue sources, including cross-selling across network; and,
- An acquisition campaign that identifies first-class production operations.

COMPANY DIRECTION

The Insurance industry has often been described as 200 plus years of tradition, unimpeded by progress.’ But for the right individuals, who have commitment and vision, this conventional industry offers an unprecedented opportunity to create, innovate and demonstrate a better way to do business!

Star Alliance Insurance Services is owned by two like-minded, forward thinking individuals who have the rare capacity for ‘out of the box’ and lateral thinking, which when applied to the Insurance Industry creates exciting new products, followed by significant financial success.

The Management Team has applied its diverse business and ethnic backgrounds and interests to the numerous and far reaching corners of this industry. We have reviewed literally hundreds of products, examining in depth each opportunity and either incorporating or discarding them, constantly striving to improve our client’s options and find or create solutions that will enhance the lives and wellbeing of the country’s workers and dependents.

Our vigilance and tenacity has been recognized and rewarded in the form of multiple exclusive contracts to perform services and provide unique products. These contracts with Unions, Municipalities, Corporations, Carriers and Associations are so vast and far reaching that we have literally grown beyond our capacity and now are required to seek a like-minded, forward thinking funding partner to fulfill our mandate and realize our goals.

Star Alliance Insurance Services intends to retain controlling ownership interest in all of its holdings. As a potential multi-billion dollar enterprise, this creates a significant investment opportunity for interested parties to provide capital in the form of equity or a combination of debt and equity, thereby realizing a significant rate of return on their initial investment as the business grows. Star Alliance is looking to secure a total investment of \$180,000,000, which will be infused on a quarterly basis over a twenty four month period.

We present for your review: signed contracts noted above, as well as Broker of Record Letters, Executive Bios and other documentation that provides detailed proof of the sheer volume of the business we are poised to conduct (see attached “Supporting Documents” file).

LIFE BENEFIT AND FUNDS PROVISION PROGRAM

Without question the most dynamic and powerful opportunity that Star Alliance has to offer is the Company’s proprietary, premium financed “Life Benefit Restoration Program”. Star Alliance is aggressively pursuing and has secured exclusive relationships with unions, municipalities, private employers and affinity groups nationwide and globally, with the principal objective of fulfilling their benefits needs of active and in some cases retired members and/or employees. These benefit needs will be supported by the utilization of a proprietary Funds Provision and a Life Benefit Restoration Program.

Star Alliance provides access to a life benefit and funds provision program for qualified Unions, Municipalities Corporate Employers and Affinity Groups. We offer a turn-key program delivering life insurance and premium funding solutions for the sponsoring entity, a life insurance benefit for the participating member and/or employee and their family and/or estate and a substantial long term collateral and balance sheet asset for the sponsoring entity. This long-term collateral asset can be utilized to help fulfill member/employee pension contributions, reduce the cost of existing benefits and provide additional funds to expand the benefits for the health and welfare of the member and/or employee population.

Here is a brief outline of the key features of the Funds Provision and Life Benefit Restoration Program:

- Star Alliance arranges for funds/premium financing
- For qualified sponsoring entities Star Alliance is able to secure funding in an extremely competitive manner.
- Star Alliance provides administration of the program.
- Qualified Entity keeps all of their assets in their current positions and continues to profit from their current investments.
- Beginning DAY 1, the total face amount benefit can be shown as a line item asset for the Qualified Entity on their balance sheet.
- At end of YEAR 1, the Universal Life Policy’s cash value will be approximately 90% -100% of the original premium amount.
- Qualified Entity will be assigned a portion of the death benefit for loan repayment and benefit perpetuation.
- Participating insured member is assigned a pre-determined, irrevocable portion of the no-cost benefit for their family or estate.

PARTIAL CLIENT DEVELOPMENT LIST

• AFLCIO	• Canadian Teamsters
• AFLCIO International	• City of Huntington Park
• City of Chicago, IL	• Washington Carpenters
• City of Long Beach	• CWA Admin Union
• City of New Haven, Connecticut	• Pension Benefit Guarantee Corp
• Cook County, IL	• City of San Jose
• Hotel Workers Las Vegas	• IBEW
• Illinois Teachers Union	• ILWU
• Los Angeles County	• JC Penny
• Nat’l’ Conference of Black Mayors	• Nat’l’ Association of Counties
• Oregon Carpenters	• New Mexico Teachers Union
• State Bank of India	• FedEx
• Teamsters	• State of New Mexico
• Unit Here	• State of Idaho
• United Steel Workers	• State of Hawaii

FINANCIAL SUMMARY

The financial summary below includes actual historical results of Star Alliance for years 2005, 2006 and 2007, and 4-year projections that include existing business lines and business to be generated from Star Alliance's relationships with certain sizeable and select clientele.

Star Alliance is seeking an investment from strategic and financial investors to enable it to fully achieve its objectives. These funds will be used for day-to-day working capital requirements, to fund viable/strategic acquisitions opportunities and to provide funding for our proprietary premium financing model for our "Life Benefit Restoration Program".

INVESTMENT HIGHLIGHTS

- Innovative and powerful proprietary life insurance program
- Strong management team
- Under-penetrated market segment
- Long-standing history of success in our industry
- Long-standing relationships with production partners
- Strong relationships with insurance companies
- Limited (none at this time) competition in market segment
- Ability to leverage minority-ownership status
- Strong returns potential, viable exit opportunities

II. INVESTMENT CONSIDERATIONS

Star Alliance is a conservatively managed wholesale insurance brokerage in the early stages of significant growth

THE MANAGEMENT TEAM

Collectively the Star Alliance Senior Management team has over 100 years of insurance knowledge and expertise. This team's extensive experience ranges from operating successful insurance companies, wholesale ventures, underwriting and program initiatives, reinsurance operations and retail brokerage facilities.



L. Anthony Corlette, Chairman and CEO

Mr. Corlette started his insurance career as a commercial casualty underwriter with Aetna Life & Casualty. In 1983, Mr. Corlette joined Sedgwick Reinsurance as a reinsurance broker. In 1990 he assumed responsibility for West Coast and Midwest operations for Sedgwick Re's Facultative operations. At Sedgwick Re, Mr. Corlette successfully transformed the West Coast region to one of profitability. Mr. Corlette also held the honor of being one of the highest-ranking minority reinsurance professionals in the United States. In December of 1997, Mr. Corlette left Sedgwick Re and ultimately became a founder of Star Alliance Insurance Services.



Mark M. Endo, President and Chief Marketing Officer

Mr. Endo, President, holds ultimate responsibility for marketing and sales. Additionally, Mr. Endo is responsible for the development of agency production and the implementation of successful growth strategies. Before joining Star Alliance in 1998, Mr. Endo enjoyed a successful career with over 16 years of experience including his service as Vice President for the Aihara Insurance Agency, Inc. Mr. Endo also held prominent production positions with the Global Japanese Business Group of A&A, Inc., the fastest growing Japanese practice in the nation.



D. Conley Cregger, CIC Vice President Director of Business Development

As Director of Business Development, Mr. Cregger brings over 30 years of industry experience including Regional Manager of national wholesale firms like Swett & Crawford, Crump Insurance Services and All American Facilities (division of W.R. Berkley Group). Mr. Cregger specialized in Program Development including Captives and Self-Insurance Programs. His success has been in propelling growth through interactive management, strategic planning, marketing and problem solving to optimize products and services and expand customer bases.

POSITIVE EARNINGS MOMENTUM

Star Alliance was founded in 1998, and through strategic acquisitions, access to select insurance companies, specific production sources and unique proprietary products and services the Company has had significant premium growth over the past 10 years in excess of \$175,000,000. Given the Company's enhanced business initiatives in several areas, these figures will grow dramatically.

Star Alliance has established relationships with various Unions, Public Entities, Corporations and Affinity Groups. The Company's principal objective is to fulfill the insurance needs of their large numbers of employees and members and at the same time provide a financial benefit to the employer or membership organization.

Although the Company's growth to date has been principally organic, in 2004 Management launched initiatives to make selective acquisitions that fully complement the Company's overall mission and objectives. In 2006, the Company assumed the entire operations of Frontier General Agency ("Frontier"), an Oakland, CA based general agency with strong multi-product relationships with AIG, ACE, RLI and Markel. Additional targets have been identified and discussions are ongoing.

UNDER-PENETRATED MARKET SEGMENT

The increased involvement and growth of immigrants and minorities in the U.S. economy has created an extremely favorable business environment for a focused, well-capitalized, well-managed, minority-owned, multicultural insurance production firm to target this under-served segment of the population.

Multicultural, minority-owned and women-owned businesses often have a built in bias toward working with, selling to, and buying from similarly owned businesses. Minorities are the most rapidly growing segments of the population (expected to account for about 50% of U.S. population by 2050)¹ with rapidly increasing purchasing powers (figures for African Americans and Hispanics are estimated to reach \$1.1 trillion by 2010).² Between 1982 and 1997, the number of minority-owned firms grew at 8.5% annually, a rate three times higher than that of U.S. businesses overall. Revenue from minority-owned firms also rose dramatically by 22.5% from 1987-1997, or an annual growth rate of 10%.³

Discussions with some of the largest insurance companies reveal that the trend has been noticed, but the industry has not found the appropriate strategy or business model to fully penetrate and take advantage of this segment of the population. Star Alliance provides a solution by establishing and maintaining relationships with smaller agents, companies and affinity groups that have a large number of under-insured members.

LONG-STANDING RELATIONSHIPS

Star Alliance maintains relationships with retail brokers and accounts that have strong ties to their respective minority or emerging market communities, such as the National Conference of Black Mayors, Association of Oregon Industry, McDonalds Corporation, the U.S. Department of Agriculture, the Church of God In Christ, the Hawaii Contractor Union, the University Health Alliance and EbizMatching.com. Star Alliance provides a number of services including commercial insurance resources, general liability and property product solutions, workers compensation as well as collectively bargained workers compensation programs and the development of safety and risk management solutions.

¹ U.S. Census Bureau

² The Selig Center for Economic Growth, University of Georgia

³ "The New Agenda for Minority Business Development" The Boston Consulting Group - (June 2005).

INSURANCE COMPANY RELATIONSHIPS

Star Alliance has ongoing relationships with the best regarded insurance companies in the industry, and has successfully secured insurance company appointments not usually granted to agency/brokerage firms, and rarely to a wholesaler. Many of these insurers recognize Star Alliance for its ability to efficiently access under-served market segments (e.g. AIG, CNA, Chubb, Travelers), whereas others value the Company's immediate scalability in specific product areas such as workers' compensation, life insurance and voluntary worksite benefits (e.g. Allstate, Liberty Mutual, Majestic). Star Alliance views these relationships as critical to its growth, particularly as it rolls out additional products and expands into newer geographic regions. The Company is continuing to foster relationships with additional insurance companies.

ABILITY TO LEVERAGE MINORITY OWNERSHIP STATUS

The challenge for most large corporations and public entities is to find appropriate minority-owned firms that offer specific insurance solutions for their corporate, employee and client servicing needs. Star Alliance benefits from its status as a minority-owned insurance broker (certified by the National Minority Supplier Development Council - NMSDC) through (a) diversity initiative programs at Fortune 500 corporations and State/Federal entities and (b) marketing directly to other minority-owned firms. In 2005 alone, AT&T, Toyota North America, Pepsico, Pfizer, and Xerox spent a combined \$4.6 billion on services with minority-owned firms.

Star Alliance is leveraging its minority certification and ownership in the following ways:

- **Insurance carriers:** Insurance carriers have established working relationships with Star Alliance, partly because of its ability as a Minority Business Enterprise (MBE) to attract business from the multicultural business community.
- **National brokers:** As it expands its operations across the country, Star Alliance will obtain access to large companies, public entities, and/or construction projects either directly or via partnerships with national brokers on a retail or wholesale basis.

STRONG RETURNS POTENTIAL, VIABLE EXIT OPPORTUNITIES

Star Alliance will establish its strategy and operations in accordance with the goal of being able to offer its investors an attractive exit or investment return within three to five years. Viable exit strategies for equity investors consist of: (1) a public offering, (2) a partial or sizeable divestiture to a larger national brokerage house, (3) a re-capitalization of the company via cash flow, or (4) a repurchase by Management.

III. COMPANY DESCRIPTION

Star Alliance was founded with the principal objective of focusing on the highly under-penetrated minority and emerging markets

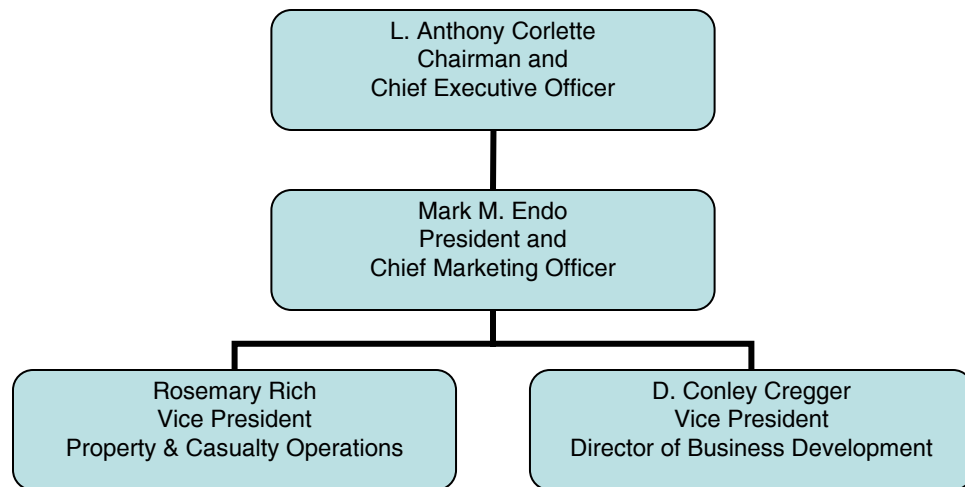
INTRODUCTION

Star Alliance is a minority-owned and operated California domiciled S-Corporation, providing wholesale insurance products and services that target a select clientele that includes select retail agents and brokers from the minority and majority community along with membership groups, corporations, unions and public entities.

Star Alliance commenced operations in 1998 as a MBE serving the multicultural community. In 2002, the Company added an excess and surplus lines division and broadened its geographic reach beyond the Western states. In 2005, Star Alliance created the Alternative Dispute Resolution or Collectively Bargained Workers Compensation program (ADR-WC), and expanded into the life, health and the worksite benefit marketplace.

COMPANY STRUCTURE

Star Alliance is organized along six major functional areas, each of which is managed by individuals with significant experience.



Operations: Internal functions that provide support for core business objectives and initiatives; this includes processing, support services and technology structures and services, reporting directly to the CEO.

Marketing: Responsibilities are directed at managing product and service offerings focused on the Company’s relationship with insurance carriers that provide risk-bearing products to customer groups (retail agents and policyholders). The Company’s President is responsible for this function, and operates closely with other divisions.

Business Development: “Think tank” of the Company, working closely with all other corporate executives, divisions, and retail agents to create, develop, and execute new business opportunities and programs.

Brokerage: Responsible for distribution strategic planning, prospect database development, competitor monitoring, agency/broker training, promotion strategy and working directly with Marketing/Business Development. Division is also responsible for leveraging Star Alliance’s MBE status with large accounts – Fortune 500 and public entities.

Underwriting and Program Development: Covers precise template underwritten programs targeting small or specialty accounts that are produced, underwritten, and serviced by Star Alliance. The approach is intended to provide low (internal) cost production of under-served business in urban communities.

DESCRIPTION

Historically, the insurance industry has been unable to effectively access the minority business community – Star Alliance was founded on the basis that these communities represent an attractive business opportunity, as they have shown tremendous growth over the past 25 years and all indications point towards a continuation of this trend.

The Company target markets any business organization, institution or insurance production resource that is owned or operated by, employs, serves, and/or partners with culturally different minority groups that are traditionally under-served by the insurance industry. Star Alliance's market segments range from medium to large commercial accounts. They include commercial enterprises, banking and financial organizations, social program constituencies, non-profit organizations and public sector groups.

In addition to its core multicultural business, Star Alliance has developed top-tier risk management and accounting services in fields like collectively bargained workers' compensation, life insurance, worksite benefit development, and self insurance funding options. These unique products and services include but are not limited to:

- Access to discount products and services that supplement customer driven health plans (CDHP)
- Alternative risk distribution for select insurance companies
- Back-office support and services for select insurance companies and production partners
- Collateralization and balance sheet relief for self insured entities
- Collectively bargained workers' compensation (CBWC)
- CBWC consulting services for self-insured entities
- *Funds Provision Life Benefit Restoration Program*
- Group voluntary worksite benefits and Section 125 administration
- Guarantee issue group cancer/dread disease product
- Multi-line insurance products for select industries and classes of business
- Program and captive development, design and administration
- Risk management and business consulting service capabilities
- Special excess workers' compensation policies for the transfer of claim liabilities
- Worksite product offerings for select life, health and benefit coverage and alternatives

MARKETING STRATEGY

Star Alliance markets and delivers its products and services through four primary "Production Divisions," as follows:

1. Life Benefit, Healthcare, Voluntary Worksite Employee Benefits and Section 125 Administration: Star Alliance provides access to a life benefit and funds provision program for qualified Unions, Municipalities, Private Employers Corporate clients and Affinity Groups/Associations. We offer a turn-key program delivering life insurance and premium funding solutions for the sponsoring entity, a life insurance benefit for the participating member/employee family and/or estate and a substantial long-term collateral and balance sheet asset for the sponsoring entity. This long-term collateral asset can be utilized to help fulfill member/employee pension contributions, reduce the cost of existing benefits and providing the funds to expand the benefits for the health and welfare of the member/employee population.

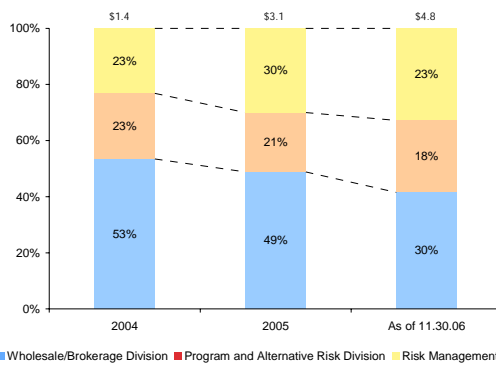
Additionally, this division specializes in the marketing, delivery and administration of IRC Section 125 Cafeteria Plans and offers a selection of voluntary workplace benefits.

2. Wholesale/Brokerage Division: This division's business model is driven by traditional wholesale production methods -- appointing and soliciting business from a select group of independent retail agents/brokers. Appointed producers submit business to Star Alliance for underwriting review and insurance company consideration.
3. Underwriting Division, Program and Alternative Risk Division: This division seeks opportunities for program and affinity business in specific industries. Star Alliance utilizes all insurance structures, filed safety groups, captives, manuscript forms, and excess & surplus carriers, to capitalize on solving coverage issues/problems. The Company looks to secure in-house underwriting authorities from an elite group of insurance carrier partners. Star Alliance develops niche products and services that address specific needs that target various industry groups.
4. Risk Management and Business Consulting Services: The Company offers, on a fee- for-service basis, a variety of associated services, including but not limited to:
 - Claims handling
 - Market development
 - Safety analysis
 - Insurance consultation
 - Product development
 - Loss control
 - Risk management
 - Technical support and assistance
 - Identifying carrier support
 - Underwriting management.

REVENUE BREAKDOWN

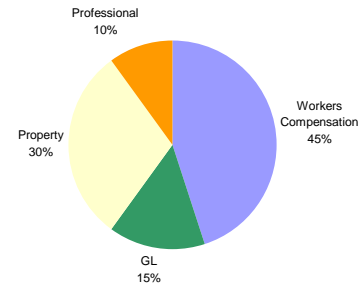
The wholesale brokerage division accounted for the largest portion of Star Alliance revenues over the last 3 years (53% on average), and workers' compensation and property & casualty collectively made up about two-third of divisional revenues. The Company expects life insurance and voluntary worksite benefits, an area in which it is actively pursuing opportunities in 2008, to start generating meaningful revenues in the fourth quarter of 2008 and beyond.

Revenue Breakdown by Division



Source: Star Alliance management reports

Wholesale Brokerage Division Revenue Breakdown (2004-06)



CLIENT RELATIONSHIPS

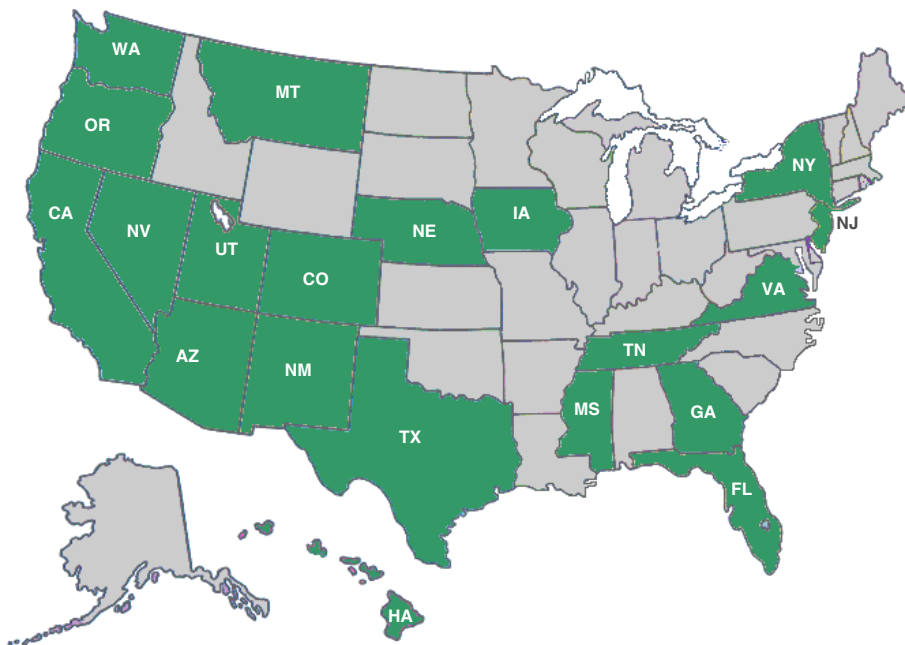
Over time Star Alliance has developed significant relationships with a number of key clients; clients that include but are not limited to:

1. International Longshore and Warehouse Union: Star Alliance will provide a Guarantee issue group life insurance product.
2. City of San Jose: Star Alliance currently provides Worksite Products and Section 125 Administration for the City and their employees.
3. City of Long Beach: Star Alliance is a consultant for the City of Long Beach relative to their Workers' Compensation program including Collective Bargained Workers' Compensation and various other insurance related initiatives.
4. Association of Oregon Industry (AOI): Star Alliance will provide commercial insurance resources for their business membership of 22,000 businesses. Products will include:
 - Business Property, General Liability, Auto
 - Workers Compensation Programs
 - Professional Liability Programs
 - Executive Liability Programs
 - Reinsurance support for members with self insured insurance programs.
 - Health Insurance: Mini Medical Programs, Pharmacy/RX Discount Cards, Voluntary Worksite benefits (Allstate), Section 125 Implementation, Administration and Audit.
 - Payroll, Bank and Debit Cards.
3. McDonalds Corporation: Star Alliance has been engaged to look at developing property, general liability and workers compensation product solutions for their restaurants nationally.
4. USDA (U.S. Department of Agriculture): Star Alliance has been engaged as a consultant to work with intermediary entities to assist with the development of safety and risk management programs for Hispanic agriculture workers.
5. Hawaii Contractor Union: Star Alliance has been engaged to assist in the development of collectively bargained workers compensation programs for both the Unions and their signatory employers supported by State statutes.

6. University Health Alliance: Star Alliance has been engaged as a strategic distribution and education partner for Section 125 and Allstate's voluntary worksite products for their 4,700 employers representing over 130,000 employees.
7. Light of the World: This place of worship group represents the second largest Hispanic Christian organization behind Hispanic Catholics, growing vertically and currently representing over 10 million members world wide, 1.5 million in the US and 300,000 in California alone. They have approached Star Alliance for the following membership benefits:
 - Life Insurance
 - Critical Illness Insurance
 - Pharmacy/RX Discount Cards
 - Payroll, Bank and Debit Cards
 - Personal Auto and Home Insurance
 - Risk Management Survey of all Church Insurance
 - Business Insurance for members.
9. EbizMatching.com: This is a business procurement facility primarily established to service the Hispanic business community on a national basis. Their focus is to bring public and private sector opportunities to the small business owners both minority and majority owned. Star has been engaged as a strategic partner to provide commercial insurance products, services and education for their membership.
10. Comprehensive Integrated Marketing Services (CIMS): CIMS is a health insurance distribution platform for Blue Cross and Blue Shield owned by Anthem and WellPoint, serving over 2,000 health insurance brokers nationwide. Star Alliance has been engaged to assist with program development of commercial property and casualty insurance products for the homogeneous clusters of businesses they serve.
11. Church of God In Christ: A substantial, national African American church group comprised of 12,000 churches and better than 8,000,000 plus members nationally and growing. Star Alliance has been endorsed as this group's insurance broker on a national basis as it relates to Life, Health and Benefits insurance and Final Needs Planning insurance for the older population.

GEOGRAPHIC COVERAGE

Star Alliance is licensed to conduct business in twenty (20) states, including California, New York, Texas and Florida, four of the most rapidly growing states for the market that the Company targets.



- Star Alliance Licensed States

Source: Star Alliance

MINORITY OWNERSHIP STATUS

In the United States, minority-owned companies are defined as those that are owned and controlled by US citizens who are Asian, African American, Hispanic or Native American.

Such groups are required to own at least 51% and manage daily operations to qualify as a minority-owned company by the National Minority Supplier Development Council (“NMSDC”), a leading business membership organization that links corporations and Government entities with minority-owned businesses. When certified by the NMSDC, minority-owned companies are able to satisfy the diversity and minority initiative programs at some of the largest companies and government organizations in the country. Most of the top U.S. corporations, including Fortune 500 companies such as GE, AIG, General Motors, Toyota, Pfizer and Pepsi, have such initiatives as part of their overall corporate strategy.

One of the biggest challenges of corporate America has been the ability to fulfill their diversity requirements, as an adequate number of appropriate and qualified minority-owned companies do not always exist for each of their specific needs.

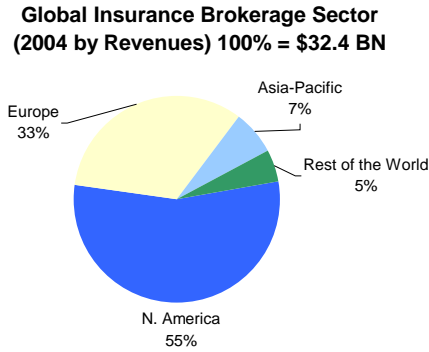
Star Alliance is exceptionally well-placed to capture business from these minority and diversity initiatives as well.

IV. WHOLESALE INSURANCE BROKERAGE INDUSTRY

The insurance brokerage industry is rapidly evolving, and should benefit from smaller specialized players such as Star Alliance

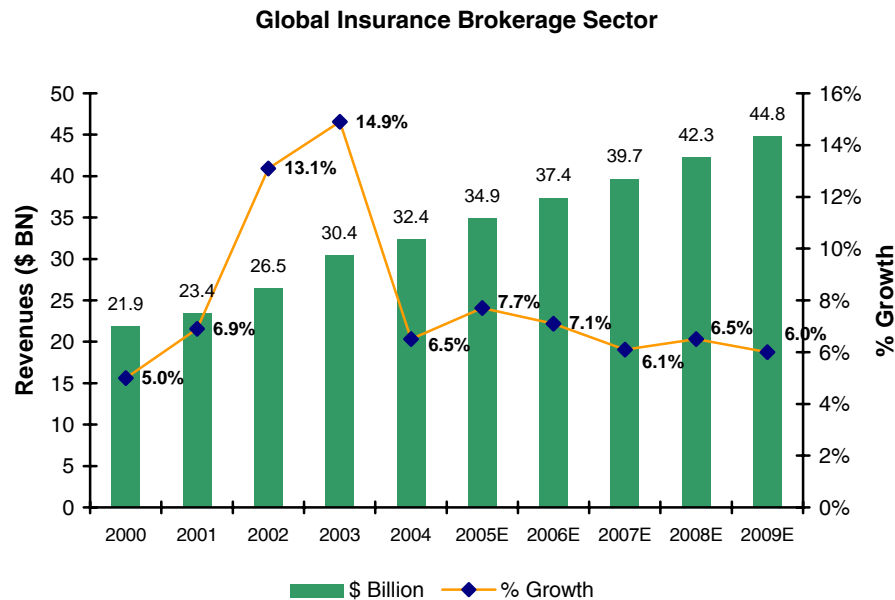
GLOBAL INSURANCE BROKERAGE TRENDS

It is estimated that the global insurance brokerage sector generates annual revenues of approximately \$35 billion – several sources, however, view this as a very low estimate, and place the figure at much higher levels. North America accounts for a sizeable 55% of this market, with Europe following with 33%. Asia Pacific and the rest of the World account for the remaining 12%.



Source: Datamonitor, May 2005

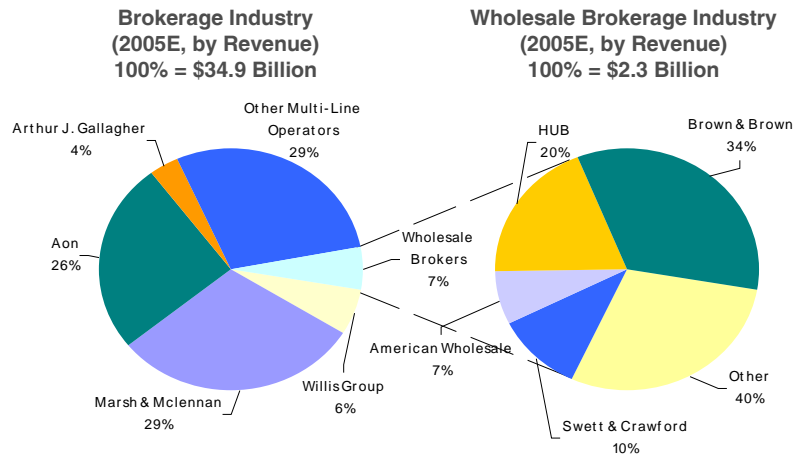
Sector revenues have been steadily growing since 2004 and are estimated to approach \$45 billion in another three years. Much of this growth is likely to be fueled by new product development, increased focus on under-penetrated markets and greater transparency in the overall insurance sector.



Source: Datamonitor, May 2005

COMPETITIVE DYNAMICS

Wholesale brokerage revenues are estimated to account for 7% of the insurance brokerage industry commissions. This segment includes industry leaders Brown & Brown, HUB International, Swett & Crawford and American Wholesale Insurance, each accounting for an estimated 34%, 20%, 10% and 7% of the wholesale market. A large portion of the sector, about 40%, consists of a relatively large number of privately held specialized wholesale brokers.



Source: Datamonitor, May 2005

INDUSTRY PROFITABILITY

Margins of the insurance brokerage industry leaders have been contracting over the last three years due to increased competition and a softer rate environment. According to the most recent filings of Arthur J. Gallagher (“AJG”), one of the largest insurance brokers in the industry, increased competition had a negative impact on all its non-life (property-casualty) brokers in the company. Willis Group and Aon Corporation, direct competitors to AJG, also suffered from margin erosion.

Over the last two years, HUB and Brown & Brown have continued to expand their revenue base aggressively by 24.3% and 19.5%, respectively. HUB International and Brown & Brown, leaders in the wholesale broker sector, have also experienced margin contraction, impacted in large part by consolidation-related expenses brought on by the large number of acquisitions completed last year.

Growth in the wholesale brokerage industry has outpaced the life insurance and insurance brokerage sectors by approximately 20%, as an increasing number of insurance companies seek alliances with wholesale producers who can help achieve rapid premium ramp-up.

INDUSTRY TRENDS

Principal trends in the industry, based on the comments of top industry leaders as well as industry data, suggest increased competitive pressures that are causing large players to seek alternative sources of revenues:

- Increased consolidation:** Competition for market share has intensified among the top players. Many of their targets have consisted of relatively small brokers and third-party administrators with an average deal size of \$20 million. Most buyers focus on acquisition targets that are either (a) large “hub” brokers that cover sizable geographic regions or specialty lines of business or (b) smaller “fold-in” brokers that improve margin expansion, create a broader geographic presence and improve product depth and experience. For any investor in Star Alliance, this environment presents potential exit opportunities.

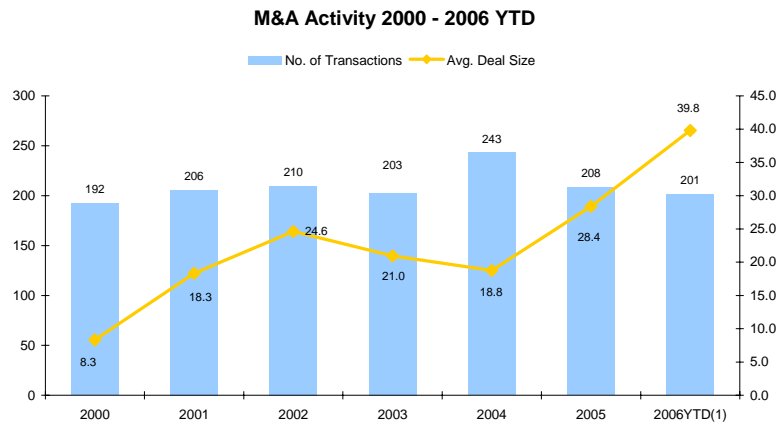
- **Softening prices:** Insurance rates have been declining over the last several years, negatively influencing wholesale brokers' revenues. Based on industry studies, on average insurance rates have declined 15% over the last 6 months. Nevertheless, most wholesale brokers have seen an increase in volume, which has partially made up for pricing pressures. This has been in large part due to insurance companies becoming more efficient in reaching their customer base.
- **Volume:** Insurance companies have continued to raise the bar in what they consider adequate premium volume commitments. It is estimated that volume commitments for many carriers will double or triple from current levels. To achieve this, many carriers have focused their marketing efforts toward larger accounts and thus toward larger regional and national brokerages. This is the value proposition that Star Alliance intends to leverage and expand upon.

ACQUISITION ACTIVITY

While organic growth is driven by increasing sales to existing accounts, improving customer retention, expanding new accounts, and increasing insurance rates, acquisitions have been part of the core growth strategy for several large players.

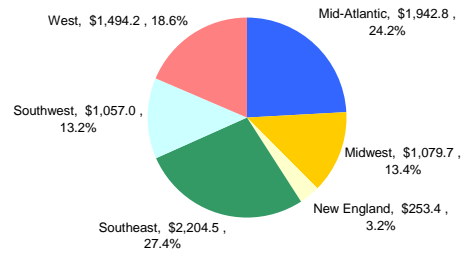
The total number of transactions in the brokerage industry has steadily increased since 2000, peaking in 2004 at 241 with an average deal size of \$33.6 million. The Mid Atlantic, Midwest and Southeast each accounted for about 20% of deal activity, the Southwest and West each accounted for about 15% and the remaining can be attributed to the Northeast. Not surprisingly, Brown & Brown, Arthur J. Gallagher and HUB International were among the most active acquirers in the sector, collectively accounting for about 15-20% of the deals that were announced.

This trend is likely to continue as the largest players strive to penetrate new markets and maintain margins, and smaller brokers continue to seek alternative strategies to expand market share.



¹ As of December 21st, 2006
Source: SNL Financial

Regional Breakdown of M&A Activity 2000 - 2006 YTD



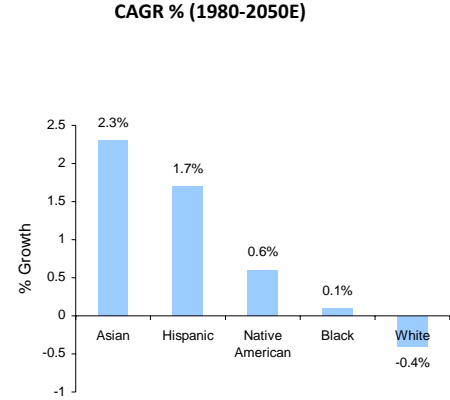
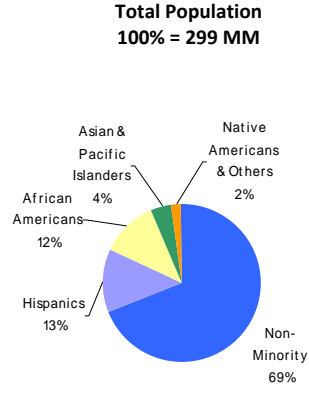
¹ As of December 21st, 2006
Source: SNL Financial

V. BENEFITS OF MINORITY OWNERSHIP

Star Alliance is aiming to capture additional market share by fully leveraging its status as a minority-owned insurance broker

EXPANDING NUMBERS

Minorities currently represent 31% of the overall U.S. population, and are expected to account for about 50% by 2050. Within the minority groups, Hispanics currently comprise 41%, African Americans 40%, Asian & Pacific Islanders 12%, Native Americans 3% and others 2%. Annual growth rates through 2050 are expected to be 2.3% for Hispanics, 0.6% for Asians, 0.1% for Blacks and negative 0.4% for Whites.

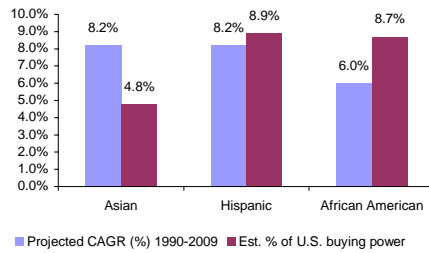


Source: Boston Consulting Group - "The New Agenda for Minority Business Development" (June 2005)

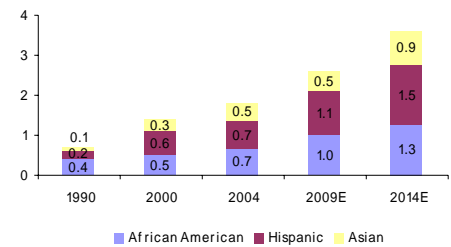
EXPANDING PURCHASING POWER

Purchasing power of minorities is also growing rapidly, growing annually at 8.2% for Asians and Hispanics and 6.0% for African Americans. Asians make up 4.8% of total U.S. purchasing power, Hispanics 8.9% and African Americans 8.7%.

Minority Purchasing Power Growth vs. US



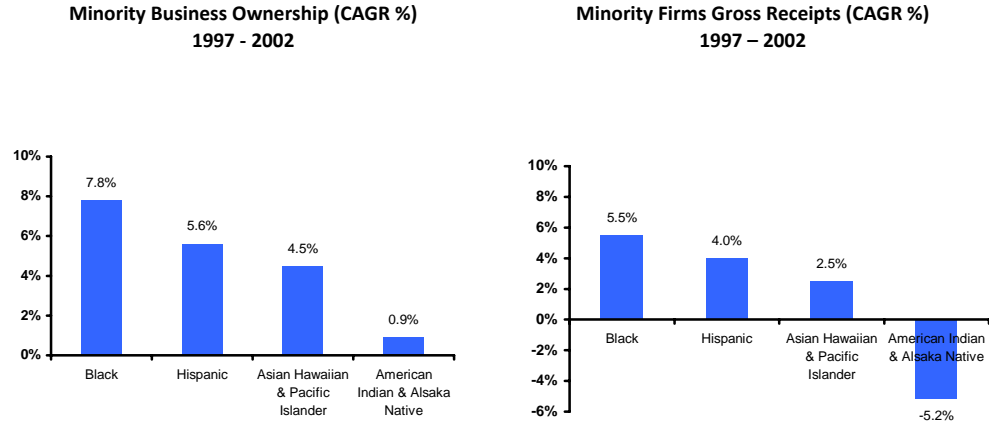
Minority Purchasing Power Growth (\$TN)



Source: Boston Consulting Group - "The New Agenda for Minority Business Development" (June 2005)

BUSINESS OWNERSHIP

Business ownership among minorities is also growing at a fast pace. Although the stereotypical minority-owned businesses such as “mom and pop” retail stores are still present, the real growth in minority business is occurring in more sophisticated sectors of the economy (financial services, energy, consumer products, telecommunications and technology).



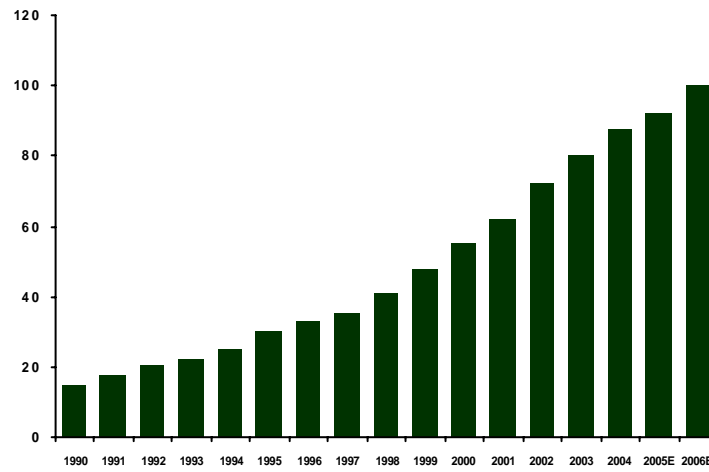
Source: Boston Consulting Group - “The New Agenda for Minority Business Development” (June 2005)

EXPANDING MINORITY INITIATIVES AT MAJOR CORPORATIONS

An increasing number of middle-sized and Fortune 500 companies are establishing formal diversity initiative programs at their respective organizations. In 2005 alone, AT&T spent \$1.6 billion, Toyota North America \$1.0 billion, Pepsico \$921 million, Pfizer \$700 million, and Xerox \$400 million on products and services from minority-owned firms. General Motors, American Airlines, IBM, Frito-Lay, Hewlett Packard, Reebok, Proctor & Gamble, Los Angeles Housing Authority, and the Chicago Transportation Authority also strongly support minority owned companies.

Most of the 100,000 public entities in the U.S., and more than half of Fortune 500 companies, have formally stated or active minority participation requirements – expenditures at major corporations are estimated to reach and exceed \$120 billion by year-end 2008. Businesses of all sizes recognize the merit of expanding the ethnic diversity of their supplier base and tap a market segment that over the next two generations is projected to have spending power between \$2 to 3 trillion.

Minority Expenditures By Major U.S. Corporations 1990-2006E
US\$ BN, CAGR = 12.6%



Source: National Minority Supplier Development Council

VI. EXPANSION STRATEGY

Star Alliance's expansion strategy is a combination of organic growth, enhanced product and service capabilities and targeted acquisitions

THE VISION

Since inception, Star Alliance management has focused on establishing its name in the marketplace and ensuring that it was operationally structured to carry out its primary objectives. This consisted of hiring and retaining top industry talent, acquiring appropriate systems/IT, establishing ties with industry participants (insurance carriers, retail brokers and other affinity groups) and solidifying relationships with funding providers.

After ten years, Star Alliance believes it now has sufficient momentum on all fronts to embark upon the next stage of its strategy – to accelerate top-line revenue growth through a combination of:

- Marketing unique and creative products and services that to date have not been offered through the wholesale brokerage community;
- Marketing aggressively to large corporations, labor unions and public-sector entities;
- Utilizing its minority ownership status (as per NMSDC) to satisfy minority and diversity initiatives at leading corporations and public-sector entities;
- Developing alternative revenue sources, including cross-selling across network;
- Acquiring several identified wholesale brokerage operations; and,
- Enhancing recruiting, IT and marketing initiatives.

ACQUISITIONS

Critical to the growth and success strategy for Star Alliance is the ability to identify and qualify synergistic acquisition opportunities to ensure continued expansion. The general formula for targeting acquisition targets has been geographic depth/breadth, product diversification, expense synergies and revenue synergies. This formula allows for:

- Accelerated revenue growth;
- Rapid time to market;
- Increased carrier appointments;
- Enhanced competitive positioning and market share;
- Expanded product offerings;
- Minimized downside risk.

Several acquisition opportunities have identified that would enhance the Company's position on a local, regional and national basis. Each of these firms broadens Star Alliance's carrier relationships, product and market penetration, and overall growth.

CORPORATE RELATIONSHIPS & LARGE MEMBER GROUPS

Star Alliance and its management team have gained recognition among market groups and, as such, are now in active conversations with several groups that represent a large number of members seeking insurance coverage. Examples consist of the International Longshore & Warehouse Union (CA), the Teamsters, the AFLCIO, the USDA, the Association of Oregon Industry and the University Health Alliance to name a few. Several of the groups have at least 20,000 members, and can be as many as 1,000,000 plus. The Company's objective is to be the primary provider of insurance solutions to each such group.

MINORITY OWNERSHIP STATUS

Star Alliance has successfully acquired insurance company appointments not usually granted to agency/brokerage firms, and rarely to a wholesaler. These include appointments from direct underwriters like Allstate and Farmers, as well as select carriers who typically never work with wholesalers. Star Alliance has been able to achieve this through (a) the fact that it is the only multiethnic minority-owned and certified insurance wholesaler with national capabilities operating in the U.S. and (b) the intellectual capital and proven success of its management team.

The Company has been able to demonstrate executive leadership and secure contracts to provide back office services to organizations such as WellPoint and Allstate.

ALTERNATIVE REVENUE SOURCES & CROSS SELLING

Star Alliance is also considering other products and services that could be easily leveraged as its gains access to a much broader group of individuals. Areas that are being studied:

- Independent call centers (enrollment centers);
- Credit products (unsecured, low limit);
- Supplemental life and non-life insurance; and,
- Other miscellaneous products and services.

INFORMATION TECHNOLOGY

Technology forms an integral part of the Star Alliance plan, and the intention is to fully leverage it to enhance relationships with insurance carriers, customer retention rates and marketing efforts. The key objective will be to develop a technology platform that is scaleable, delivers key management information across the organization, automates where appropriate, delivers information accurately to CSRs and allows a smooth transaction flow throughout the system.

Star Alliance intends to create a truly scaleable operation for its internal needs, and for customer and carrier interface. The goal is to implement a customer-based system that connects all of Star Alliance's strengths, products, minority status and target market segments. This process would entail providing a different "front-end" view for each target audience, from the Fortune 500 company seeking to manage its multi-product Star Alliance relationship, to a small retail agent using a Star Alliance provided toolkit.

Embedded within the technology platform will be the ability to deliver across all media platforms. Increasingly video is becoming available and cost effective as a marketing and outreach tool. Star will employ audio, video, flash and other techniques to ensure that its message remains fresh, topical and compelling. This could include video newsletters to targeted customer segments, webinars (Web-based seminars) on topics of interest, video e-mail introducing new products and services and online chat/message boards to facilitate communication and feedback throughout the Star Alliance community.

Off-the-shelf components will be used, including Microsoft Exchange, SharePoint Server, SQL as the back-end database, linked to a variety of web-services and possibly a number of ISP's such as Salesforce.com and Kintera.