visiontree

healthcare & conference solutions

Executive Summary

February 2009

Disclaimer and Procedures

This is a Confidential Information Memorandum from VisionTree Software Inc. Potential investors should rely on their own due diligence to confirm any information contained herein. The Company intends to discuss this investment opportunity with a **select** group of potential investors who will be invited to have a discussion with the Company and then, if interested in pursuing the investment opportunity, submit a preliminary term sheet.

All contacts regarding this opportunity should be exclusively directed to the Company's financial Advisor:

Dan Mackell

Cottage Capital, LLC

djmackell@gmail.com

- (Office) (203) 485-9583

- (Mobile) (203) 570-3835

Under no circumstances should anyone at the Company be contacted directly. Thank you for your consideration of this opportunity.

VisionTree Executive Summary

Introduction

VisionTree Software, Inc., www.visiontree.com , (VisionTree or the Company) is a successful web-based medical patient software and related services company based in San Diego, CA. The core company product offering allows patients to quickly and securely share and store medical health records (platform agnostic), and vital treatment and quality of life information with trusted sources including their physicians and medical team in a value-proposition that saves time and money for the patient and the provider. The Company's flagship product, VisionTree Optimal Care™ (VTOC™), is a proven, high-ROI solution replacing complicated and cumbersome paper workflows with a secure patient portal that connects (Web-based and mobile) all participants in the healthcare ecosystem.

The VTOC ™ solution simultaneously allows for capturing of data on a worldwide basis on care (focused on outcomes analysis) and chronic disease treatments (focused on targeting cures), which heretofore has never existed in real-time in a web-based secure portal in the healthcare space. Since founding in 2002, the Company has been funded by management, friends and family in the order of approximately $4 million. While the Company is still private, VTOC™ revenues grew by over 300% in 2008 and the Company combined revenues are projected to quadruple to approximately $8-10million in 2009. The Company is seeking a lead investor for a Series A Preferred Stock financing totaling approximately $7.5 million. A co-investor (a large public company) who has done a significant amount of work with VisionTree over the last few months has indicated an interest in up to 30% of this raise.

History of VisionTree®

Foundation and Milestones

- The Company has completed development of its core technology and has successfully launched four commercial product platforms to include: VisionTree Optimal Care™ (VTOC™), VTOC for Clinical Trials™, VisionTree MOC Online™ and VisionTree Conference ™.
- VisionTree Software's platforms are utilized by over 500,000users (healthcare professionals and patients combined (with a roughly 50/50 split)) at leading academic hospitals, community sites and medical research foundations and medical societies.
- Four patents have been filed and two are pending, one was approved in July 2005 and the second in September 2007.
- Four peer reviewed abstracts have been presented documenting improved electronic patient workflow and outcomes.
- VTOC is being used in seven of the Top 10 US News and World Report® Hospitals.

Partnerships & Growth

VisionTree has established a market leadership position in patient-centered, web-based data collection, management and connectivity. Growth rate highlights by platform include:

- VTOC was selected by five national and international registries in 2008 and numerous academic sites to collect quality of life patient outcomes data.
- VTOC was selected by three large international diabetes research organizations for launching their registry programs.
- VisionTree Conference, with revenues growing at over 40% in 2008, has a proven customer base for delivering paperless meetings, measurable continuing medical education (CME) parameters and real-time large-scale conference data collection capabilities.
- VisionTree MOC Online™, an online Physician Maintenance of Certification system is utilized by a large medical society and serves as a platform and model for quality data registries.
- The VTOC platform's revenues grew at over 300% in 2008.
- The Company's revenues YTD (through mid-February 2009) are up over 200% over the same period of 2008.
- The VisionTree Optimal Care™ platform meets core data standards for health IT interoperability, research-level data collection and personal health record management including HIPAA (Health Insurance Portability Accounting Act of 1996).
- VisionTree has partnered and/or integrated with several vendors for a connected healthcare ecosystem to provide a robust, value-added patient experience for improved outcomes data collection, communication and adoption. Reseller and partner relationships include:
    - Instamed® - Online bill pay and eligibility.
    - MediVoice® - Voice-activated ePrescribing.
    - Krames® - Patient education
    - QualityMetric® – Outcomes assessment tools

INVESTMENT HIGHLIGHTS

1) *Vendor Agnostic/Cutting Edge Software for Healthcare Ecosystem*- the Company has developed and deployed its products in over 80 medical institutions covering over 500,000 healthcare users (professionals and patients), highly user-friendly, interactive enterprise applications for the healthcare industry. It is viewed by many in the industry as the *Salesforce.com* application for the medical space.

2) *Industry-Leading, Established Client Base*- the Company's clients include seven of the top 10 U.S. News and World Report® hospitals in America, top community sites and physician groups as well as a large number of prominent research groups and organizations.

3) *Profitable and Growing Rapidly-*the Company developed a robust suite of software applications over the last five years with in-house software development and having amortized the development costs, remains profitable.

4) *Large and Rapidly Growing Target Market*-healthcare expenditures in the US will exceed $2.5 trillion in 2009. The US has over 7,500 hospitals and based on a per patient fee plus a renewal fee the market opportunity exceeds approximately $25 billion in the Health Information Technology (HIT) space. The Company believes it has a significant lead over any competitor (driven by the robustness of the suite of offerings AND ease of use) and market share gains are a significant growth opportunity.

5) *Strong Management Team*- the team has over 50 years combined experience in the medical software space and the CEO has led large, fast-growing healthcare companies, thus allowing for rapid expansion to a known and familiar client base.

6) *Strong Retention and Renewal Rate*-the Company's platforms have experienced strong adoption and renewal rates with the following highlights:
   - VTOC: 90%+ renewal rate.
   - VisionTree Conference: 90%+ repeat conference rate.
   - VisionTree customers : 80%+repeat customers with annual renewals for the life of the company – 6+ years.

7) *Subscription-Based Revenue Model and high ROI for Clients* (one-year paybacks) - while the business offers a stable subscriber-based revenue model, and the ROI for clients is very rapid- usually within one year. Additionally, the subscriber model offers **high revenue growth** opportunities with **medical societies and research foundations** (diabetes, radiology and oncology, are already targets for significant growth).

8) *Large and Industry-defining M&A transactions-* Health Dialogue, which pioneered the "Unwarranted Variation" decision engine-which identifies overuse, underuse or misuse of healthcare services (data collection and mining) sold to BUPA of the UK for approx $800 million and in early 2006, RelayHealth was acquired by McKesson, which is building a large practice in the HIT space.

Company Overview

The VisionTree Healthcare Solutions product suite consists of VisionTree Optimal Care™ (VTOC), VTOC for Clinical Trials™, VisionTree Conference™, VisionTree MOC Online™(Physician Maintenance of Certification) and the VTOC Network™, all designed for web-based data collection, paperless efficient workflow, as well as improved communication, documentation and collecting/aggregating quality of care outcomes.

VisionTree Optimal Care™ (VTOC)

VisionTree Optimal Care™ (VTOC) web-based, patient-centered data management is installed in over 80 leading academic and community sites around the country including seven of the top 10 U.S. News and World Report® hospitals with over 200,000 patients with their own secure portal on the system, connecting patients and physicians with information from disparate EMRs. VTOC ™is a market leading, patient/provider web-based portal that connects the patient to the point -of-care contact, while also connecting payers, suppliers and other coordinated care team members. VTOC™ is a subscription-based product with a set-up fee and an annual per doctor and a per patient fee arrangement.

VTOC has dramatically improved patient satisfaction and is a user-friendly system for both patient and staff involvement in electronic documentation, which completes the workflow where traditional electronic medical records end. Results have included:

- 90%+ of patients want to keep using VTOC for long term care with their physician.
- 80%+ patient compliance.
- 85% of both staff and patients rated very user-friendly.
- Average age of patient user is 61.
- 20% improvement in missed appointment – through reminder/messaging system**.**
- Average 4.8 rating (out of 5) for software user-friendliness by patients.
- Average 4.2 rating (out of 5) for software user-friendliness by staff.

VTOC for Clinical Trials™

VTOC for Clinical Trials is a web-based system for managing clinical trials. VisionTree delivers global patient and trial administration access, while improving compliance and accuracy of data collection, validation, and reporting with the following highlights:

- Compliant with 21 CFR Part 11 Statistical Process Control Systems.
- Captures relevant biometric information via web services.
- Mobile solution for clinical trials patients and staff with messaging and reminders.
- Outcomes data collected with Microsoft® Excel™ and Adobe® PDF® export of reports
- Management of patient consents, e-Diary, test results and images.

VisionTree Conference™

VisionTree's Conference platform has been used by of over 250,000 healthcare professionals for paperless meetings, real-time data collection & processing CME certificates and compliments VisionTree's core business and growth initiatives such as data registry, data analytics and international initiatives. VisionTree Conference is a next generation, web-based, state-of-the-art, wireless, on-venue data collection and audience participation system. The system allows participants to take surveys, submit questions and view all meeting content (agenda, bios, training information) using their Smartphone or Laptop. VisionTree can provide over 1,000 PDAs to support an event along with technical and support staff. Cell phones, laptops and PCs may also be used for larger groups and remote webcasts. VisionTree Conference is CME/CEU/CLE compliant.

VisionTree MOC Online™

VisionTree® MOC Online is a secure, user-friendly, web-based system for processing Type II, Part IV Physician Maintenance of Certification online, as well as capturing and aggregating reportable quality measures. Measures by specialty include: patient outcomes data, PQI and claims-based measures from legacy billing and EMR systems. Measures and dashboards are customized by specialty for practice quality improvement and reporting under the Physician Quality Reporting Initiative (PQRI).

VTOC Network™

Connects healthcare professionals through a secure, web-based network that allows doctors, their coordinated care team, researchers and staff, to create a profile (much like a **Facebook.com for medical professionals**), for group collaboration (projects, technology and research), messaging, file sharing (uploads, links), case conferences and referring patients.

The VTOC Network also serves to promote the VTOC™ brand, as well as connections between physicians, communities, medical societies and global communication between their peers using platforms delivered by VisionTree Healthcare Solutions.

VTOC™ Data Registry Platform

The VTOC platform facilitates the acquisition, aggregation and flow of data using a secure, web-based, patient-centered database connectivity architecture, incorporating integration standards and data sets accepted on a worldwide level for specialty specific quality measures, clinical research and chronic disease management. Using the VTOC platform for a patient-centered data registry will, and is, accelerating discovery of improved treatment and cures of cancer and chronic diseases. For example, a diabetic patient must test their blood sugar levels up to ten times a day. The VTOC Data Registry online platform allows patients to upload those results to help manage diabetes in real-time and simultaneously provides participating physicians and researchers the ability to share and filter vital data sets surrounding new and novel treatments.

Through the rigorous capture and analysis of patient-centered data on a national and now global level, new treatments are expected to emerge to confront an epidemic-like surge currently unfolding in the number of Type I and II diabetes cases alone. By compiling a global registry of diabetes, oncology, as well as additional chronic disease information (hypertension, obesity, etc.) the data will point to a proposed disease treatment and track patient adverse events. Compared with current, traditional generic treatment election and unmonitored and possibly adverse outcomes, the result is the improved quality and efficiency of care. The VTOC Data Registry platform is projected to have between 500,000 and 1 million registered users for 2009 in the areas of oncology and diabetes in the US alone.

The VTOC Data Registry platform is designed to serve large populations of patients for disease management and medical discovery. The data registry business model is based on an annual per patient charge (subscription) that may be incurred by the clinical research organization, medical society, provider or patient themselves. The new administration has made preventative medicine and chronic disease management a hallmark initiative to contain cost. The company believes that VTOC platform for data registries makes participation and comprehensive data collection an accessible and affordable solution for research organizations, quality initiatives and governmental contracts.

VTOC™ for Data Analytics

VisionTree's Healthcare suite of platforms offers a secure web-based means of efficiently transmitting information and data between all participants in the healthcare ecosystem. For example, the company stores and analyzes data concerning the initial patient treatment and follow-up care at hospitals or through a physicians' office. This data is used to provide insight and qualitative parameters in the PQRI ratings as well as quality of care ratings and outcomes analysis. The VTOC platform provide sophisticated analysis of treatment, payments and patient outcomes in numerous verticals, including hospitals and physician offices where systems are installed.

Additionally, government efforts surrounding improving the cost structures of VA, Medicare and Medicaid expenditures are focused on treatment efficiencies and outcomes based on rigorous analysis of treatment cost and outcomes. In view of this focus, the Company has incorporated multiple

components within its platforms, following work with its customers which address these industry initiatives.

With the increased focus and resulting regulation driving adoption of electronic health records, VisionTree is well-positioned in the marketplace with its industry-leading customer base and subscription model to connect the healthcare ecosystem by providing workflow and connectivity solutions that deliver quick, secure access to patient-centered data collection, analysis, communication and outcomes reporting.