



BeatLearning.com

# BEAT LEARNING

## TEACHING WITH IMPACT!



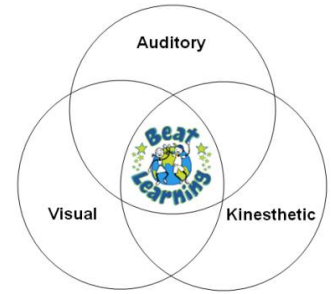
### TEAM

- **Deborah Kelly** • dlkelly@uci.edu  
Paul Merage School of Business MBA Graduate student
- **Mark Mallgrave** • mmallgra@uci.edu  
Paul Merage School of Business MBA Graduate student
- **Stephen Simon** • steve@simoninsurance.com  
Beat Learning Inventor, Owner of Simon Insurance
- **Mark Smith** • mark@simoninsurance.com  
Technology Consultant, BBA from USD

### BUSINESS ADVISORS

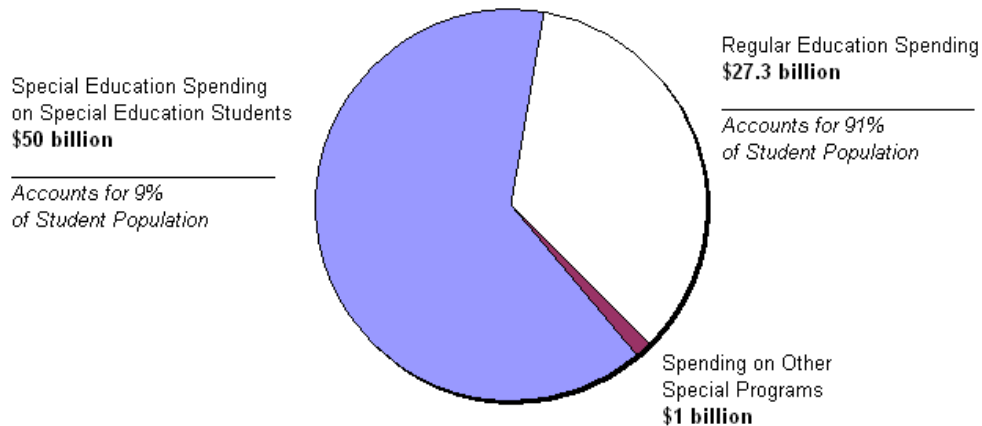
- **Margaret Thurmond** • mathurmond@gmail.com  
CPA, Ed.D., former CFO McGladrey Capital Markets; former CFO at myCFO; former Vice President Finance, Kinko's International; former Director of Finance and Administration at Deloitte. Currently an independent financial and organizational consultant working with private equity clients.
- **Barry Brummett** • barryjb@aol.com  
PhD; former Vice President of Food Services Taco Bell; former Head of RD for Pepsi Co.; "Father of the Pan Pizza"; owns 12 patents; Invention Judge for Irvine Valley College; former Judge for annual Invention Contest where the winner appeared on the Tonight Show.
- **Joseph H. Donnelly, M.D.** • donnelly@uci.edu  
Clinical Professor, Department of Pediatrics, UCI; Specialty in Pediatric Neurology (Autism, ADHD, Developmental Disorders); Certifications: American Board of Pediatrics, Pediatrics; American Board of Psychiatry & Neurology, Neurology with Special Qualifications in Child Neurology; American Board of Psychiatry & Neurology, Neurodevelopmental Disabilities.

With two (2) patents pending, the Beat Learning game teaches children to read utilizing multisensory techniques and strategies to stimulate learning on multiple levels. The game targets all three learning styles simultaneously, the visual, the kinesthetic and the auditory, thereby maximizing the learning process. While the game is highly effective with students with learning disabilities, it attracts students with normal learning capabilities as it boosts retention at an accelerated pace. Children using the Beat Learning game showed letter recognition improvement of 500% over standard intervention techniques. This success rate will lower costs by moving children through the expensive education intervention faster and increase student confidence by reducing the stigma associated with attending special education classes.



**KEY DIFFERENTIATOR:**  
Targets all three learning styles simultaneously

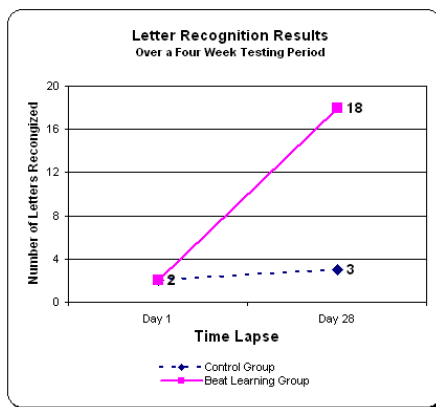
Illiteracy is a very real problem throughout our society. Studies show that 26% of all 12<sup>th</sup> grade level students lack basic skills in reading, problem solving and math. Statistics also show that children with special education needs cost 2.3 times more per student with the state government and local taxes bearing the burden. In 2006–07, some 6.7 million children and youth received Individuals with Disabilities Education Act (IDEA) services, corresponding to about 9 percent of all children and youth ages 3–21. In the United States, there are 1.5 times more prisons than elementary and secondary schools with 75% of the prison population illiterate by 12<sup>th</sup> grade standards and 60% by 4<sup>th</sup> grade standards. Additional costs to society include the taxes supporting public assistance to the illiterate unemployed, on-the-job accidents and damage to equipment caused by the inability of workers to read and understand instructions and loss of life associated with the inability to read prescriptions.



The genesis of Beat Learning started from the real life experience of Steve Simon, the inventor of Beat Learning. His girl friend has a son with dyslexia and she was spending countless frustrating hours helping him with his homework. She used different techniques which helped at times, but he quickly lost interest.

Steve wrote the boy's spelling words on his Tai Kwon Do practice bag and let him "punch" his spelling words. The idea was to utilize more multisensory functions in an effort to find the technique that best suited her son's needs. Homework sessions changed from being a chore to being fun. Time spent on homework decreased significantly and spelling tests scores improved to 90% or better. He told his mother that when he took his tests he would "tap his finger on his pencil and the words magically appeared in his brain".

A Beta version of Beat Learning has been implemented at an elementary school over the past two years with multiple case studies conducted at the Kindergarten and 1<sup>st</sup> Grade levels. In every instance, students demonstrated remarkable advancements. The children were enthusiastic about the game and had fun while learning.



### CASE STUDY Group Make-up and Analysis

<p><b>Control Group:</b></p> <ul style="list-style-type: none"> <li>- (8) Beginner Level ESL students</li> <li>- Average age 5</li> <li>- Tested in mid-November 2010</li> <li>- Average letter recognition 0-2 letters</li> <li>- Goal: learn 20 letters in 28 days</li> <li>- School approved initial intervention used over 20 testing days</li> </ul> <p><b>Results</b></p> <ul style="list-style-type: none"> <li>- Retested in week 7*</li> <li>- with little or no improvement</li> </ul>	<p><b>Beat Learning Group:</b></p> <ul style="list-style-type: none"> <li>- (8) Beginner Level ESL students</li> <li>- Average age 5</li> <li>- Tested in mid-November 2010</li> <li>- Average letter recognition 0-2 letters</li> <li>- Goal: learn 20 letters in 28 days</li> <li>- Beat Learning intervention used over 9 testing days, 7 mins/day</li> </ul> <p><b>Results</b></p> <ul style="list-style-type: none"> <li>- Retested in week 7*</li> <li>- and all students recognized and retained 18 to 20 letters</li> </ul>
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\* 4 week testing period + 3 week Winter break (No learning sessions conducted during break)

Initially, Beat Learning will be targeted to the early educational years and to students with learning differences, specifically Dyslexia which has been reported to affect up to 20% of all people in some form and up to 10% which show a true difference in learning capabilities. . Later versions can be developed to encompass older students along with a variety of educational topics. Even those without learning differences can accelerate their capability to absorb concepts, lessons, etc. creating tremendous market potential.

The proposed development of Beat Learning is as follows:

**Phase I:** Engineer and create the Beat Learning hardware device and initial software components. Target market is 4-7 year old elementary students in grades Pre-K to 2<sup>nd</sup> grade with limitations to learning letter recognition and phonic awareness. With 89,000 elementary schools averaging two classes per grade level, four grade levels in our target market, the market potential is 712,000 units. Our installed base target is 15% of schools or 107,000 units. In addition, we estimate that 1% of the 7 million special education children will purchase a unit for home use, adding an additional 70,000 units, bringing our target market of 177,000 units for Phase I in the first two years. The unit price and cost of goods will be determined and are dependent upon the final configuration of the unit.

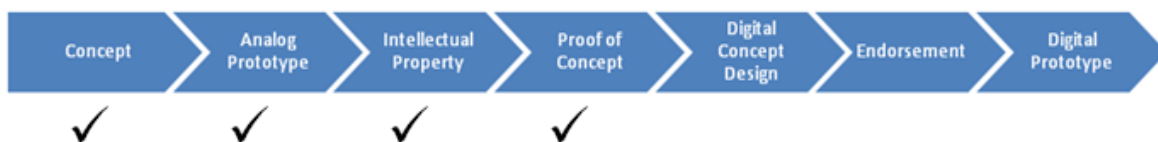
Phase II: Develop a game compatible with existing Wii and/or Xbox gaming environments. The advent of kinetic interactive gaming platforms such as Wii and Xbox Kinect allow the proven Beat Learning intervention to be used with these video game platforms. The development costs and market size to be determined.

Phase III: Develop and market upgradable programs to use with the Beat Learning hardware device that will encompass various learning topics, words, letters, numbers, etc. for various ages. This market includes subjects and age groups outside our Phase I target market such as English as a Second Language, GED test preparation for prisons, dropouts, etc. This market potential will be evaluated and quantified at a later stage.

All products would be available for commercial and home use with the 4 to 7 year age group as the initial primary target market. The design of the product would make the marketing potential inherently scalable. Existing competitive products are designed to help develop cognitive, language, and behavioral skills and are based on small motor movement as the foundation for learning to read in grades K-3. The large motor movement of Beat Learning and multi-sensory technique has shown a significant improvement in test scores over small motor movement based interventions.

The team is uniquely qualified with extensive experience in business operations, global marketing, employee management, systems and procedures. Some have worked closely for more than 10 years. Mark Smith has a BBA from USD and has worked in the IT field for over 20 years and currently works for SimonInsurance.com as an independent consultant. Mark Mallgrave has a B.S. in Physiology from UCSB and is a 2011 UCI MBA candidate. Mark has 13 years of market and business development in the Americas and Asia Pacific. Deborah's Kelly has a BA in Liberal Studies from CSUF with a minor in Mathematics and is also a 2011 UCI MBA candidate. Although she spent the majority of her career as an entrepreneur, she is currently in IT at Edwards Lifesciences, a licensed Realtor with First Team Real Estate, and an Independent Consultant for Mary Kay Cosmetics. Stephen M Simon is the owner of Simon Insurance, since 1999, and inventor of Beat Learning. Our advisors, Barry Brummett, Phd, and Margaret Thurmond, are knowledgeable in their fields of expertise and are highly respected amongst their peers.

Beat Learning can have an immediate positive impact and enhance the education system in both the United States and around the world. Teachers can incorporate the Beat Learning game into their regular lessons and program each game specifically to each child's particular needs. The increase in results will accelerate children through their lessons and reduce part of the \$50 billion cost of special education expenditures by the school system. Rationally, those without the frustrations brought on by illiteracy are likely to have a greater chance of succeeding in life.



Current Progress of Milestones Met