

7.0 Joint Venture LLC (JVLLC) Business Approach

Before developing the OVER Aerial Vehicle (AV) and Ground Vehicle (GV) concepts, the proposed Autonomous Transportation System (ATS) concept, and the patented Aerial Vehicle Autonomous Anchoring and Powering System (AVAAPS), I first considered the profitability of mass manufacturing and operating fully autonomous on-demand, taxi-type AVs/GVs. Why? Because mass production, at multiple mass production facilities, will be necessary to produce the volume of AVs/GVs needed to implement an effective, efficient and convenient Autonomous Transportation System (ATS). If mass production and operation of the AVs/GVs is not profitable, or not profitable enough, Investors would choose other ventures with a greater Return on Investment (ROI). The calculated results show that massive AV/GV manufacturing and operations within the ATS will be very profitable for Investors and contributing corporations (hereafter called “Contributors”). It will also provide ever-decreasing fare prices for customers, over time, resulting in a more economical form of transportation as compared to private vehicle ownership.

However, before mass production can commence, standard computer hardware and software will need to be developed for the ATS and all AVs/GVs so they can all operate safely, securely, reliably and swiftly within the ATS. The approach includes establishing a “multi-corporation Joint Venture” established as a Limited Liability Company (LLC) hereafter called the “JVLLC”, which would develop and manufacture a single, universal computer box (hardware and software) that would be used in all AVs/GVs, regardless of manufacture. This computer box would provide common operational functionality for all AVs/GVs including communications, mapping, time paths, navigation, flight control, collision avoidance, landing/anchoring, etc. Further, the JVLLC would mass produce and operate a series of JVLLC AVs and GVs, from single-passenger models to multi-passenger models, some providing level entry/exit, and all containing the universal computer box. These various standard cargo and passenger AV and GV models would become the *most available* and *most economical* taxi-type autonomous vehicles available to the general public. These and other JVLLC Business Approach distinctives are presented below, followed by a discussion of the spreadsheet and assumptions used to calculate profitability.

7.1 JVLLC Business Approach Distinctions

Have you ever heard of a company that manufactures 1,000 items per day, and never sells a single one? What if such a business approach could offer Investors over 90% Annual Percentage Rate (APR) ROI each and every year, over a period of 20 years? You’ve probably never heard of such a thing, because (1) it sounds impossible, and (2) no such business approach has ever been contemplated, let alone implemented. Well, I’ve developed and applied those concepts to the future autonomous vehicle manufacturing and operations industry, and found them to generate a ROI of over 90% APR! The distinctive features of this approach are summarized below.

- Little Cost to the American Taxpayer. All development, construction, manufacturing, implementation and operation of the ATS, AVs, GVs, infrastructure and facilities would be provided by the proposed multi-corporation joint venture. The U.S. government would establish policies and regulations, provide oversight of manufacturing, testing, and operations; and conduct investigations as required. As compared to other modes of transportation and their

related costs, the ATS, AVs, GVs, infrastructure and facilities will be provided at relatively little cost to the American taxpayer.

- Multi-Corporation Joint Venture. The JVLLC Business Approach proposes the establishment of a multi-corporation joint venture, which would be organized as a Limited Liability Corporation (LLC) to take advantage of pass-through taxation. All “profits” would be distributed to Investors and Contributors as taxable dividend income, resulting in virtually zero retained profits and zero taxable income for the Joint Venture LLC (JVLLC). “Contributors” are corporations, individual entrepreneurs, and other entities who would provide the JVLLC with license to manufacture and/or use their patented products and/or services, while maintaining unrestricted ownership. *(Note: The JVLLC would be separate and independent of OVER LLC. However, we anticipate that OVER LLC would “contribute” our patent-pending Aerial Vehicle Autonomous Anchoring and Powering System (AVAAPS), the Ramp, Platform and Bridgeplate System (RPBS), the Emergency Flotation System (EFS), and other systems/components to the JVLLC, like any other Contributor).*

This multi-corporation JVLLC would be comprised of experts from multiple aerospace, aircraft, automotive, communications, networking, and other hardware manufacturers, as well as entrepreneurs, patent holders, software developers, etc. Examples of corporations that could become “Contributors” to the JVLLC include *Airbus, Alaka’I, Alphabet, Arevo, AT&T, Aurora, BAE Systems, Bell, Boeing, Cisco, EHang, Elroy Air, EmbraerX, Eviation, Fiat-Chrysler, Ford, General Dynamics, General Motors, Garmin, Honda, Honeywell, Hewlett Packard, Hyundai/Kia, IBM, Intel, Joby, Jump Aero, Karem, Kitty Hawk, Lockheed Martin, Liliium, Magellan, Maxwell, Microsoft, Moog, nanoFlowcell, Opener, Oracle, OVER, Piper, Pipistrel, Plug Power, Renault-Nissan, RideCell, Signature, Skyports, Terrafugia, Tesla, Texas Instruments, TomTom, Toyota, Uber, United Technologies, Verizon, Volocopter, Workhorse, and Zunum Aero.*

The contributing corporations/entities would provide the JVLLC with a number of managers (to manage the JVLLC) and system/product engineers, expert in their field, who would evaluate, develop, and select various technologies for the ATS and all AVs/GVs, in cooperation with U.S. government officials. The selected, tested and government-approved technologies would be used in the ATS itself, and/or within all AVs/GVs, regardless of manufacturer. JVLLC engineers would work together to develop the necessary hardware, software and protocols for the ATS, and a single, universal computer box (hardware and software) that would be sold to and used in *all AVs/GVs*, regardless of manufacturer. They would also work together to develop a series of *JVLLC AV and GV models*, both cargo and passenger, all containing the universal computer box. The JVLLC would then manufacture and operate the approved JVLLC AVs/GVs within their area of operation. The various JVLLC AVs/GVs would become the *most available* and *most economical* taxi-type autonomous vehicles available to the general public. Essentially, the JVLLC would be a “service provider”, even though it would manufacture about 365,000 electric vehicles per year.

Contributors having a patent on the selected/approved technologies would manufacture and sell the final products themselves, and provide license to the JVLLC (and all subsequent AV/GV manufactures) to manufacture them as needed. A Contributor’s total investment in developing their patented technologies, and the cost of providing managers, engineers and other personnel to the JVLLC effort, would determine the cost basis for their “contribution”, which will determine the amount of their future cash dividend payments.

- Subsequent AV/GV Manufactures. The JVLLC Business Approach proposes that many subsequent AV/GV manufactures would be established across the nation, funded by Investors primarily from their individual areas of operation. Each subsequent AV/GV manufacturer would also be organized as an LLC, and referred to as a “Subsequent LLC” (**SLLC**). Each SLLC would sell their own shares to generate Investor funding, and build their own manufacturing, maintenance, service, fueling and operational facilities. They would manufacture about 1,000 JVLLC AVs/GVs per day, and operate them in their area of operation, perpetually. SLLC Investors receive dividend payments from their specific SLLC, like the JVLLC approach above. However, JVLLC Contributors will receive dividend payments from each SLLC, in addition to the dividend payments received from JVLLC, all based on their contribution value. Essentially, each SLLC would be a “service provider” even though each would manufacture about 365,000 electric vehicles per year.
- Build/Rent Strategy. The JVLLC Business Approach estimates that approximately 1,000 JVLLC AVs/GVs would be mass produced, each day, in each manufacturing plant – many having the level entry/exit feature. These high-tech, highly robotic manufacturing plants would be designed by the JVLLC, and implement mass production processes similar to those used in the automotive industry. The JVLLC Business Approach proposes that AVs/GVs would never be sold, but rather the manufacturer would retain ownership and operate (rent) them as taxi-type vehicles, perpetually. The build/rent strategy provides significantly greater profits and Investor ROI than the build/sell strategy currently used in all industries. The build/rent strategy also incentivizes employees, Investors and Contributors to produce quality, long-lasting AVs/GVs, which will increase profitability, as compared to the build/sell strategy which does not. The build/rent strategy places the responsibility for safe, secure, reliable and swift AV/GV operations on the *manufacturer*, as well as maintenance, service, fuel, etc. - as opposed to the customer. The build/rent strategy is a proposed requirement for *all* autonomous AV/GV manufacturers, worldwide.
- Investment Equality. We propose a unique investment approach for the JVLLC and all SLLCs, which allows only a limited investment from \$1,200 minimum to \$60,000 maximum (1 to 50 shares). The JVLLC and SLLC shares would be sold directly to their specific Investors at a fixed price of \$1,200 per share, which would never change. The investment limit ensures that millions of American citizens can invest in the effort and reap the huge perpetual returns, instead of just a few billionaires buying up all the shares and reaping all the returns themselves. The approach provides the average American citizen with a relatively safe investment vehicle that eventually provides a significant supplemental or retirement income, projected to last for decades.
- Fixed Cash Dividends. Although never done before for any product or service, the JVLLC Business Approach concept provides Investors with guaranteed, fixed, monthly cash dividend payments, paid via ACH transactions directly to their bank accounts. The dividends are paid to Investors each month (1/12th of the annual amount). The annual dividend payout equals 100% of the investment (principal) in the JVLLC or specific SLLC, which equates to over 90% APR for 20 years. The fixed dividend payments would commence once the LLC breaks even (approximately 7 months after production start), and are “guaranteed” indefinitely, as long as the JVLLC or applicable SLLC remains profitable. Investors may invest in the JVLLC and any number of SLLCs, each of which would provide their own cash dividend payouts as stated above. Below are three examples of cash dividend payments for Investors.

Investment (Principal)	# Shares	Monthly Dividend Payments	Total Dividend Payments, per Year	Total Dividend Payments, for 20 Years
\$1,200	1	\$100	\$1,200	\$24,000
\$24,000	20	\$2,000	\$24,000	\$480,000
\$60,000	50	\$5,000	\$60,000	\$1,200,000

Similarly, dividends are paid to “Contributors” each month, in the same manner. The “value” of the contribution is the total amount paid for research, development, design, prototyping, testing, etc., including labor. The total annual dividend payout equals 100% of the contribution value, and also equates to over 90% APR ROI over 20 years. Just like Investors, Contributors would receive guaranteed, fixed, monthly “cash dividend” payments equal to 1/12th of the annual amount, via ACH transactions directly to their bank account. Additionally, Contributors would receive fixed dividend payments from each SLLC, once each one breaks even. All dividend payments are “guaranteed” indefinitely, as long as the JVLLC and/or applicable SLLCs remains profitable. Below are three examples of cash dividend payments for Contributors, which would be received from *the JVLLC and each SLLC*, perpetually, resulting in an astronomical ROI over time!

Contribution Value	Monthly Dividend Payments	Total Dividend Payments, per Year	Total Dividend Payments, for 20 Years
\$120,000	\$10,000	\$120,000	\$2,400,000
\$6,000,000	\$500,000	\$6,000,000	\$120,000,000
\$120,000,000	\$10,000,000	\$120,000,000	\$2,400,000,000

- Declining Fare Prices. By providing fixed cash dividend payments to Investors and Contributors, the AV/GV taxi-type fare prices charged to customers will decline over time. Initially, the average required daily fare revenue is set to \$240, per AV/GV, per day. The initial amount begins to decrease once the total expenses and dividends paid per day, divided by the number AVs/GVs "in-service", is less than the fare revenue from the prior day. Calculations in Column X of the spreadsheet show that the initial \$240 amount will begin to decrease in about 1 year after production start, and will continue to decrease exponentially to less than \$50 per day in about 19 years, 4 months. Estimating 20 customers would use each AV/GV, each day, the average fare price per customer is initially \$12.00 per ride/flight, and decreases to less than \$2.50 per ride/flight in about 19 years, 4 months. The total cost to the customer to use autonomous AVs/GVs *exclusively*, will eventually be less than the total cost of private vehicle ownership.

Approximate Years/Months After Production Start	Required Fare Revenue (per AV/GV, per day)	Average Fare Price per Customer (est. 20 per day, per AV/GV)
Production Start	\$240	\$12.00
1 year, 0 months	<\$240	<\$12.00
1 year, 3 months	<\$200	<\$10.00
1 year, 10 months	<\$150	<\$7.50
3 years, 3 months	<\$100	<\$5.00
5 years, 6 months	<\$75	<\$3.75
9 years, 7 months	<\$60	<\$3.00
19 years, 4 months	<\$50	<\$2.50

- **Employee Bonus.** In addition to excellent wages and benefits for employees, the JVLLC Business Approach proposes a lucrative employee bonus program based on the number of AVs/GVs manufactured during the employee's term of employment and still "in-service". The average bonus amount is estimated to be about equal to an employee's wages after about 10 years of employment, and about double the wages after about 20 years of employment. An employee's bonus will continue to be paid even after an employee terminates employment, or to an employee's declared beneficiary(s) if he/she dies, or if reassigned to another person for whatever reason. The amount of bonus will begin to decline after an employee terminates employment, as AVs/GVs manufactured during the employee's term of employment are removed from service over time. It's expected that a bonus payment would eventually decline to \$0 per month, in no less than 12 years after the employee terminates employment.

7.2 JVLLC Business Approach Spreadsheet

To determine the profitability of the build/rent strategy, when applied to the mass manufacture and operation of future, taxi-type electric vehicles, I developed a comprehensive spreadsheet which forecasts the manufacturing and operational costs, employee wages/benefits/bonus, fare prices, fare revenues, profits, dividend payments, ROI, and much more. During the development of the spreadsheet, many of the distinctive features listed above were formulated and integrated into the JVLLC Business Approach. The spreadsheet includes a staffing plan to enable 24/7 manufacturing and operations, complete with employee wages, benefits and bonus. The total number of employees is estimated at 2,554, with 62% at the lowest wage grade which pays \$25 per hour plus benefits and bonus. Investor and Contributor dividend payments are fixed at 100% ROI per year, each and every year after breakeven. The spreadsheet calculates values "per day" for 20 years. The spreadsheet is a MS Excel file titled "Appendix 5 - Costs, Revenues and Distributions.xlsx" and is available for download from our website www.OVER-LLC.com.

7.3 Assumptions

The following assumptions were made in developing the business approach and spreadsheet:

- Demand for the manufactured electric vehicles meets or exceeds supply.
- The total vehicles produced and tested each day are immediately put into operation.
- Covered parking facilities are continuously built and brought on-line, throughout each area of operation, to park/charge all electric vehicles manufactured each day.
- Sufficient quantities of "bi-ION" fuel is manufactured and delivered to refueling facilities throughout each area of operation, to fuel nanoFlowcell® powered vehicles.
- Sufficient electrical "grid" power is available to charge battery-powered electric vehicles.
- OVER's proposed standard size parking garage, with AVAAPS, becomes an industry standard.
- OVER's patented AVAAPS Pad Assembly is installed in every AV parking garage and the AVAAPS AV Assembly is installed on most AVs using the standard size parking garages.
- Manufacturing plants and facilities would be constructed in the USA, and most (if not all) electric vehicle systems, components, and parts would be "Made in the USA".
- Since every manufactured vehicle would be operated as an on-demand, taxi-type vehicle, which would be a "service", typically the LLC would not collect or remit sales tax to State governments. However, sales tax would be collected/remitted if required.

- Each Investor would receive a Form 1099-DIV from the JVLLC and/or specific SLLC where invested, identifying the cash dividend income received as “ordinary dividends”.
- Each Contributor would receive a Form 1099-DIV from the JVLLC and each SLLC, identifying the cash dividend income received from each as “ordinary dividends”.
- Each Investor/Contributor would declare and pay tax on the cash dividends distributed to them each year, as applicable, via their individual or corporate tax return forms.

7.4 Assumed Values

The spreadsheet calculations are based on the assumed values listed below. Most assumed values in the spreadsheet cells are highlighted in **BLUE**, and can be changed by the reviewer if desired. All other cells are locked.

- Investment required for 1-year startup phase: \$1,000,000,000
- Investment required for follow-on 2-year construction phase: \$4,000,000,000
- Additional investment required for positive cash flow, until profitable: \$2,503,437,510
- Grand total investment required: \$7,503,437,510
- Fixed price per member/Investor share: \$1,200
- Total number of shares to be sold, based on the grand total investment above: 6,252,865
- Number of electric vehicles to be produced, per 24-hour day: 1,000
- Material & expenses to manufacture one AV/GV (less wages, benefits & bonus): \$20,000
- Depletion Rate of manufactured vehicles (beyond economical repair): 1%
- Life expectancy of each vehicle: 12+ years
- Total number of LLC employees: 2,554
- Company paid employee benefits (Rate): 25%
- Total average employee wages and benefits, per day: \$566,169
- Increasing cost of employee bonus payments, per day (over 20 years): \$0 to \$1,709,396
- Average cost of service/repair materials, fuel, electricity, per vehicle, per day: \$40
- Cost to upgrade one AV/GV: \$500
- Cost to upgrade 1,000 vehicles per day, after 3 years of operation: \$500,000
- Cost to build additional facilities for 1,000 additional/new vehicles, per day: \$11,000,000
- Cost to build additional facilities, per vehicle, per day: \$11,000
- Average fare revenue required per vehicle/day, over 20 years: \$240 to \$49.64
- Average fare price (est. 20 Customers per ride/flight), over 20 years: \$12.00 to \$2.50
- Total estimated value of all Contributor’s products and services: \$5,000,000,000
- Annual % Return on Investment (ROI) for Investors and Contributors: 100%
- Cash dividend payout for all Investors, per day (after breakeven): \$22,209,967
- Cash dividend payout for all Contributors, per day (after breakeven): \$13,698,630
- Equivalent simple Annual Percentage Rate (APR), per year, over 20 years: 91.9%

7.5 Key Outcomes

The spreadsheet calculations reveal the following key outcomes:

- Breakeven occurs about 7 months after production start
- Investor and Contributor cash dividend payments begin after Breakeven
- The LLC becomes “debt free” about 11 months after production start

- Required fare revenue per vehicle begins to decrease about 12 months after production start
- A sample Investor who invests \$12,000 receives \$253,824 in cash dividends over 20 years
- A sample Contributor who contributes \$5,000,000 worth of products/services/labor to the JVLLC, receives \$97,890,411 in cash dividend payments over 20 years from the JVLLC, and from each and every SLLC, resulting in an astronomical ROI!
- A \$25 per hour employee who receives an average wage of \$300 per day, begins to receive a small bonus after production start, which increases daily to about \$282 per day in 10 years (almost equal to the average wage), and continues to increase to about \$564 per day in 20 years (almost double the average wage), totaling ~\$16,920 in bonus payments per month!

7.6 Summary

The JVLLC Business Approach provides an innovative way to design, manufacture and operate future, fully autonomous electric vehicles within a new, standardized, national, networked Autonomous Transportation System (ATS). By considering the economic, safety, and efficiency benefits of electric ground and aerial vehicles, and the proposed ATS, the U.S. government, industry and the general public will realize that a safer and more reliable mode of transportation is obtainable now. Therefore, it is recommended that the President, DOT, FAA, and industry endorse and support a new ATS. Further, it is recommended that the President and his administration establish an official National ATS Initiative to promote the development and implementation of the new ATS, and the mass manufacturing of fully autonomous GVs and AVs.

The multi-corporation, joint venture (JVLLC) concept can provide the synergy to overcome multiple development hurdles, and produce safe, secure, reliable and swift electric vehicles comprised of the “best-of-the-best” HW and SW systems - worldwide. The approach incentivizes employees, Investors and Contributors to produce reliable, long lasting vehicles to maximize ROI, employee bonus, and customer satisfaction. The JVLLC and all SLLCs will never sell the vehicles, but rather maintain and operate them as on-demand, taxi-type vehicles perpetually, which will ensure that they receive all required service and maintenance. This operational approach also ensures that only safe, secure and fully operational vehicles will be in-use and available to customers. Overall, the results of the JVLLC Business Approach will be a WIN for the Investors, a WIN for the Contributors, a WIN for the customers, and a WIN for the USA!