



## CONTENTS

- *ACG Has Begun a Major Engagement in the Russian Food Processing and Distribution Sector*
- *New American Finance Corporation Ready for a Capital Infusion*
- *Aginsky Consulting Group Announces its "Open Regions" Program*
- *Unique Real Estate Financing Offering for Major Developers*
- *New Partnership with New York-Based CIS-Focused Law Firm*

# news

## Aginsky Consulting Group Quarterly Newsletter

October 2005

### ACG HAS BEGUN A MAJOR ENGAGEMENT IN THE RUSSIAN FOOD PROCESSING AND DISTRIBUTION SECTOR

In recent years, the Russian food industry has adopted new competitive technologies to replace obsolete Soviet-era processes. As a result, food imports have steeply declined in the domestic market. This constant improvement in technologies and quality has led to the establishment of dominant Russian companies, not only in the agricultural segment, but also in more technology-intensive value-added industries such as the food processing and ingredients production sectors.

ACG will be able to further promote and advance these developments by assisting an industry market-share leader located in Moscow, Russia. The scope of this engagement includes assisting with their vertical integration, investment

banking, and global expansion needs. Extensive due diligence will be performed by ACG with the goal of enhancing transparency to meet global standards. A comprehensive investment solicitation package will be prepared on behalf of our client by our multifunctional team of industry and business experts which will allow the client to be better positioned for the follow-on financing round from major international investors and strategic partners.

With ACG's aid, in 2006 our client will be ready to enter into full-scale production of several important and highly demanded products, utilizing their existing international distribution network. Their new production capacity should propel our client to even greater heights, while also opening new opportunities for ACG in the Russian food industry. For more information about this and other ACG clients please write to [client@aginskyconsulting.com](mailto:client@aginskyconsulting.com).

### NEW AMERICAN FINANCE CORPORATION READY FOR A CAPITAL INFUSION

Exciting news is soon to spread around the investor community that has an ear for innovative products in the financial services sector - New American Finance Corporation (NAFC) is finally ready to launch its fundraising efforts. The team consisting of top ACG executives and project management, finance and accounting experts has completed the investment package for its Series A round of financing. and is about to enter the market with an innovative offering aimed at generating consumer interest nationwide.

New American Finance Corporation is a new mortgage banking project by Aginsky Consulting Group, and is designed to be a U.S. nationwide mortgage brokerage specializing in servicing ethnic markets. NAFC will first concentrate its efforts on the most affluent minority in the U.S. – the 5.5 million-strong Russian and Ukrainian-

speaking population. Its unique business model will dramatically decrease costs while significantly improving the quality of service to this market.

#### NAFC VISION

*"We guarantee to offer the lowest possible cost of financing for each of our clients while providing uncompromising customer care and maintaining attention to individual needs."*

Many companies promise the highest quality at the lowest cost, but few have as a core business strategy the means to deliver. NAFC does! The same concept driving our industry-leading cost savings is also the key to providing a dramatic increase in personal service to

the market segment we have chosen for our proof of concept. By outsourcing our call and processing center (CPC) to an NAFC-owned and operated facility in Ukraine, we cut our primary cost driver – loan officer compensation, by 93% of industry averages. Simultaneously, by hiring educated tri-lingual employees (English, Russian and Ukrainian), we will provide highly-trained personal service in our client's native languages by competent associates motivated by compensation significantly higher than prevailing wages. In this scenario everyone benefits - the customers, the employees and, certainly, the investors.

The NAFC business model is easily scalable and can be extended to most ethnic native-speaking immigrant groups in the United States and, potentially, other countries as well. Further

*continued on next page >>>*



extension can occur in NAFC's product mix, as well as in leveraging the CPC by contracting its services to other businesses.

NAFC's combination of highly personalized and lowest cost service makes a strong business case for success regardless of future mortgage market conditions. As interest rates move higher and the refinance market shrinks, our financial model presses its advantage against high service/high cost competitors by being able to provide the low cost/high service alternative while still maintaining profitability. And as our larger competitors scale back on service and focus on one-size-fits-all programs, NAFC will

preserve its price advantage while maintaining our commitment to a top-notch service offering.

If you are intrigued by our concept and wish to learn more, please request the complete investor's package which includes the NAFC Business Plan, Consolidated Financials, Valuation, Private Placement Memorandum, Subscription Agreement, PowerPoint Slideshow Presentation, and Term Sheet. NAFC is seeking accredited investors for a **\$3.3M Series A Preferred offering**.

For more information please contact Aginsky Consulting Group at: **877-WITH-ACG** or e-mail us at [nafc@aginskyconsulting.com](mailto:nafc@aginskyconsulting.com).

## AGINSKY CONSULTING GROUP ANNOUNCES ITS "OPEN REGIONS" PROGRAM

ACG is proud to announce the beginning of its "Open Regions" program which is aimed at assisting mid-market enterprises from Russian regions. The idea behind the program is our belief that the true prosperity of a country only comes together with harmonious growth of mid-sized companies equally spread out geographically, rather than with deceptive overall GDP growth figures which are largely spurred by increasing oil prices. This is why we think it is important to spread private sector development beyond Russia's prosperous capital of Moscow to its vast regions where profitable and promising smaller companies need greater access to capital.

Our experience in Russia has convinced us that this country's regions have a plethora of ideas and resources for private capital development but very often lack access to liquid financial markets

outside of the shadow economy. This prevents a great majority of regional private companies from realizing their full potential. We are prepared to offer special assistance to all Russian mid-sized companies headquartered outside of Moscow in the areas of business planning, international investment solicitation, global market expansion, and operational improvements. This program is offered at discounted rates to all companies that meet the required criteria. We will closely monitor the success of this program in order to later offer similar programs to "Open Regions" of other CIS countries.

For all questions regarding the "Open Regions" program as well as to offer sponsorship and other assistance, please contact Michael Voronenko at [m.voronenko@aginskyconsulting.com](mailto:m.voronenko@aginskyconsulting.com).

## UNIQUE REAL ESTATE FINANCING OFFERING FOR MAJOR DEVELOPERS

A new ACG offering for the U.S. housing market will focus on real estate developers, rather than home buyers. ACG represents a few hundred individual affluent partners looking to purchase 30-50% of individual condo development projects in order to facilitate the developers' financing and marketing efforts. The so-called DBI Solution (DBI stands for the three separate solutions under the program - Defined, Basic, and Integrated) provides real estate developers with means to facilitate development execution, particularly in the areas of project funding and marketing in an extremely low-risk cost-efficient manner. The DBI Solution has a 10-14 day turn-around regardless of the size of the project and provides developers with an opportunity to sell the housing units needed to secure construction financing and yet to participate in the future appreciation of the sold units.

In addition to disposing of 30-50% of the project, DBI Solution provides an additional stream of advance profits and cost savings, including potential marketing and sales cost reduction, significant carrying costs reduction by starting construction 6 to 12 months earlier, providing leverage to negotiating a lower interest rate based on higher presales, and reducing the need for an equity partner based on substantial presales.

Standard in all the programs are the following:

- **Individual Buyers.** Each purchase contract will be written and executed by a separate buyer with a separate Social Security number or FEIN in order to properly qualify as valid purchasers for your lender or other review of the presales requirements.
- **Deposit.** Each respective buyer will place a separate "hard" cash deposit on each unit held by your escrow agent.

For questions regarding the specifics of the DBI solution please contact us at [financing@aginskyconsulting.com](mailto:financing@aginskyconsulting.com).

## NEW PARTNERSHIP WITH NEW YORK-BASED CIS-FOCUSED LAW FIRM

ACG is proud to announce that we have gained a new partner in the legal services industry. With offices in New York, New Jersey, Moscow and Western Europe, **Besedin, Avakov & Sher, LLC** ([www.besedinllc.com](http://www.besedinllc.com)) is a full-service general practice law firm. Their team consists of attorneys and foreign legal consultants with extensive experience in various areas of Common and Civil Law, which allows them to offer a full range of legal services to companies and individuals doing business in U.S. and

CIS. The mutually executed Memorandum of Understanding (signed in October of 2005) allows for cross-promotion of the respective practices and joint collaboration opportunities on projects where each of the two professional firms has complementary services which would be of value to the respective project or client.

For additional information on partnership opportunities with ACG please write to [partners@aginskyconsulting.com](mailto:partners@aginskyconsulting.com).