
# 4Cable TV International Inc.

Business Plan & Guidance

www.4cable.tv

Ticker: CATV

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# DISCLAIMER

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The information contained within this document has been compiled and prepared by management and has not been reviewed or audited. The readers are cautioned that this information may not be appropriate for their purposes.

This document includes certain statements that are not descriptions of historical facts, but are forward looking statements. Such statements include, among others, those concerning our expected financial performance and strategic and operational plans, our future operating results, our expectations regarding the market for cable television (CATV) products, our expectations regarding the continued growth of the cable telecommunications market, as well as all assumptions, expectations, predictions, intentions or beliefs about future events. You are cautioned that any such forward-looking statements are not guarantees of future performance and that a number of risks and uncertainties could cause our actual results to differ materially from those anticipated, expressed or implied in the forward-looking statements. These risks and uncertainties have not been documented or mentioned in this document nor other communications made by the company. The words "believe," "expect," "anticipate," "project," "targets," "optimistic," "intend," "aim," "will" or similar expressions are intended to identify forward-looking statements. All statements other than statements of historical fact are statements that could be deemed forward-looking statements. The Company assumes no obligation and does not intend to update any forward-looking statements, except as required by law.

This business plan does not constitute an offer to sell or a solicitation of an offer to buy any security or solicit any investments of the company or any other person.

## Confidentiality Agreement

The reader acknowledges that the information provided by the Company in this business plan is confidential; therefore, reader agrees not to disclose it without the express written permission of the Company.

It is acknowledged by the reader that information to be furnished in this business plan is in all respects confidential in nature, other than information which is in the public domain through other means and that any disclosure or use of same by reader may cause serious harm or damage to the Company.

## Legal Advisors

The Company’s legal advisors are Greenberg Traurig LLP based in Sacramento, California.

## Auditors

The Company’s auditors are GBH CPAs based in Houston, Texas.

## Transfer Agents

The Company’s transfer agents are Quicksilver Stock Transfer, LLC based in Las Vegas, Nevada.

# BUSINESS OVERVIEW

## Company History

The Company specializes in providing technical solutions to multiple-system operators (MSOs) in the cable and satellite television systems industries. This includes product repairs, upgrades, tests, and services for companies in the cable television (CATV) industry. The Company was founded in 2005 by Steve Richey and Andrew Staniak, who each have over 47 years of experience in engineering and project development in the CATV industry. The products designed and manufactured by 4 Cable TV are revolutionizing the industry by allowing MSOs to efficiently extend the reach of current network infrastructures and reduce overall system operating costs.

The Company's headquarters and manufacturing facilities are located in Conway, South Carolina.

On September 30, 2013 the Company completed a reverse merger with Liberto Inc, a publicly traded Company, and is listed on the OTC under the symbol CATV.

## Directors and Management

Steven Richey, President and Chief Executive Officer
Prior to founding 4Cable TV, Steve was Vice President of New Product Development at dB-tronics where he was responsible for the final engineering and any new board designs needed to upgrade thousand of amplifiers that are now in operation. Richey brings over 50 years of varied CATV experience to 4Cable, including being in charge of repairs at a major manufacturer (AMECO) and former chief engineer at CADCO. While at CADCO he coined the term "Emergency Alert System " and both developed and pioneered the first emergency alert system and the first comb generator-based Emergency Alert System in 1972. Later he developed the first satellite block down converter now used in all satellite systems. He was the owner/operator of 8 Cable systems in Texas and Oklahoma and went on to build a 150 system private cable operation. In the early 1990s as an international long distance operator he was involved with some of the first VoIP experiments. He is a published author with over 30 articles to date. He is a 2011 Inductee into the Prestigious Cable TV Pioneers and a SCTE Senior Member.

Andrew Staniak, Vice President and Chief Technology Officer
Prior to co- founding 4Cable TV, Andrew was the CTO of dB-tronics and did the research and qualifications on over 100 amplifier bandwidth upgrades. Staniak brings more than 47 years of varied CATV experience to 4Cable including directing the ANTEC Design Validation Laboratory. While at ANTEC, Staniak was charged with evaluating the best GaAs hybrids for the new generation of fiber nodes and RF amplifiers. He has been directly responsible for the engineering management of many thousands of miles of CATV system construction. At 4Cable he is responsible for making sure that all of our design and our Upgrade Quality Assurance Programs adhere strictly to the agreed upon and published specifications. As a service to our customers, we make his expertise available through this on-line resource.

# BUSINESS OVERVIEW

## Directors and Management - continued

Ross DeMello, Chief Financial Officer

Ross was appointed to the Company's Board of Directors in March 2014. He brings over three decades of experience in financial accounting in public practice and industrial sectors. As a successful global business development leader, strategist, and financial executive, DeMello has led several companies globally. His accomplishments include growing owner operated businesses through mergers and acquisitions, assisting in business valuations, and planning exit strategies. He has held directorship positions in junior mining and exploration companies, and was a CEO of an entertainment company listed on the VSE, MSE and the TSX exchanges. Mr. DeMello is also a member of the Certified General Accountants Association and is the chair of 4Cable's Audit Committee.

John Homsey, Vice President Sales and Marketing

John Homsey joined 4Cable TV in February 2015 as Vice President Sales and Marketing. Mr. Homsey was Vice President of Professional Services, Sales & Sales Engineering at Genesis Networks where he directed the professional deployment and service teams. Previously he was Product Sales Manager of Access Networks with Communications Test Design Inc. (CDTI), where he managed and directed the P&L of CDTI's strategic business sector and 'Fiber-to-the-Home'. From 2006-2011 he was Senior Director, Professional Services, Sales and Technical Sales at Hitachi Communications Technologies America, where he managed sales, sales engineering and business development teams. Mr. Homsey also spent several years with Wave7 Optics, Inc., an early pioneer in the fiber-to-the-home and business (FTTx) optical access market, and has years of system operational experience as Engineering Director with Cablevision Systems. Mr. Homsey holds a Telecommunication Technology Degree from Wentworth Technical Institute, Bachelor of Business Administration from Ashford University and Masters Certification in Project Management from Villanova University.

Paul Passey, Executive Vice President

Paul joined 4Cable TV in July 2014 as Executive Vice President. Paul comes to this profession from the semiconductor industry as an Engineer supporting the manufacturing and customer support of Standard Logic and Programmable Logic Integrated Circuits. Paul began his career at Signetics in 1979 (later known as Philips Semiconductors) in the Standard Logic division resolving product test yield issues. After a couple of years, Paul became more involved with customer support and then on to being the engineer overseeing the creating of a product from the design stage on to production release. In 1999, the Programmable Logic group was purchased by Xilinx. Paul continued working for them until 2004 dealing mainly with Failure Analysis of IC's that failed in the customer's applications. From 2007-2009, Paul worked for AVX managing the Bumping/Dicing department in the manufacturing of high precision resistors. Paul also had his own company "Radio Paul" where he manufactured HF wire antennas and sold HF/VHF ham radio antennas worldwide. Paul is a graduate of Brigham Young University where he earned a B.S. in Electronics Engineering Technology; and a graduate from the University of Phoenix with a Master's in Business Administration.

# BUSINESS OVERVIEW

## Products and Services

4Cable TV offers the following suite of products:

**RF2F™ (Coaxial to Fiber Optics):** This proprietary line of coax-to-fiber taps allows cable operators to reach homes within their franchise authorized area that was previously not economically reachable. Fiber optics allows longer distances between the existing network and the new users at a lower cost per foot for the cable.

**Mini-Node:** This product is currently the smallest and most inexpensive mini-node offered in the market. It was designed and manufactured at the request of a major cable company client, and it provides a cost-effective solution to increasing capacity for providing services.

**Power*Miser*™:** This circuitry allows a low current 1 GHz amplifier (and/or line extender) to be constructed with a dramatic 50% decrease in current power requirements, while maintaining essentially the same operational specifications.

**RFoG (RF over Glass):** This signal distribution technology combines the existing cable TV infrastructure with the efficiencies of fiber optics to effectively reach the home in a way that is competitive with the existing options. Other solutions require a new back office infrastructure while RFoG uses the existing infrastructure. ***RF2F***™ is an extension of RFoG technology and *RF2F*™ has been referred to as point to point RFoG.

**Node+0:** This application combines the RFoG technology platform with our **Power*Miser*™** engineering to take fiber signal all the way to the last device before the customer. This results in a much more reliable system with lower operating and maintenance costs.

**SOLAR-CATV:** This extension of the **Power*Miser*™** and the **Node+0** utilizes solar power and helps the operator extend service to areas not presently served without adding power sources.

**DSR (Dynamically Scalable Return) Mini-nodes:** This technology allows nodes, R-ONU's (RFoG optical network units) to dynamically adjust their return bandwidth simply be changing the channel lineup at the headend. Present technology requires that the diplex filters in each unit be changed, which in many cases means an amplifier rebuild or the replacement of the plug in diplex filters at a considerable cost.

**Engineering, Repairs, and Upgrade Services:** In addition to its products, 4Cable TV has offered these services to clients on a case by case basis. These services are highly labour intensive and have been a staple in our past and present revenue models. Although providing these services have generated stable revenue streams in the past, the Company is shifting its operations towards the production of its product lines as the demand has significantly increased.

## Intellectual Property

Currently, the Company has a provisional patent with a full application complete and under review for its DSR-Node, and trademarks issued for the **RF2F™** and **Power*Miser*™**. Two **RF2F™** patents are in preparation.

# Market Research & Data

## Nature and Trends of Industry

Although we have a robust suite of products, our highest demanded technology in production are the RF2F™ (Coaxial to Fiber Optics), the Mini-node, and our SOLAR-CATV products. Our analysis and discussion will focus on these flagship products.

Multiple-system operators (MSOs) companies in the cable television (CATV) industry across North America typically offer three services:

1. Video – the original and largest market
2. Voice – local telephone service
3. Data – broadband internet service

Over the past five years the new "Cutting the Cord" trend has emerged as a major concern in the CATV industry. This trend is the tendency for customers to cancel two of the three services offered by the local cable company – video and voice. It is common for subscribers to now stream all video content over the internet, which is eliminating the need for traditional video services. Local telephone services, whether they are local carriers or cable companies, are finding it difficult to compete against cellular companies that offer streaming content in addition to voice capability with any smart phone or tablet.

However, video service growth is still the largest metric that an MSO uses to gauge its success. Every cable company in America is expected to grow its video penetration on a yearly basis, despite the "Cutting the Cord" trend. MSOs are seeking ways to grow by either boosting services offered to existing customers or by penetrating new service areas. With the exponential growth in access to high performance broadband, the demand for innovative products that can meet consumer needs and MSO criteria has also grown.

The CATV industry is a multi-billion dollar industry, and the continuous need to improve infrastructure has created a large market for the development of new product solutions. The suite of products developed by 4Cable TV supports the efforts of cable companies to improve their current service capabilities and to grow organically by adding previously inaccessible subscribers to their existing infrastructure. Historically, the costs associated with improvements and with accessing remote locations of potential subscribers significantly outweighed the benefits. However, our products change the game by enabling MSOs to access untapped markets at costs significantly below traditional methods.

RF2F™ (Coaxial to Fiber Optics)

The RF2F™ product is one of the few products that a cable operator can purchase and use with the sole intent of increasing revenue. It can be used to access new subscribers in remote locations or to improve performance of current services offered. Given the price point, an MSO may expect a cost recovery and return on investment within one year of its deployment.

In a nutshell, the RF2F™ converts traditional coaxial signals to fiber optics signals. It can be used to extend the maximum signal distance and improve signal quality to reach areas that were previously out-of-reach, which gives cable companies the opportunity to access new customers. Instead of utilizing expensive and archaic methods to service new and existing subscribers, the RF2F™ can be deployed as a solution that saves time and cost. This product is truly a "spend money to make money" device that aligns perfectly with the trending industry demands.

# Market Research & Data

## Nature and Trends of Industry - continued

Mini-nodes

As suburbs, towns and entire cities develop and grow, appropriate infrastructure must grow accordingly to meet demand. New residential areas, business parks, commercial buildings and even entire apartment complexes require more capacity for a given service area. The costs associated with adding these new subscribers were significant under traditional methods, however 4 Cable TV's mini-nodes are a cost effective solution to meet these needs.

Cable companies use optical nodes to operate services for their Hybrid Fiber Coax (HFC) network, which serves all of their customers. In many scenarios, when there are new subscribers or as broadband consumption increases, the nodes in place may not have the capacity to provide adequate service. In the past, cable companies have traditionally tied large buildings like schools or apartment complexes into the existing coaxial infrastructure by installing the same nodes they use in the field for their entire HFC network. This results in a significant amount of labor and material cost for triple play services (video, voice and data) for buildings, in addition to becoming a competitor to broadband content in other homeowners in the area.

To ease congestion in a HFC network, MSOs began servicing these large buildings with their own dedicated fiber instead of tying them into the existing coaxial infrastructure. The preference for MSOs is to now use mini-nodes instead of using standard nodes that can cost several thousands of dollars. Mini-nodes currently offered in the marketplace range from the $600 to $900 price level.

At the request of a large cable operator, 4Cable TV has developed its own mini-node. Our mini-node was developed in accordance with specifications requested by this client, and it surpasses the performance and size specs of every mini-node that is currently offered in the market. The 4Cable TV mini-node was unveiled at the recent Society for Cable Telecommunications Engineers (SCTE) Cable-Tech convention held in Denver, Colorado. With an announced sales price of less than $500, the product launch is a huge success, with requests for demonstration devices and price inquiries from every MSO that viewed it.

Power*Miser*™

In parts of the world where electricity costs are expensive, there will be high demand for the Power*Miser*™. In North America the demand for this product is low, as power costs only average $0.06 to $0.08 per kWh. However, countries in the European Union have significantly higher operating costs, such a Denmark, where power costs $0.40 per kWh. These target markets will be perfect for this product.

SOLAR-CATV

Inexpensive and renewable energy sources are becoming a vital component of infrastructure, and this is no different in the CATV industry. Solar Power is a viable option for service providers – it provides an extra measure of reliability to amplifiers and nodes currently installed in the field. Solar panels capable of providing all the power needs of a device in the event of a power outage has the potential to become an industry standard in the near future. In Latin/South America, where power outages are a common occurrence, Solar Powered amplifiers and nodes allow CATV services to run un-interrupted.

The Company currently offers several products capable of operating in unison with a Solar Panel. Our technology may operate in conjunction with local power companies, or it may run independently by powering our devices under the most stringent operating conditions.

# Market Research & Data

## Competitors

4Cable TV is an enviable position within the multi-billion dollar CATV industry. The Company has a unique suite of products that are currently in testing with major North American cable companies. Although it is possible to replicate our technology and products, there are barriers to entry within the industry that prevent competing firms from harming our revenue streams. Most MSOs require a meticulous and diligent vetting process for new products they wish to deploy. We have a strong rapport with these major players in the industry and several of our products are currently in the testing phase with these cable operators. The likeliness of our products being substituted in favour of other firms' is very low.

RF2F™ (Coaxial to Fiber Optics)

This product does not exist anywhere else in the market and there is no substitutable good for the capabilities it provides. The amount of time it would take to replicate and launch the RF2F™ would take 18 to 24 months, excluding the extensive vetting process. The RF2F™ is a unique product that utilizes two universally used and understood technologies in the CATV industry (RF coaxial and fiber optics) in a manner never thought of before. Engineers who have studied the plans of the RF2F™ are amazed at the simplicity and power of the device, and early reports from MSO testing have all come back positive.

Mini-nodes

Most companies that manufacture amplifiers and nodes produce some type of mini-node. These devices tend to be small and watered-down versions of their larger products. Most have slightly lower specs than their larger models, and their main strengths seem to be their smaller size and lower costs. However, the 4Cable TV mini-node is a high performance device that easily outperforms all existing products currently in the market. Our mini-node is the smallest currently offered in the market. Also, with a sales price lower than $500, it is the most affordable device currently available in the market.

Power*Miser*™

This is exclusively a 4Cable TV innovation, and no other product like this exists on the market. The Company is the first to develop an energy saving amplifier, and we have continued to research and expand this product line for the last 7 years. At this time, 4Cable TV is the only company in the world that builds energy efficient CATV amplifiers and nodes.

SOLAR-CATV

This is also an exclusive 4Cable TV innovation, and there is no other solar powered CATV equipment on the market. The Company is able to build solar powered products because of its propriety PowerMiser™ circuits, which allow our equipment to run on 50% of the power consumed by traditional CATV equipment. We have a 5 to 7 year head start on any competitors that may attempt to duplicate our efforts.

# Market Research & Data

## Demand for Products

4Cable TV is currently seeing a significant demand for several products.

RF2F™ (Coaxial to Fiber Optics)
Every week, a new cable company becomes aware of the power and ease of use for the RF2F™. We are currently approved or under testing with the following companies:

- Comcast
- Time Warner
- Cablevision
- Charter
- Suddenlink
- Cox Cable
- Cable One
- Comporium
- Shentel Corporation
- Wave Broadband
- Armstrong Group

In addition, 4Cable TV has a large base of independent operators who buy products on a regular basis. As well, we are in discussion for one Original Equipment Manufacturer (OEM) opportunity and one third party partnership. Currently, approximately 300 units of the RF2F™ have been deployed by independent operators with no reported issues.

In addition to the large residential deployments anticipated with the RF2F™, 4Cable TV has learned that there are applications for this product in the Business Services divisions for MSOs. Data services are currently being implemented successfully by cable companies using Ethernet fiber. However, Video content (cable TV) cannot be provided via Ethernet fiber, and it has been reported to us that there is demand for an inexpensive solution to provide Video services to existing Data service subscribers. The RF2F™ provides this solution.

This product has already been deployed by MSOs in practical scenarios for business subscribers. In situations where a business customer has asked their cable company to add Video services to their existing Data service packages, the RF2F™ was implemented to meet customer needs and provide the MSO with additional service revenue.

A larger scale example is the Hoboken train station, which is one of the largest and busiest stations that serves New Jersey and New York commuters. The local Business Services division that services this station built an amazing information platform for the entire station, but was asked by several companies to provide Video services in addition to their Data services. Initial cost estimates to provide Video service to the station were approximately $50,000, which was considered too costly to deploy. However, utilizing the RF2F™ as a solution, the project plans were revised and were projected to be approximately $5,000. Scenarios like this are common in the industry and the RF2F™ offers project feasibility through considerable savings, a short return on investments, and offers a “spend money to make money” solution.

# Market Research & Data

## Demand for Products - continued

Mini-node

The introduction of the Cable mini node at the SCTE in September 2014 resulted in a sensation among our clients. Every MSO that viewed this product expressed a strong desire to purchase test samples of our inexpensive and high performance product.

Power*Miser*™

Equipment that utilizes our Power*Miser*™ technology has been available in North America for approximately 5 years. However, due to the low electricity costs, there has not been much market traction in our continent. More recently, we have had interest from European and other foreign countries where power costs are up to 5 times as the average North American cost per kWh. At this time, we are in talks with a potential distributor in Belgium.

SOLAR-CATV

Our focus market for solar powered equipment has shifted to countries and regions of the world that have an unreliable electric grid. In the Dominican Republic, where 3 to 5 hour rolling blackouts occur on a daily basis, there has been much interest in our products from operators and a potential distributor. There are many other regions in the world with power issues where our suite of Solar-CATV products can be deployed to provide a solution. We are currently exploring these opportunities.