

# EQUITY RESEARCH REPORT



Metatron Inc.  
OTC: MRNJ

Jasmine Breitbach, CFA – Analyst  
July 27, 2009

Close as of:	July 27, 2009
DJIA:	9,108.51
S&P 500:	982.18
NASDAQ Composite:	1,967.89
Russell 2000:	550.88

Recommendation: Speculative **Buy**  
*Price Target:* **\$1.11**

Stock Price:	\$0.34	Market Cap:	\$9.14 M
52 Week Price Range:	N/A	Shares Outstanding:	26.88 M
Industry/Sector:	Technology	Float*(est.):	6.7 M
30 Day Avg. Vol. (est.)	18,100*	Fiscal Year:	December

\*Stock commenced trading on June 8, 2009.

## BASIS FOR RECOMMENDATION

- Competitive advantages:** Through its affiliates, Metatron is a diversified internet operations company consisting of: 1. on-line dating site, CupidsDevil; 2. merchant processor, JustData, Inc.; 3. web-design, developer and marketer, PB Magic, Inc.; 4. mobile application developer, i-Mobilize. The extensive experience of management, technical knowledge, and developmental capabilities in web based applications and services and the ability to leverage the interrelated applications give the company an edge over its competitors.
- Large collective market opportunity:** Web 2.0 concepts have led to the development and evolution of web-based communities, hosted services and second generation applications such as social networking, video-sharing, wikis, blogs, etc. Management's expertise in Web 2.0 applications will enable the Company to identify and monetize opportunities within the growing market.
- Scalable operating structure:** The scalable operating structure translates to the potential for double digit EBITDA growth. The Company operates with a low overhead structure. Advertising expenses are variable, with very little upfront cost and additional advertising expenses are incurred in relation to actual interest generated to their site. Conversely, revenues for its consulting business, is based on sharing in their clients' increasing cash flow.
- The Discounted Cashflow valuation is discounted heavily at 31.86%, taking into account the relative uncertainty and lack of visibility associated with the Company. Based on industry-standard methodologies, we have established a target price of **\$1.11**, which reflects our current estimate of fair market value (FMV), and initiate Metatron as a **Speculative BUY**.

## RESEARCH REPORT

### BUSINESS/PRODUCT OVERVIEW

Metatron is a diversified internet operations company focusing on Web 2.0 properties. Its mission is to harness the power of technology to make people's lives more productive and enjoyable. The Metatron partner companies address market segments in the online dating, mobile application development and marketing, online payment processing, and internet consulting industries.

The current Metatron family of companies consists of:

1. CupidsDevil - a social networking website which enables adults to participate in a community and form casual relationships. It was founded in 2002. Cupid is the first and only main-stream, top tier site with a computerized matchmaking system that is optimized for dating and relationships.
2. PBMagic - provides consulting services for web development, mobile software, online marketing and corporate strategy in the following areas:
  - a. Strategic Services – Advising clients on operational efficiencies through internet based activities and planning for the operations and organization necessary to support an online business.
  - b. Creative Services – Developing advertising and marketing campaigns based on graphic designs and websites.
  - c. Technology Services – Recommending/Installing appropriate hardware/software networks to enable online sales, support and communication.
3. Just Data – an internet payment service provider which enables users to accept payments online. It is flexible and interactive solutions process credit cards, electronic checks, and telephone orders, advanced reporting and work with any business model, including internet, broadband, wireless, call centers and retail establishments.
4. I-Mobilize - provider and developer of Mobile applications. It creates and acquires high-quality applications and integrates them with online content and services. While operating in a high-growth industry, it seeks leadership in distribution channels, including DTC digital storefronts and application stores.

Metatron's objective is to amalgamate their current operating partners into a synergistic entity, poised to capitalize on emerging internet trends utilizing management's extensive experience and knowledge of Web 2.0 architecture and applications.

Three primary factors allow for a scalable operating structure, which will enable the Company to expand revenue without incurring corresponding infrastructure costs: 1. internet space, 2. outsource back-end function, 3. advertising agreements based on variable action based cost. For example, one competitor within the online dating segment, Plenty of Fish, is a \$10 M revenue a year company with only 4 employees.

## RESEARCH REPORT

### COMPANY AND MANAGEMENT BACKGROUND

Metatron was formed through a series of transactions that resulted in a reverse merger with a public shell company. The Company previously operated under the name Rcomm Inc. On June 3, 2009, the reverse merger was completed and 20M shares were issued to the founder of Rcomm Inc., Ralph Joseph Riehl. As a result of this transaction Mr. Riehl is the largest shareholder. The Company's shares commenced trading on the Over-The-Counter Pink Sheet Exchange on June 8, 2009.

Rcomm was created in 1999 by Mr. Riehl and company CTO, Mike Sunyich to focus on search engine advertising market. The two entrepreneurs were web-designing and managing online marketing campaigns and traffic development programs that focused on maximizing revenue. Rcomm has acted as a consulting firm for a wide variety of companies seeking to develop and capitalize on their online presence.

During this time, Mr. Riehl together with online database and e-commerce expert and Company COO, Denis Sluka developed PB Magic, Inc. PBM managed the on-line sales and credit card processing for numerous companies.

The fourth employee of Metatron is Tim Homuth, VP Sales and Marketing. He has advised various companies and brands how to best use mobile phone technologies including SMS, MMS, mobile phone applications and mobile web to interact with their customers.

The founders of Metatron have been involved with the internet since its widespread emergence in culture, which has given them a high level of expertise and unique insight into the industry. Management knows where emerging trends are occurring on the internet, and more importantly, can forecast with reasonable accuracy the profitable developments of the online space. For instance, today, internet traffic is predominantly driven by entertainment and social networks. Monetization is achieved through subscriptions, advertising and ecommerce (the 3 basic internet models), with mobile applications the most likely next big wave.

## COMPANY STRATEGY

The keys to success for Metatron are building a broad customer base, minimizing attrition and expanding attractive premium services to this base. All the business units have a unified goal of enhancing each other's revenue streams through additional development, products and services. Metatron's specific initiatives for strategic growth can be outlined as follows:

1. Leverage ONE-TIME customer acquisition costs into recurring revenue streams, with above industry average margins. This entails buying targeted traffic at the best possible rate, whether organically or through acquisitions. The company will maintain its productive relationships with Google and the other search engines to obtain customers organically.

On July 14, 2009, Metatron, Inc. signed a marketing agreement with Beanstalk Media. Beanstalk will initiate a direct marketing campaign to include an email advertisement to approximately 10 million of its subscribers, on behalf of CupidsDevil. Beanstalk is a direct response media-consulting and marketing agency. Beanstalk uses its network of TV, radio, print, Internet and mobile to create lead generation and Cost-Per-Action (CPA) campaigns from script to screen. As part of the direct marketing campaign, there are also plans for a series of nationwide TV commercials for CupidsDevil.

2. Build brand loyalty through identifying the types of content that are popular with the targeted traffic. The Company will continue to determine what content and services can best attract and retain customers, thus building brand loyalty.
3. Leverage commoditized backend operations to service Metatron's proprietary frontend sites and services. The use of service providers (such as credit card clearing and settlement, for example) will enable the Company to keep initial costs down, thereby increasing profitability and allowing management to focus on its strengths.
4. Improve frontends through continued software and application development, particularly in the high growth areas such as mobile applications. The Company intends to always stand at the forefront of application development.
5. Extend into new affinity-focused markets. Management intends to target affinity markets it believes are receptive to premium online services and are large enough to attain a critical mass of members and paying subscribers.
6. Continually cross-promote within its partner companies.
7. Acquire synergistic companies whose customers and applications can be fully integrated and/or leveraged into the Metatron family.

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The internet industry is continually evolving and new areas show tremendous growth potential. Metatron, with the expertise of management, is well positioned to participate in this growth and allow shareholders an opportunity to share in the double digit growth in earnings forecasted by the Company. The growth plans and the industry overview of Metatron are best studied as a summation of its operating subsidiaries. The Industry Overview figures were supplied by management based upon their internal research.

### CUPIDSDEVIL

#### Industry Overview

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Online Dating Magazine estimates that more than 20 million people visit at least one online dating service a month – making online dating big business

The worldwide market is an estimated 400 million people, with an expected annual growth rate of 15%.

U.S. online dating accounts for \$957 M in annual revenue.

Europe is growing several times faster but is approximately one fifth the size of the U.S. market.

While still very fragmented, the online dating industry has been characterized by consolidation.

In terms of valuation, companies are valued based on a multiple per member. Moreover, there is a critical mass in that multiples rise with the number of members.

#### Strategy

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Targets two market segments: 18-34 year olds and 35-60 year olds.

Will soon launch an iPhone application, which uses a patent pending technology called MediaMatch, to link members based on types and frequency of their real-world media usage. Members with similar media usage will be recommended to each other for short-term dating through the systems matching algorithm. Types of media to be used to match members include music, movies, television, and web-surfing. Management is not aware of any other online dating concern doing this at the present.

Seek to drive additional traffic through integrated and targeted marketing and cross-promotion into vertical affinity markets. Marketing efforts are principally focused online. For example, Google AdWords, where they employ commercial search listings and display advertising to attract potential members and paying subscribers.

Increase conversion rates – convert more of Cupid's members into paying subscribers. Subscribers can initiate emails and instant messaging and participate in chat rooms or message boards.

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Additional revenue from the sale of advertising to companies that seek to complement their brands and reach niche consumers.

### PB MAGIC

#### Industry Overview

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The increasing acceptance of the internet has created significant opportunities for companies that seek to grow. Many companies are taking advantage of the internet's opportunities to strengthen customer relationships, improve operational efficiency and spur product innovation.

Developing successful internet businesses that promote interactive relationships requires a special set of capabilities.

Therefore, companies seeking to do business over the web are increasingly engaging internet professional services firms to provide integrated strategy and creative, technological and project management services.

#### Strategy

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PBM provides clients with an integrated set of strategic, creative and technology services that enable them to effect and maximize their internet business. These services help its clients create and enhance relationships with their customers, staff, business partners and suppliers.

PBM is able to generate improved returns on investments in advertising for its clients. PBM bases its fee structure on the subsequent increase in cash flow. For example, when clients realize an increase in sales as a result of implementing the company's creative ideas, PBM receives a percentage of the increased activity.

E-commerce continues to grow each year, as existing companies and new companies seek to integrate their businesses with the power of the web. PBM advises clients on how they can bring their product or service online and develops the tools and strategy to increase success.

### JUSTDATA

#### Industry Overview

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The payment processing industry continues to grow as a result of wider merchant acceptance, increased consumer use of bank cards and advances in payment processing and telecommunications technology.

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According to The Nilson Report, total expenditures for all card type transactions by U.S. consumers were \$3.3 trillion in 2007 and are expected to grow to \$4.8 trillion by 2012.

CAGR of card payments is expected to be 8% for 2008 to 2012.

Increasing acceptance of electronic payments by merchants such as quick service restaurants, government agencies and businesses that provide goods and services to other businesses.

Increasing consumer acceptance of alternative forms of electronic payments.

Technological advances in payment processing systems allows for scalability, flexibility and responsiveness. This has contributed to the demand for services at the point of sale.

### Strategy

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Create recurring and predictable revenue streams. Just Data will generate recurring revenue through the terms offered for its payment processing services. They will typically enter into three-year service contracts that require minimum volume commitments from merchants to qualify for favorable pricing.

Key to continued growth is to provide rapid personalized customer service. Management intends to build a corporate culture of service.

Just Data's scalable operating structure based on their technological platform (HPS Exchange and Passport) will allow the company to expand with relatively low incremental costs.

## i-MOBILIZE

### Industry Overview

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The \$32 billion global mobile entertainment industry is slated to grow 27% in 2009 reports a study by Mobile Entertainment Forum.

There has been a migration of mobile phone customers from traditional handsets to smart phones and more advanced platforms. Next generation devices currently include Apple's iPhone, RIM's Blackberry.

Additionally, the application store market is growing tremendously as each company is introducing its own application store including Google's Android and Nokia's N-Gage. The introduction of these devices and platforms has drawn many people away from the carrier-based business.

Given these trends, Metatron believes there are two key advantages:

1. Carriers will be looking for more robust applications to stave off any more attrition.
2. Billing, transactions and other services are far more stable business.

## Strategy

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i-Mobilize's mission is to be a leading global provider and developer of mobile applications.

Create high-quality, engaging applications including next generation devices and platforms.

Seek to establish leadership in emerging distribution channels, including digital storefronts and app stores.

Through constant monitoring, development and possible strategic alliances or joint ventures with other developers, management plans to stay at the forefront of new opportunities.

## KEY FINANCIALS

### Performance

During the past year, Metatron has experienced revenue declines. During this time, the Company was focusing management resources toward getting the Company stock up and trading and working on the particulars related to this process. Management expects to capture more revenue in the coming months as they ramp up marketing efforts, such as the Beanstalk agreement. Therefore, the projections shown for 2009 will not correspond to a calendar year, but rather to a 12 month period beginning when the Company receives funding.

Revenue for this period was \$152,000, compared to forecast of \$230,015, a difference of \$78,000. There were no expenses reported for the period. Therefore the total \$152,000 in revenue translated to income.

Revenue for 2008 was \$83,322, a decrease of 52% from 2007 revenue of \$170,236. Revenues are primarily generated from consulting services. The decrease in revenue was primarily caused by management's focus on the development of mobile phone software, business development activities as opposed to sales functions, lack of capital for advertising and general overall economic conditions. The Company also decreased operating expenses due to its development focus. The Company posted a net loss for 2008 of \$208 compared to a net income of \$386 for 2007.

Currently, revenue contribution among the Metatron's affiliates is heavily dependent on the Company receiving capital for advertising and strategic partnerships. Such contracts for will be designed to be long-term and performance based to optimize client value. The Company expects to generate improved returns on investments in advertising for clients and base its fee structure on the increased cash flow of clients.





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### Capital Resources

As of July, 2009, notes payable in the amount of \$1,275,536 was converted into approximately 6.7MM shares of common stock. The current balance of notes payable is \$5,146,549. Management states that the remaining notes payable is a legacy liability from the shell company and management considers it friendly debt which will ultimately be converted.

Currently, the Company has no assets, as it has depreciated its only equipment, consisting of computer and electronic equipment.

On a prospective basis, the Company will require both short term financing for operations and long term capital to fund expected growth. Management is confident that it will be able to secure the necessary funding to move the Company forward.

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### OUTLOOK

CupidsDevil is expected to account for 67% of the revenue for the company in 2009. Beyond 2009, this is expected to stabilize to 60% and revenue contribution from other network partners is expected to increase. The expected average revenue mix over the next one year is shown below:

Expected Revenue Mix of Metatron Inc		
Unit	Revenue Contribution 2009	Revenue Contribution Percentage 2009
Cupids Devil	\$2.343 m	66.70%
Just Data	\$0.237 m	6.75%
PB Magic	\$0.120 m	3.42%
i-Mobilize	\$0.795 m	22.62%
Advertising	\$0.018 m	0.51%
Metatron (total)	\$3.513 m	100.00%

Further, over the next 5 years, revenue of the company is expected to grow substantially. Additionally over the next 5 years, EBITDA is expected to show double digit growth.

Metatron Inc – Expected Key Financials (millions dollars)					
	2009E	2010E	2011E	2012E	2013E
Subscription and Apps	3.495	8.738	15.291	26.760	40.140
Advertising Revenue	.018	.054	.162	.486	1.458
Total Revenue	3.513	8.792	15.453	27.246	41.598
Revenue Growth	N/A	150.3%	75.8%	76.3%	52.7%
Operating Expenses	.720	1.144	1.668	2.527	3.533
EBITDA	2.793	7.648	13.785	24.719	38.065
EBITDA Growth (%)	N/A	174.3%	80.2%	79.3%	54%

## VALUATION

Typically, going concerns are valued using two approaches, the income approach and the market approach. The income approach determines fair market value by discounting to the present the future projected benefits, or free cash flows, expected to flow from operations of the business (in this case, the combined operations of the four units, or partner companies). The market approach determines fair market value by an analysis of trading multiples of companies with similar business models to each unit. The typical methodology to value a company determines a value based on both the market and income approaches, then averages those two values, or combines the two values in a reasonable way.

### DCF Valuation

#### Metatron Free Cash Flow Forecasts:

	2008A	2009E	2010E	2011E	2012E	2013E
-	-	-	-	-	-	-
Revenue*	\$ 83,322	\$ 3,513,157	\$ 8,791,891	\$ 15,453,310	\$ 27,245,792	\$ 41,597,688
less Operating Expenses	\$ 83,530	\$ 720,150	\$ 1,144,458	\$ 1,667,969	\$ 2,527,257	\$ 3,532,770
Operating Income	\$ (208)	\$ 2,793,007	\$ 7,647,433	\$ 13,785,340	\$ 24,718,535	\$ 38,064,918
less Taxes	\$ -	\$ (1,037,377)	\$ (2,851,537)	\$ (5,155,753)	\$ (9,255,701)	\$ (14,266,844)
plus Depreciation/Amortization	\$ -	\$ 26,667	\$ 43,333	\$ 36,667	\$ 36,667	\$ 20,000
less Capital Expenditures	\$ -	\$ (100,000)	\$ (50,000)	\$ (50,000)	\$ -	\$ -
<b>Free Cash Flow</b>	<b>\$ (208)</b>	<b>\$ 1,682,296</b>	<b>\$ 4,789,229</b>	<b>\$ 8,616,254</b>	<b>\$ 15,499,501</b>	<b>\$ 23,818,073</b>

### Weighted Average Cost of Capital (WACC) Determination – Discount Rate

#### Build Up Method - Ibbotson Data:

Risk-free rate (10 yr Treasury) (a)	3.67%
Plus: Equity risk premium	7.59%
Plus: Firm size premium (b)	6.50%
Plus/minus: Industry premium (c)	3.60%
Plus/minus: Company specific risk (d)	10.50%
<b>Net Cost of Common Equity</b>	<b>31.86%</b>

(a) 10-year Treasury bond yield as of 7/24/09.

(b) SBBI Valuation Yearbook

(c) SBBI Valuation Yearbook for SIC Code 73

(d) Based on a multi-variable matrix set forth on the next page in the chart labeled "Company Specific Risk Premium."

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<b><u>Company Specific Risk Premium:</u></b>	<b><u>(For Metatron)</u></b>	
Depth of Management	-1.00%	Management has domain expertise Company is small business with key owner/officers
Importance of Key Personnel	1.00%	
Competition	7.00%	<b>(see below)</b> Little
Diversification of Product Line	1.00%	diversification Lots of
Diversification of Customer Base	-1.00%	customers
Diversification/Stability of Suppliers	-1.00%	Many suppliers
Geographic Location	0.00%	Not applicable
Stability of Earnings	2.00%	Subject to recessionary environment
Earnings Margins	1.50%	Little economies of scale
Financial Structure	<u>1.00%</u>	Undercapitalized
<b>Company Specific Premium</b>	<b>10.50%</b>	

### Competition Components:

Proprietary Content / Patents	1.00%	No barriers to entry
Competition	2.00%	Fragmented industry
Product/Service Differentiation	1.50%	Little possible differentiation
Relative Product/Service Quality	0.00%	Average
Pricing Competition	0.50%	Potential competitors and/or customers could force prices down
Ease of Market Entry	2.00%	Too easy
Covenant not to Compete	<u>0.00%</u>	Not applicable
<b>Total Competition Risk Premium</b>	<b>7.00%</b>	Overall

### Terminal Growth Rate Determination:

Long-term Growth Rate (e) **7.00%**

(e) 5-yr. average earnings growth rate for Business Services (source: Thomson/Reuters) is 13.54% but that is likely unsustainable

### DCF Valuation

PV of FCF	<b>\$ 18,890,565</b>
plus:	
PV of Terminal Value	<b>\$ 25,717,214</b>
<b>Total Firm Value</b>	<b>\$ 44,607,779</b>
V of Common Shares	\$ 44,607,779 26,884,980
<b>PV per Share</b>	<b>\$ 1.66</b>

# RESEARCH REPORT



## Market Approach: Price-to-Sales (P/S)

Since Metatron is a uniquely diversified internet company, there are no pure comparables that contain all of the same areas of operation. Therefore, for valuation purposes, we have elected to take a weighted average of a collection of small- and micro-cap companies within each of the operating segments: Online Dating/Social Networking, Mobile Applications, Payment Processing/E-commerce and Consulting.

### Peer Data

	<u>Online Dating / Social Networking</u>			<u>Mobile Applications</u>		<u>Payment Processing / Ecommerce</u>				<u>Internet Service / Consulting</u>	
	Spark Networks, Inc. (LOV)	Snap Interactive, Inc. (STVI.OB)	DigitalPost Interactive, Inc. (DGLP.OB)	Glu Mobile, Inc (GLUU)	uVuMobile, Inc. (UVUM.PK)	Beyond Commerce, Inc. (BYOC.OB)	Payment Data Systems, Inc. (PYDS.OB)	LML Payment Systems Inc. (LMLP)	Trycera Financial, Inc. (TRYF.OB)	Florham Consulting Corp (FHMS.OB) **	MediaNet Group Technologies Inc. (MEDG.OB)
TTM Sales (000)	\$ 54,280	\$ 3,260	\$ 749	\$ 89,950	\$ 193	\$ 7,130	\$ 2,960	\$ 12,380	\$ 80	\$ 14	\$ 2,700
TTM EBITDA (000)	\$ 11,760	\$ 914	\$ (2,650)	\$ (13,690)	\$ (2,360)	\$ (9,520)	\$ (1,630)	\$ 1,380	\$ (516)	N/A	\$ (797)
EBITDA Margin	22%	28%	-354%	-15%	-1223%	-134%	-55%	11%	-645%	N/A	-30%
Net Earnings (000)	3,530	673	(3,540)	(106,450)	(6,220)	(12,960)	(1,690)	5,460	(585)	(16)	(731)
Shares Outstanding (000)	20,570	10,820	74,140	29,620	94,100	44,370	111,510	27,120	9,680	166	20,600
Earnings Per Share	\$ 0.17	\$ 0.06	\$ (0.05)	\$ (3.59)	\$ (0.07)	\$ (0.29)	\$ (0.02)	\$ 0.20	\$ (0.06)	\$ (0.10)	\$ (0.04)
Price as of 07/24/09 close	\$ 2.38	\$ 0.45	\$ 0.06	\$ 1.11	\$ 0.02	\$ 0.36	\$ 0.03	\$ 0.50	\$ 0.01	\$ 0.35	\$ 0.11
Market Capitalization (000)	\$ 48,957	\$ 4,869	\$ 4,523	\$ 32,878	\$ 2,164	\$ 15,973	\$ 3,345	\$ 13,560	\$ 136	\$ 58	\$ 2,266
Enterprise Value (000)	\$ 49,910	\$ 3,360	N/A	\$ 39,930	N/A	\$ 17,210	\$ 2,940	\$ 9,690	\$ 174	\$ 23	\$ 2,340
Price/Sales	0.90	1.49	6.04	0.37	11.21	2.24	1.13	1.10	1.69	4.15	0.84
Price/Earnings	13.87	7.23	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
EV/Sales	0.92	1.03	N/A	0.44	N/A	2.41	0.99	0.78	2.18	1.64	0.87
EV/EBITDA	4.24	3.68	N/A	N/A	N/A	N/A	N/A	7.02	N/A	N/A	N/A

Note: All figures as of 07/24/09.

\*\* - as of 5/14/09

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## Averages

	Online Dating / Social Networking	Mobile Applications	Payment Processing / Ecommerce	Internet Services / Consulting	
<b>Weighted:</b>					
EV/EBITDA (TTM)	3.87	N/A	2.88	N/A	
EV/Sales (TTM)	0.86	0.42	1.60	0.87	
P/S	1.35	1.04	1.66	0.91	
<b>Simple:</b>					
EV/EBITDA (TTM)	3.96	N/A	7.02	N/A	
P/E	10.55	N/A	N/A	N/A	
P/S	2.81	5.79	1.54	2.49	
EV/Sales (TTM)	0.98	0.44	1.59	1.25	
<b>TTM Sales</b>	\$ 58,289	\$ 90,143	\$ 22,550	\$ 2,714	
<b>TTM EBITDA</b>	\$ 10,024	\$ (16,050)	\$ (10,286)	\$ (797)	
<b>Enterprise Value</b>	\$ 53,270	\$ 39,930	\$ 30,014	\$ 174	
<b>Weights Used in Valuation</b>	<b>70%</b>	<b>10%</b>	<b>10%</b>	<b>10%</b>	
P/S	<b>1.97</b>	<b>0.58</b>	<b>0.15</b>	<b>0.25</b>	<b>2.95</b>
EV/Sales (TTM)	<b>0.68</b>	<b>0.04</b>	<b>0.16</b>	<b>0.13</b>	<b>1.01</b>

## P/S Valuation

<b>Metatron Actual</b>	
Discounted TM Forward Revenues	2,664,308
Shares Outstanding	26,884,980
<b>Proj Market Cap based on Wtd. P/S</b>	
(\$000)	<b>7,860,428</b>
<b>Proj Share Price based on Wtd. P/S \$</b>	
	<b>0.29</b>

## Final Valuation

Value	Price	Weight
DCF	\$1.66	<u>60%</u>
Market	<u>0.29</u>	<u>40%</u>
	<b>FMV</b>	<b>\$1.11</b>

### RISK FACTORS

*Limited Operating History.* Though the partner companies have varying degrees of operating history (some significant) The Company itself has had a very limited operating history to date. To date, Metatron has posted only losses and the losses are likely to continue in the near future.

*Minimal Assets and Financial Resources.* The Company will require both short term financing and long term capital to fund expected growth. They have no existing bank lines of credit and have not established any definitive sources for additional financing. They will require additional funds to fully implement its business plan and take advantage of evolving market conditions.

*Competitive Threat.* MRNJ faces intense competition, which is likely to intensify in the future. Many of its competitors are forming cooperative relationships. Almost all of their competitors have longer operating histories, greater name recognition and larger established client bases.

*Rapid Technological Change.* The industry that MRNJ operates in is characterized by rapidly changing technologies, frequent new product and service introductions, and evolving industry standards. MRNJ must continue to develop and enter into new applications to keep up with the market and increase its client base.

*No Proprietary Technology.* Except for the patent-pending MediaMatch described earlier in this report, MRNJ has no patents or proprietary technology that would limit competitors from duplicating MRNJ's services. They must rely on the skills of its personnel and the quality of its customer service.

*Reliance on Key Personnel.* The Company is dependent upon its management and key personnel. It operates with only four employees and the success of the Company depends largely on the services of Mr. Joe Riehl, president and CEO.



## RESEARCH REPORT

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### About the Analyst

Jasmine Breitbach, CFA, founder and Senior Equity Analyst of Valencia Research Group has more than 15 years of diverse experience. She has performed in-depth analyses of a wide variety of companies ranging from small private companies to large public companies covering many industries, primarily focusing on determining corporate valuation and litigious risk exposures for Directors and Officers.

Prior to founding Valencia Research Group, Ms. Breitbach served as Enterprise Risk Manager for Westfield, LLC for North America. Working with senior executives, she utilized her expertise to effect operational improvements throughout nearly all corporate departments and oversaw system-wide procedures for valuation and financial analysis. In addition, she also provided departmental training on issues related to financial statement analysis and valuation techniques. Previous to Westfield, she specialized in Directors and Officers (D&O) litigation and coverage, where she supervised teams of underwriters, providing guidance on technical and broker relationship matters.

Jasmine is a Chartered Financial Analyst (CFA) charterholder and a graduate of DePaul University where she obtained her MBA with a concentration in operations management. She received her Bachelor's Degree in Finance with a minor in Economics from Northern Illinois University.

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