ALEXIA NETWORK LLC
Phoenix, Arizona



INVESTOR AND TECHNICAL BRIEFING · CONFIDENTIAL

One platform for learning, tutoring and professional publishing

What it does, how it earns, how money moves, and a capped revenue-participation framework for investors who do not buy shares

Alexia Network LLC · Phoenix, Arizona
World Scholars Arena · WSA Academy · Tutor Network · Alexia Publish

Edition 2 · October 2026 · Prepared for [investor name]

WORLD SCHOLARS ARENA · WSA · SEALED · ALEXIA NETWORK LLC · LOCKED

IMPORTANT

Notice to the reader

This briefing describes a business and a **proposed framework** for revenue participation. It is a confidential, preliminary document prepared by the company for discussion with a named recipient. It is **not** an offer to sell, or a solicitation of an offer to buy, any security or financial product. Any offering would be made only by a separate definitive document, to eligible persons, in compliance with federal and Arizona securities law, after review by the company's securities counsel.

No guarantee. Nothing here guarantees a payment, a return, a payment date or the repayment of principal. A revenue-participation right pays only from revenue that the company actually collects. If revenue is lower than assumed, payments are lower, later, or may not occur, and the recipient may lose some or all of the amount provided.

Illustrative figures. Where a number is a fee, a price, a time limit or a rule of the platform, it is taken from the platform's own settings and product definitions as built. Where a number is a volume, a growth path, an average price or a return, it is an **assumption stated on the page** and is an example, not a forecast. Items shown like [this] are facts the company must insert or confirm before this document is presented.

Status of the technology. The platform is documented here as designed and built by the company. Operating results, customer counts and any third-party audit status must be inserted by the company from its own records at the time of presentation. Security and compliance statements describe controls and readiness work; they are not a certification unless an audit report says so.

Not advice. The company is not giving legal, tax or investment advice. Each recipient should take independent advice. Terms in brackets and marked illustrative are placeholders for negotiation with counsel.

> **BEFORE YOU PRESENT**
> Facts to complete before presenting: legal entity and state of organization, ownership, audited or reviewed financial statements, live user and revenue figures, any prior capital raised, offering size and eligibility. They appear in this document as [highlighted brackets].

BRIEFING

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The Tutor Network connects verified students and tutors across borders, with payment protection built in.

THE OPPORTUNITY IN ONE PAGE

1 Executive summary

Alexia Network LLC, based in Phoenix, Arizona, operates **one platform with four products** that share one sign-in, one billing system, one security model and one administration console: **World Scholars Arena** (a learning game), **WSA Academy** (courses, certificates and reporting for schools and companies), the **Tutor Network** (a verified marketplace in which students book tutors, with payments held and released by rule), and **Alexia Publish** (professional LinkedIn publishing with a proof and evidence ledger).

The company earns from **three revenue streams**: a percentage fee on every tutoring session, monthly or yearly subscriptions for Publish, and organisation plans for the Academy. The three streams are priced in the platform's own configuration and are set out in Section 6. A single tutoring session at a $40 price yields $12.00 of platform gross revenue, which is 27.3% of what the student pays (Section 7).

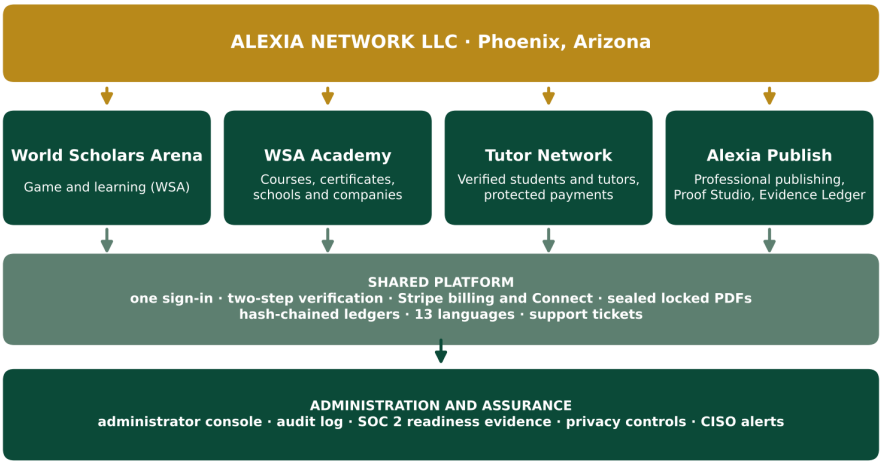


Figure 1. The platform: four products on one shared foundation.

What the platform does	Evidence in the build
Matches verified students and tutors, takes payment, holds it, and releases it only when the session is confirmed	Booking, agreement, payment-hold, release and refund logic; fee register; tutor payouts through Stripe Connect
Protects both sides with signed agreements and a tamper-evident record	Sealed, locked PDF agreements; hash-chained Tutor Ledger with a verification check
Serves the world, not one country	13 languages; international academic e-mail option; time-zone aware cancellation rule
Treats security as a product feature	Two-step verification on every account, audit log, rate limits, SOC 2 readiness evidence, privacy controls
Supports its own customers	Integrated support tickets for students, tutors and organisations, routed to the administrator

PROPOSITION

The investor proposition in one sentence. A capped, contractual share of the company's collected platform revenue, paid monthly, with a stated cap and a company buyout option, and **no equity**: the investor gains no shares, no votes and no ownership, and the company's cap table does not change. Terms are in Sections 10 to 12; all return figures are illustrative.

PLATFORM

2 The four products and how they fit

The products were designed to reinforce one another. A student who plays **World Scholars Arena** is a candidate for a **Tutor Network** session; a tutor or a teacher who needs to be visible on LinkedIn uses **Alexia Publish**; a school or a company that trains people with **WSA Academy** needs verified instruction, reporting and certificates. Shared identity and billing mean a customer of one product is one step from the others, which lowers the cost of acquiring each additional revenue stream.

Product	Customer	What it does	How it earns
World Scholars Arena	Learners and schools	Competitive learning game that builds study habits and leads to deeper help	Entry point; drives Academy and Tutor Network adoption
WSA Academy	Schools, companies	Courses, assessments, certificates (not degrees, not accredited), reporting, LTI and single sign-on, support	Organisation plans (6 tiers, see Section 6)
Tutor Network	Students and tutors	Verified marketplace with signed agreements, protected payment, video room, messaging, rewards and group sessions	Student service fee, tutor maintenance fee and hosting fee on each session, with timing-based pricing
Alexia Publish	Professionals and teams	LinkedIn scheduling and posting, Proof Studio, Evidence Ledger, analytics, company-page posting	Solo, Team and Business subscriptions plus add-ons

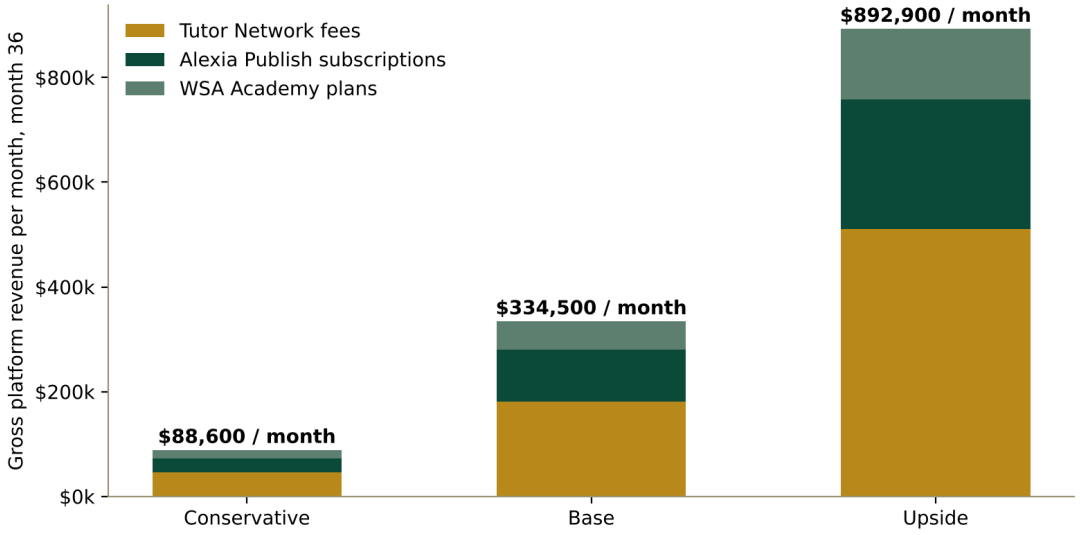
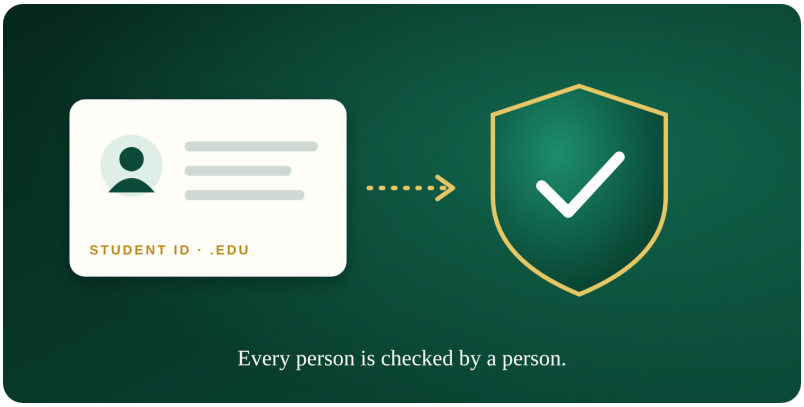


Figure 2. Illustrative gross revenue per month at month 36 under three scenarios, by stream (assumptions in Section 9).

THE MARKETPLACE

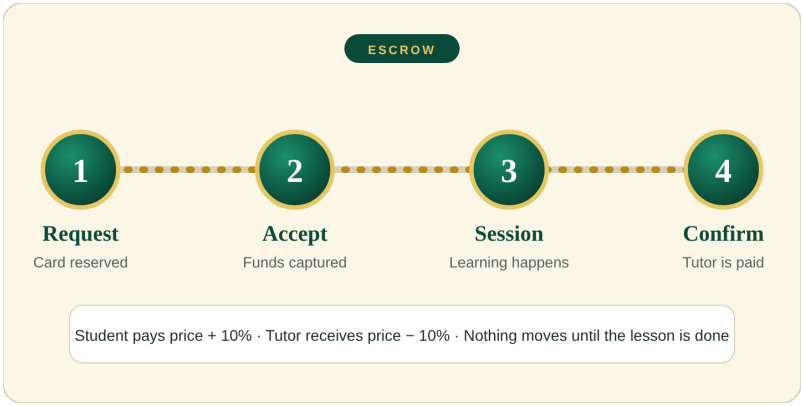
3 Tutor Network in depth

The Tutor Network is designed around a single question: how can two strangers, possibly in different countries, safely agree on a lesson and a price? The platform answers with six mechanisms, each implemented in the product.



Verification, not anonymity: students use school e-mail, tutors submit identity and credentials for review.

- **Verification.** Students confirm a school e-mail (by default ending in .edu; international academic domains can be switched on). Tutors apply with identity and credential documents, reviewed by an administrator within a stated number of business days. Documents are erased 180 days after the decision.
- **Adults only.** Every member confirms that they are 18 or older at registration, and the Master Agreement and Policies are signed electronically, then sealed and e-mailed as a locked PDF.
- **Agreement per session.** Each booking creates a Tutoring Agreement signed by both parties, archived as a sealed PDF searchable by the administrator.
- **Protected payment.** The student's card is charged at booking and held. The tutor has 48 hours to accept, or the hold is released. After the session the student has 24 hours to confirm or dispute. Release and payout happen only after confirmation or timeout (Section 8).
- **Fair cancellation.** Free until midnight in the tutor's time zone before the day of the session; then stepped charges that compensate the tutor (Figure 6).
- **Tamper-evident record.** Every money and approval event is written to the Tutor Ledger, where each entry carries the hash of the previous one; an administrator check detects any change or deletion.



Funds are held and released by rule; the tutor and the student can see what happens next.

Retention levers. Welcome code (10% off a first session), referral codes ($5 each way), review thank-you codes ($2), milestone codes at 3, 5, 10 and 25 completed sessions, and Scholar, Fellow and Laureate levels that reduce the student service fee by 10%, 25% and 50%. These reduce revenue per session and are included in the model as a 1% cost. Group sessions (up to 8 seats) let classmates share a session, and the platform caps any surge premium at 30% and total discounts at 50%.

Support in the portal. Students and tutors open tickets from their own portal: a guided form with 13 categories, written answers, a pick-list of their own sessions, and automatic attachment of their account, verification, payment-account and session facts. The ticket e-mails the administrator address and is answered in the same portal.

THE SUBSCRIPTION PRODUCTS

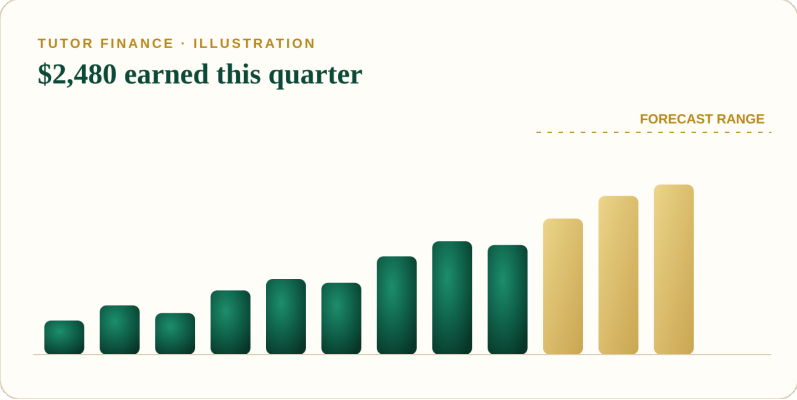
4 Academy and Publish in depth

WSA Academy. Schools and companies register an organisation, assign roles, deliver courses and assessments, and receive reports. Certificates carry a verification page and are explicit that they are not degrees, not accredited and carry no credit. Organisations can integrate by LTI, single sign-on and API; exports are sealed, locked PDFs with a lock-key register. Organisation plans are tiered by size (Section 6). The Academy also hosts the shared ticketing and notification system used by every product.

Alexia Publish. Professionals and teams connect LinkedIn profiles and schedule posts at chosen times. **Proof Studio** and the **Evidence Ledger** record the source and approval of what is published, using a hash chain that can be verified; the product is aimed at regulated and reputation-sensitive writers. Plans scale by number of profiles, posts per month and posting slots; add-ons are sold per unit.

DIVERSIFICATION

Why subscriptions matter to the model. Tutor Network revenue depends on session volume and is exposed to the school calendar; Publish and Academy revenue is recurring and billed through Stripe. Together they diversify the three streams that fund the participation framework.



Instruction, credentials and publishing share one account and one billing relationship.

ASSURANCE

5 Trust, security and compliance

Platforms that hold money and personal data are valued on trust. The build treats security controls as features and keeps the evidence an assessor would ask for.

Control	How it is implemented
Identity and access	Registration with e-mail verification; two-step verification required on every account; password policy of at least 12 characters with a letter and a number, blocklist checks, and no reuse of the last four; changing a password or an e-mail address needs the current password and a confirmation link, and the old address is told
Payments	Card data never touches company servers; Stripe Checkout and Stripe Connect; webhook verification; idempotent refunds and transfers; optional Stripe Tax
Integrity	Hash-chained ledgers (Tutor Ledger, Evidence Ledger) with verification; sealed, locked, watermarked PDFs for agreements, receipts, reports and manuals
Privacy	Privacy statement in 27 sections; document retention limits; account and data requests handled through tickets; masked phone numbers in support
Monitoring	Audit log of sign-ins, changes and staff actions; rate limits; security alerts to the CISO address; daily service digest; an e-mail for every payment, refund and payout; alerts for payout failure, webhook failure, a fee register that does not balance, a broken ledger chain and chargebacks
Resilience	Background worker for time-based rules (expiry, release, reminders); e-mail outbox with retry and suppression list
Governance	Founder and CISO (Atem Astor Tangap) owns security and compliance; SOC 2 readiness evidence kept and updated; Better Business Bureau profile maintained

HONEST STATUS

What this is not. SOC 2 readiness is preparation, not an attestation. The company should state the current audit status truthfully at the time of presentation: [SOC 2 Type I / Type II status and date, or "readiness only"].

HOW THE COMPANY EARNS

6 Revenue streams and pricing

Prices below are the platform's configured values at the date of this edition. Administrators can change them in the console; the figures should be re-confirmed from the console when the briefing is presented.

Stream 1: Tutor Network fees

Item	Value	Who pays
Student service fee	10% added on top of the tutor's price	Student
Tutor maintenance fee	15% taken out of the tutor's price	Tutor
Hosting fee	5% of the session price, taken out of the tutor's payout on sessions the platform hosts (video room, or a Teams meeting the platform creates); the administrator can apply it to every session	Tutor
Timing: short notice	The closer the start, the higher the price and the student fee: under 4 hours +30% price and +3% student fee; under 8 hours +20% and +2%; under 24 hours +10% and +1%	Student
Timing: booked ahead	The further out, the lower the price: under 7 days -5%, under 14 days -8%, beyond that -10%; a standard price from 24 hours to 3 days	Student
Tutor price range	$5 to $500 per hour (before timing adjustments)	Set by tutor
Session length	30 to 240 minutes	Student chooses
Platform gross revenue	30% of the tutor's price on a standard platform-hosted session (27.3% of what the student pays); 25% when the platform does not host the session; more at short notice	Derived
Tax	Stripe Tax can be switched on; tax collected is not company revenue	Student

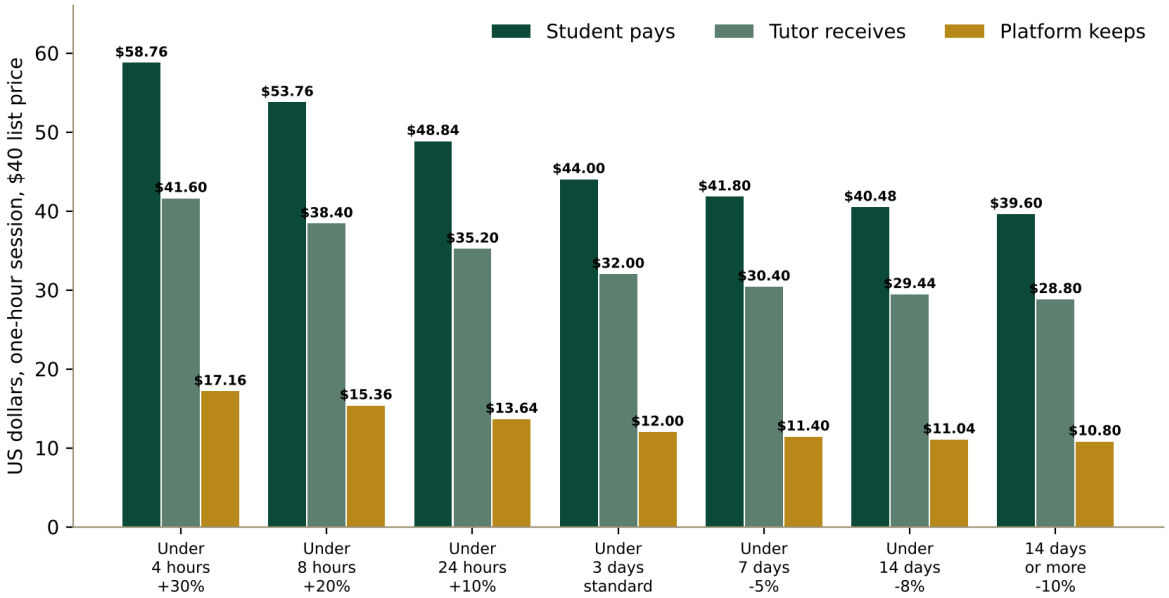


Figure 3. The timing curve: what a student pays, what the tutor receives and what the platform keeps on a $40 one-hour session, by how far ahead it is booked (platform defaults, adjustable).

PRICING GOVERNANCE

Administrator controls over pricing. Every percentage and every timing band above is a setting in the administrator console, applied platform-wide at the moment it is saved and recorded in the Tutor Ledger. The administrator can switch student-side billing off entirely (students then pay only the tutor's price), switch short-notice pricing and the advance discount off separately, and **invite any person into the network with a comp**: a fee-free or **showcase** account for which the service, short-notice, maintenance and hosting fees are all waived, for a set number of days or without end. Alexia Publish already supports free showcase workspaces. Every comp is a ledger entry and an administrator e-mail.

Stream 2: Alexia Publish subscriptions

Plan	Monthly	Yearly	Profiles	Posts per month	Includes
Solo	$19	$190	1	60	Proof Studio, Evidence Ledger
Team	$59	$590	5	400	plus analytics
Business	$149	$1,490	15	unlimited	plus company-page posting, priority support

Add-on	Monthly	Yearly	Effect
Extra posting times	$9	$90	3 more posting times a day
Extra LinkedIn profile	$12	$120	1 more person
100 more posts a month	$7	$70	Room to publish more
Higher daily limit	$5	$50	2 more posts a day per profile
Analytics	$15	$150	Dashboards
Company-page posting	$25	$250	Post as the organisation
Priority support	$19	$190	Tickets to the front

Stream 3: WSA Academy organisation plans

Plan	Audience	Price	Capacity (people)
Classroom	School	$149	100
Department	School	$399	500
Institution	School	$899	2,000
Team	Company	$249	50
Business	Company	$799	250
Enterprise	Company	$1,999	1,000

Academy prices are as configured in the platform; the billing period should be confirmed in the console (the model assumes monthly billing). [confirm Academy billing period]

PRICE TO CONTRIBUTION

7 Unit economics of a tutoring session

Take a one-hour session at a tutor price of $40.00. The student pays $44.00 (price plus the 10% student service fee). The tutor receives $32.00 (price less the 15% maintenance fee and the 5% hosting fee on a platform-hosted session). The platform's gross revenue is $12.00, which is 30% of the tutor's price and 27.3% of what the student pays. The model then deducts an assumed 3.0% for card processing on the amount charged and 1.0% for reward-code cost. The result is an assumed net contribution of **$10.24 per session**.

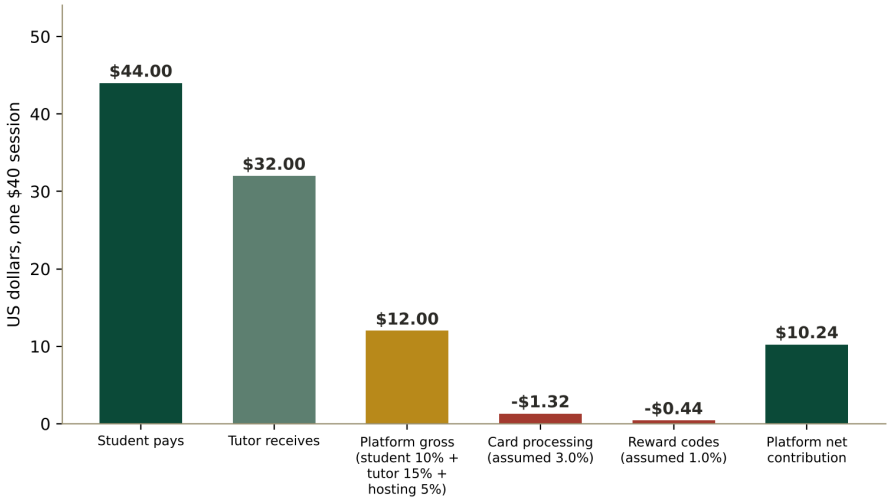


Figure 4. One $40 session: where each dollar goes (processing and rewards are assumptions).

The modelled average session. Real bookings are spread across the timing curve, some sessions are not platform-hosted, and some accounts are on a fee-free comp. The financial model therefore uses a blended session instead of the standard one: an assumed 85% of sessions hosted by the platform, the booking mix assumed in Section 9 (about 10.0% of bookings at short notice, 40% booked three or more days ahead (at a discount)), and 3% of sessions on a comp. At a $40 list price the blended session has a student charge of $43.71, platform gross revenue of $11.34 and an assumed net contribution of **$9.59**, against $10.24 for the standard session. These are assumptions, not results.

Tutor price (1 hour)	Student pays	Tutor receives	Platform gross	Assumed net
$15	$16.50	$12.00	$4.50	$3.84
$25	$27.50	$20.00	$7.50	$6.40
$40	$44.00	$32.00	$12.00	$10.24
$60	$66.00	$48.00	$18.00	$15.36
$100	$110.00	$80.00	$30.00	$25.60

Reading the table. The platform earns the same percentage whatever the price, so revenue grows with total spend, not with the number of sessions alone. Premium subjects and test preparation lift the average price; tutoring in lower-income markets lowers it. The model uses a single $40 average.

HOW MONEY MOVES

8 Payments, escrow and payouts

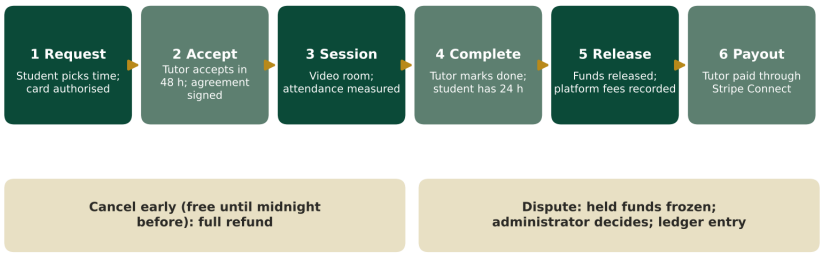


Figure 5. The life of a paid session, from request to tutor payout.

Collection. The student pays by card through Stripe at booking. Funds are authorised and held on the platform's Stripe account; the tutor does not receive anything until the rules release it. **Payout.** Tutors connect a Stripe Connect account; the platform transfers the tutor's share after release. A payout is blocked until the tutor's payment account is ready.

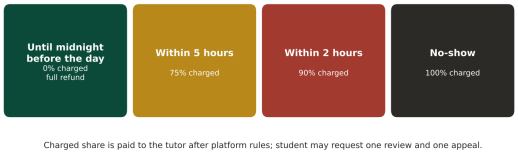


Figure 6. The cancellation ladder (platform defaults, adjustable by the administrator).

Rule	Default	What happens
Tutor response window	48 hours	Hold is released if the tutor does not accept
Student confirmation window	24 hours after completion	Student confirms or disputes; silence confirms
Free cancellation	Until midnight in the tutor's time zone before the day	Full refund
Within 5 hours	75% of price charged	Compensates the tutor
Within 2 hours	90% charged	Compensates the tutor
No-show	100% charged	Attendance measured by time in the room (5 minutes counts as present)
Refund review / appeal	14 days / 7 days	One review and one appeal, decided by an administrator
Reschedule	Free until the cutoff, up to 2 times	Fewer cancellations

Fee register. Every charge the platform collects is a row in a fee register (student service, short-notice fee, tutor maintenance, hosting fee, tax collected, reward cost, retained cancellation, refund, reversal), and every money event is written to the hash-chained Tutor Ledger. This produces the revenue statement that an investor can reconcile to Stripe (Section 14).

ASSUMPTIONS AND OUTPUTS

9 Financial model: three illustrative scenarios

IMPORTANT

Illustrative model. Not a forecast, not a promise. Every figure marked illustrative is an arithmetic example built from stated assumptions. No amount shown is guaranteed, and distributions may be lower than shown, delayed, or zero.

The model starts from zero at launch and ramps linearly to the volume shown at months 12, 24 and 36, then holds at the month-36 level to month 60 (a deliberately cautious assumption that adds no growth after year three). It counts only the three streams in Section 6.

Assumption	Conservative	Base	Upside
Tutor sessions per month (m12 / m24 / m36)	400 / 1,500 / 4,000	1,500 / 6,000 / 16,000	4,000 / 16,000 / 45,000
Paid Publish workspaces (m12 / m24 / m36)	60 / 200 / 500	200 / 700 / 1,800	500 / 1,800 / 4,500
Academy organisations (m12 / m24 / m36)	5 / 15 / 35	15 / 50 / 120	40 / 130 / 300
Average tutor price, one hour	$40	$40	$40
Publish revenue per workspace per month	$55 (blend of $19, $59, $149 plans and add-ons)	$55	$55
Academy revenue per organisation per month	$450 (blend of $149 to $1,999)	$450	$450
Fees: student / tutor / hosting	10% / 15% / 5%	10% / 15% / 5%	10% / 15% / 5%
Hosting applies to	85% of sessions	same	same
Booking mix across the timing curve	3% under 4 h, 3% under 8 h, 4% under 24 h, 50% standard, 20% under 7 d, 12% under 14 d, 8% beyond	same	same
Sessions on a fee-free comp	3%	same	same
Net contribution per average session at $40	$9.59	same	same
Card processing / rewards	3.0% / 1.0%	3.0% / 1.0%	3.0% / 1.0%

Gross platform revenue per month	Conservative	Base	Upside
Month 12	$10,087	$34,763	$90,867
Month 24	$34,763	$129,051	$338,969
Month 36	$88,617	$334,469	$892,881
Annualised run-rate at month 36	$1,063,407	$4,013,626	$10,714,573
of which Tutor Network (m36)	$45,367	$181,469	$510,381
of which Publish (m36)	$27,500	$99,000	$247,500
of which Academy (m36)	$15,750	$54,000	$135,000

Participation Revenue (the amount on which investor payments are calculated) is gross platform revenue less card processing, refunds and reward cost, and excludes tax collected for authorities. The

model approximates it by applying the assumed 3.0% and 1.0% deductions. The model does **not** subtract the company's own operating costs, because a revenue participation is paid before profit; the company must fund operations from the share it retains.

READING THE MODEL

What the scenarios say. The base case reaches about $334,469 of gross revenue per month at month 36; the conservative case about $88,617. The three scenarios differ mainly in how many tutoring sessions and paid workspaces the company can acquire, which is why the company's marketing and verification capacity, not technology, is the principal driver of outcomes.

STRUCTURE

10 Investor framework: capped revenue participation, no shares

IMPORTANT

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The investor does not buy shares, receive options, or become an owner. The investor funds the company in exchange for a **contractual right to a percentage of Participation Revenue, paid monthly, until a cap is reached**, or until the company exercises a buyout option. This is commonly called revenue-based financing. The mechanics below use illustrative terms to show how the structure works; every number is for negotiation with counsel.

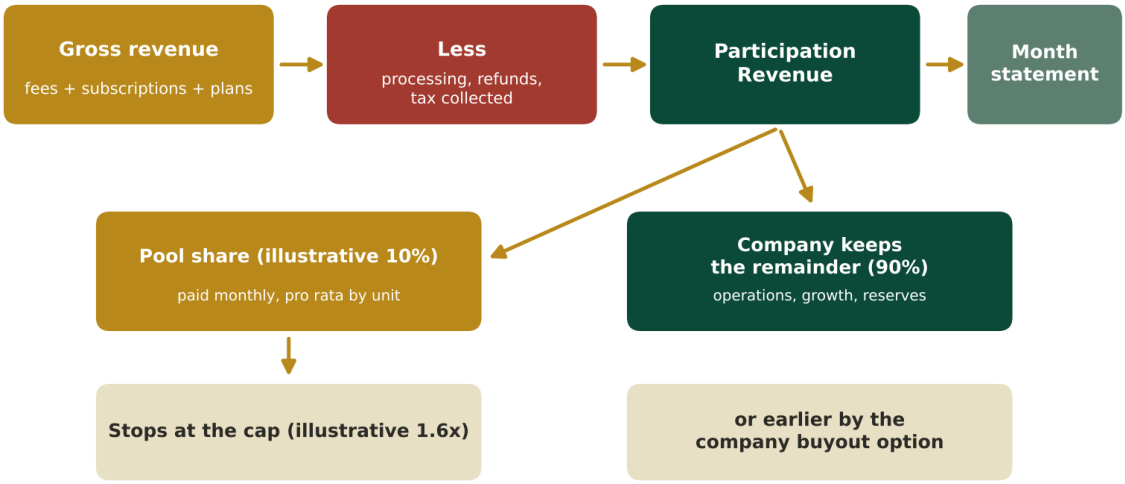


Figure 7. From platform revenue to the monthly investor statement and the stopping rules.

Term	Illustrative setting	Notes
Instrument	Revenue participation agreement (contract); no equity, no votes	Counsel to decide whether to document it as a note or an investment contract and to register or exempt it
Pool size	[$250,000 illustrative]	Total raised under the framework
Pool share of Participation Revenue	10% (illustrative)	Split pro rata among units by amount invested
Minimum starting amount	$10,000 (illustrative)	Four starting points in Section 11
Payment timing	Monthly, within [15] business days after month end	Paid by ACH or wire with a revenue statement
Cap	1.6 times the amount invested (illustrative)	Participation ends when total payments reach the cap
Term limit	[60 months illustrative]	If the cap is not reached by the limit, the agreement ends or a balloon is negotiated; to be set by counsel
Company buyout option	See Section 12	Company may end the agreement early by paying a stated price

Term	Illustrative setting	Notes
Security	Unsecured / lien on revenue accounts [choose]	Counsel to advise
Information rights	Monthly statement; annual review; audit right on revenue	Section 14
Governing law and venue	Arizona [confirm county]	Confirm with counsel

Why a participation and not equity. The company keeps its ownership structure unchanged; investors receive cash flows that begin when revenue begins, rather than waiting for a sale or listing; and the cap and buyout give both sides a defined end. **Trade-offs.** The investor's upside is capped, and a participation in revenue is paid before the company's own costs, so the company must keep enough of each dollar (here 90%) to operate.

WHAT AN INVESTOR RECEIVES (ILLUSTRATIVE)

11 Starting points, monthly payments and returns

IMPORTANT

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Starting points

Tier	Amount	Share of pool (of $250,000)	Share of Participation Revenue (10% pool)	Cap (1.6x)
Starter	$10,000	4.0%	0.40%	$16,000
Standard	$25,000	10.0%	1.00%	$40,000
Strategic	$50,000	20.0%	2.00%	$80,000
Lead	$100,000	40.0%	4.00%	$160,000

Monthly payment to a $25,000 unit (10% of the pool), by scenario

Month after funding	Conservative	Base	Upside
Month 6	$46	$158	$413
Month 12	$92	$316	$825
Month 18	$204	$742	$1,944
Month 24	$316	$1,167	$3,063
Month 36	$803	$3,019	$0
Month 48	$803	$0	$0
Month 60	$803	$0	$0

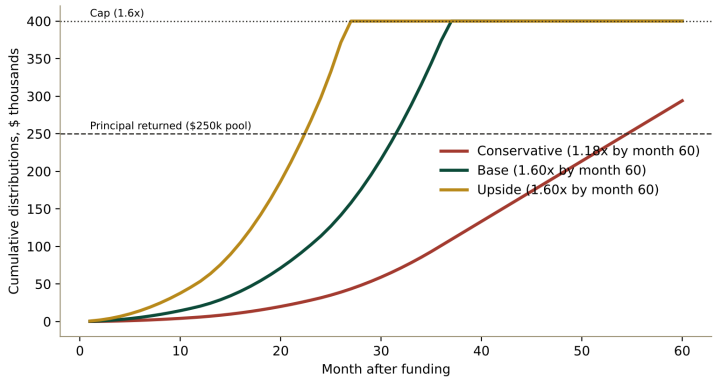


Figure 8. Cumulative distributions to the whole $250,000 pool, by scenario, against principal and the 1.6x cap.

Outcome for the pool (60 months)	Conservative	Base	Upside
Total distributions	$293,986	$400,000	$400,000
Multiple of amount invested	1.18x	1.60x	1.60x
Month principal fully returned	55	32	23
Month cap reached	not reached	37	27

Outcome for the pool (60 months)	Conservative	Base	Upside
Annualised internal rate of return	5%	23%	34%

The conservative case returns the principal in month 55 and ends the 60 months at 1.18x, well below the cap; any shortfall in sessions, paid workspaces or organisations against that case would return less, later, or none. This is shown on purpose: the structure aligns the investor with revenue growth and does not shield the investor from a weak outcome.

Sensitivity: pool share and scenario

The pool share is the main lever. The table shows the multiple of principal received within 60 months for different pool shares (cap fixed at 1.6x, pool $250,000). A higher share reaches the cap faster but leaves the company less revenue to operate.

Pool share	Conservative	Base	Upside
6% of Participation Revenue	0.71x	1.60x (cap month 46)	1.60x (cap month 32)
8% of Participation Revenue	0.94x	1.60x (cap month 41)	1.60x (cap month 29)
10% of Participation Revenue	1.18x	1.60x (cap month 37)	1.60x (cap month 27)
12% of Participation Revenue	1.41x	1.60x (cap month 35)	1.60x (cap month 26)

STATEMENT

How a monthly statement reads. Gross revenue by stream, less processing, refunds and reward cost, equals Participation Revenue. The pool share of that figure is the month's payment. Each unit receives its percentage of the pool. The statement also shows cumulative payments, the amount remaining to the cap, and the buyout price on that date. Revenue is reconciled to the Stripe balance history and the platform fee register.

ENDING THE AGREEMENT

12 Buyout, change of control and exits

IMPORTANT

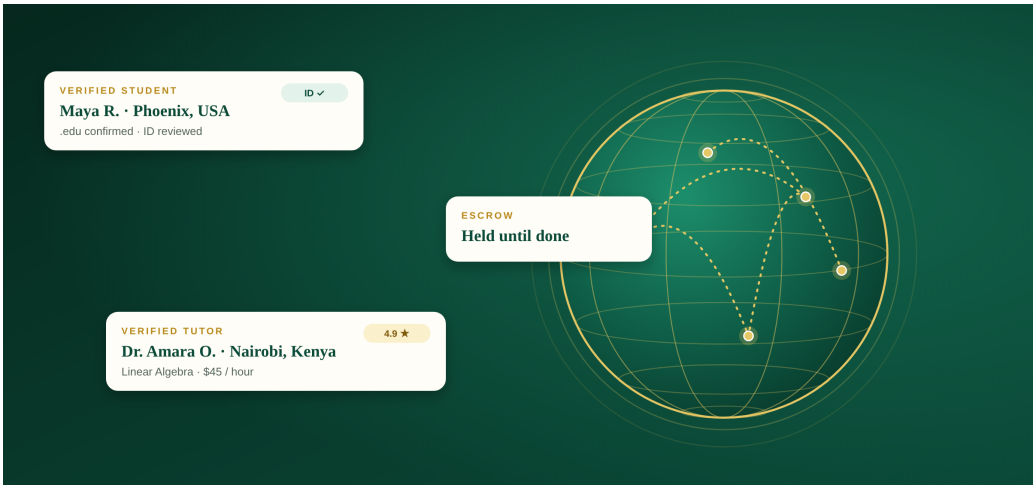
Illustrative model. Not a forecast, not a promise. Every figure marked illustrative is an arithmetic example built from stated assumptions. No amount shown is guaranteed, and distributions may be lower than shown, delayed, or zero.

A revenue participation needs a defined end for both parties. The framework provides four ways for it to end, in addition to simple maturity.

Event	Illustrative rule	Effect for the investor
Cap reached	Payments stop when total payments equal 1.6 times the amount invested	Investor has received its maximum
Company buyout option	After month [12], the company may end the agreement by paying the larger of (a) the amount invested less payments already made, and (b) [1.25x of principal] less payments already made	Investor receives a known amount; early buyout can lower total return
Change of control or sale	The remaining balance to the cap becomes payable at closing, or the agreement transfers to the buyer on the same terms	Protects against a sale that strands the investor
Default or insolvency	Missed payment not cured in [15] days accelerates the remaining balance to the cap	Standard protections; subject to what the company can pay
Term limit	At [60] months the agreement ends; any unpaid balance is handled as agreed	Counsel to set

Worked example (illustrative). A $25,000 unit in the base scenario receives about $40,000 in total over 60 months before the cap, a multiple of 1.60. If the company exercises the buyout option in month 24, when the unit has received about $11,380, the buyout price under the larger-of rule is the greater of $13,620 and $19,870 less payments to date, so the investor receives at least principal plus a floor return of 25% in all cases where the option is used.

Why no share buying. Investors who prefer a defined, cash-based relationship, and founders who prefer to keep their cap table, can both use this structure. Equity investors can still be added separately; the participation should then be ranked against any future equity or debt in the documents.



A global network of learners, tutors and professionals.

LEGAL AND TAX

13 Arizona structure and the path to compliance

The company is headquartered in Phoenix, Arizona, and the platform is operated and supported on Arizona business hours (10:00 a.m. to 3:00 p.m. Arizona time on business days). The company must confirm and insert: legal name and form [Alexia Network LLC, Arizona limited liability company?], state of organization [Arizona Corporation Commission filing details], registered agent, ownership and management.

This section is a checklist for counsel, not legal advice. A participation of this kind is likely to be treated as a security under federal law and under the Arizona Securities Act (A.R.S. Title 44, Chapter 12). The usual path for a private raise is an exemption, with the steps below. Counsel must confirm each.

Step	Purpose	Who
1 Securities counsel engaged	Decide instrument, exemption, disclosure standard and investor eligibility	Company and counsel
2 Choose exemption	For example Regulation D, Rule 506(b) (no general solicitation) or 506(c) (general solicitation, verified accredited investors)	Counsel
3 Investor eligibility	Accredited-investor verification where required; confirm no disqualifying events ("bad actor" check)	Counsel and company
4 Disclosure package	This briefing, financial statements, risk factors, definitive agreement	Company
5 Filings	Federal Form D after first sale; Arizona notice filing as required	Counsel
6 Banking and payments	Segregated collection account for Participation Revenue; Stripe balance reconciliation; ACH or wire for monthly payments	Company and bank
7 Tax	Treatment of payments to investors; Arizona transaction privilege tax on each revenue stream; sales tax on digital subscriptions where applicable; information returns	Tax adviser
8 Records	Investor register, statements, audit trail	Company

CAUTION

Do not advertise guaranteed monthly returns, or send this briefing to people who are not eligible or not known to the company, until counsel has approved the process. Promising returns without the required disclosure is a common source of liability.

TRANSPARENCY

14 Investor reporting, controls and data room

Report or control	Frequency	Source
Revenue statement by stream, deductions, Participation Revenue and payment calculation	Monthly	Stripe balance history, platform fee register, subscription billing
Cap tracker and buyout price	Monthly	Investor register
Investor and Revenue Portal: live dashboard of every revenue stream, the Stripe balance, the investor pipeline and sealed PDF reports	On demand	Platform administration (administrator only)
Daily administrator summary (sessions, gross, every fee line, refunds, escrow) and real-time money and payout alerts	Daily and real time	Platform notifications
Operating metrics: sessions, paid workspaces, organisations, refunds, disputes, support response times	Monthly	Platform administrator console and ticket system
Ledger verification result (Tutor Ledger and Evidence Ledger)	Monthly	Verification check; result attached to the statement
Financial statements, [reviewed or audited]	Annual	Accountant
Security and compliance update (audit log summary, readiness evidence, incidents)	Quarterly	CISO
Audit right on revenue	On notice, once a year	Independent accountant

Data room index (to assemble)

- Corporate documents, ownership and formation [add]
- Financial statements and tax filings [add]
- Terms of Service, Privacy Statement (27 sections), Master Agreement and Policies, Tutoring Agreement template
- Stripe account and Connect configuration summary; fee register export
- Security evidence: SOC 2 readiness binder, policies, penetration-test results [add if available]
- Product manuals (Section 16) and a platform demonstration
- Customer and revenue data from the administrator console [add]

WHAT COULD GO WRONG

15 Risk factors

An investor should read these together with the whole briefing. The list is not exhaustive.

Risk	Description	Mitigation
Demand and acquisition	Revenue depends on acquiring tutors, students, workspaces and organisations; growth may be slower than modelled	Cross-selling across four products; payments off until supply is ready; staged launch
Pricing acceptance	Tutors pay 15% plus a 5% hosting fee and students pay 10% plus short-notice fees; the market may not accept the combined take rate, and timing rules can reduce tutor income on advance bookings	Fees and every timing band are administrator settings; comps for partners and pilots; tutor agreement discloses the fees; monitor tutor supply and conversion
Concentration	Tutor Network volume is seasonal and sensitive to the school calendar and to average price	Recurring Publish and Academy revenue
Regulatory	Securities, money-transmission, tax, child-safety, privacy and consumer-protection rules vary by place; marketplaces may be classified differently by authorities	Stripe Connect handles funds; adults only; counsel review; localisation of terms
Payment platform	Dependence on Stripe and its policies; chargebacks and fraud	Hold and release rules; evidence by ledger; rate limits
Trust and safety	A serious incident involving a member harms the brand	Verification, agreements, support triage with a P1 for safety, administrator review
Security	Breach, account takeover or data loss	Mandatory two-step verification, audit log, minimum data, encryption, retention limits
Key person	Founder is also CISO	Documented procedures, evidence binder, planned hires [add]
Technology maturity	The platform is new; some features may not have operated at scale	Staged rollout; monitoring; support tickets
Participation structure	Payments depend on collected revenue; cap limits upside; investors have no ownership or votes; the right may be illiquid	Statements, audit right, buyout floor, cap
Forecast risk	All scenarios are examples	Investors should rely on actual results, not scenarios

OPERATING DOCUMENTATION

16 Manuals and documents library

The platform ships with manuals for each audience. They are sealed, locked PDFs and are available in the data room.

Document	Audience	Contents
Tutor Network Student Guide	Students	Registration, verification, booking, payment protection, cancellation, rewards, support
Tutor Network Tutor Guide	Tutors	Application, profile and prices, accepting sessions, payouts, reviews, conduct
Tutor Network Administrator Guide (confidential)	Administrators	Review queue, fees and tax settings, cases and disputes, ledger check, tickets
Alexia Publish Manual and Proof pages	Publish customers	LinkedIn connection, scheduling, Proof Studio, Evidence Ledger, billing
Privacy Statement (27 sections)	Public	Data use, retention, rights, products, payments, assurance, languages
Master Agreement and Policies	Members	Terms accepted by every student and tutor; sealed copy e-mailed on signing
Tutoring Agreement (per session)	Student and tutor	Signed for each booking, sealed and archived
Support and ticket guide	All users	How to raise, track and answer a ticket; categories and response targets



The company's security seal marks every sealed document, receipt and agreement.

REFERENCE

A Appendix: platform settings and formulas

A.1 Tutor Network settings (defaults at this edition)

Setting	Default
Student service fee / tutor maintenance fee / hosting fee	10% / 15% / 5% (hosting on platform-hosted sessions)
Timing curve (hours before start: price, extra student fee)	under 4: +30%, +3%; under 8: +20%, +2%; under 24: +10%, +1%; under 72: standard; under 168: -5%; under 336: -8%; beyond: -10%
Student-side billing	On (administrator can switch it off)
Comp / showcase	Per person or per invitation, waives all platform fees, optional end date
Premium cap / discount cap	50% / 50%
Minimum / maximum hourly rate	$5 / $500
Minimum / maximum session length	30 / 240 minutes
Tutor response window	48 hours
Student confirmation window	24 hours
Minimum lead time / maximum booking horizon	2 hours / 30 days
Application review	3 business days
Cancellation	Free until midnight (tutor time); 5 h: 75%; 2 h: 90%; no-show: 100%
Reschedules	Free up to cutoff, maximum 2
Attendance threshold	5 minutes in the room
Refund review / appeal windows	14 days / 7 days
Identity document retention	180 days after decision
Welcome / referral / review codes	10% off first session / $5 each / $2
Milestone codes (sessions : value)	3:$5, 5:$7.50, 10:$10, 25:$20
Scholar levels (sessions : fee discount)	3:10%, 10:25%, 25:50%
Group sessions	Up to 8 seats
Duration discounts	5% at 90 minutes; 10% at 120 minutes
Surge cap / total discount cap	30% / 50%

A.2 Formulas used in this briefing

- Student charge = session price × (1 + 10% + any short-notice fee). Tutor receives = session price × (1 − 15% − 5% hosting). Platform gross = session price × 30% on a standard platform-hosted session. Session price = tutor hourly price × minutes ÷ 60, adjusted by the timing curve.
- Assumed net contribution = platform gross − (student charge × 3.0%) − (student charge × 1.0%).
- Participation Revenue ≈ Tutor Network net contribution + (Publish revenue × 97%) + (Academy revenue × 97%).
- Monthly pool payment = pool share × Participation Revenue, until cumulative payments equal pool × cap.
- Unit payment = pool payment × (unit amount ÷ pool).
- Annualised IRR = (1 + monthly IRR)^12 − 1 on the monthly cash flows to the pool.

REFERENCE

B Appendix: glossary and contact

Term	Meaning
Participation Revenue	Gross platform revenue less card processing, refunds, reward cost and tax collected for authorities
Pool	Total raised under the participation framework
Unit	An investor's share of the pool by amount invested
Cap	Maximum total payments, as a multiple of the amount invested
Buyout option	The company's right to end the agreement early by paying a stated price
Escrow (hold)	Funds held until a session is confirmed or the time window ends
Tutor Ledger	Hash-chained record of every money and approval event in the Tutor Network
Evidence Ledger	Hash-chained record of publishing evidence in Alexia Publish
SOC 2 readiness	Preparation of controls and evidence for a SOC 2 audit; not an audit report
P1 to P4	Support priority levels; safety tickets are always P1

CONTACT

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