



One pencil alone can produce 45,000 words, and can draw a line 35 miles long before running out of lead. You can use it upside-down, in zero gravity, and even write with it when underwater. But all of these wonderful benefits are of absolutely no use if you can't reach the surface you wish to mark in the first place.

Take carpenter's pencils, for example. Use them on a flat surface and you'll always be satisfied with the accurate, definitive and precise markings and measurements provided. Try to use them in an out-of-the-way location or difficult-to-reach spot, and you might as well just guess.



But the *Pivot Pencil* can take away all the guesswork in these situations, and can guarantee the precision and accuracy you need.

The *Pivot Pencil* consists of two separate carpenter's pencil pieces, one end of each of which is tapered to a 45-degree angle. These tapered ends can be fitted upon the extending shafts of a swivel joint via truss head slots. This rubber lining-encased swivel joint is capable of 180-degree rotation, thus allowing the pencil head to be applied even within constricted locations.

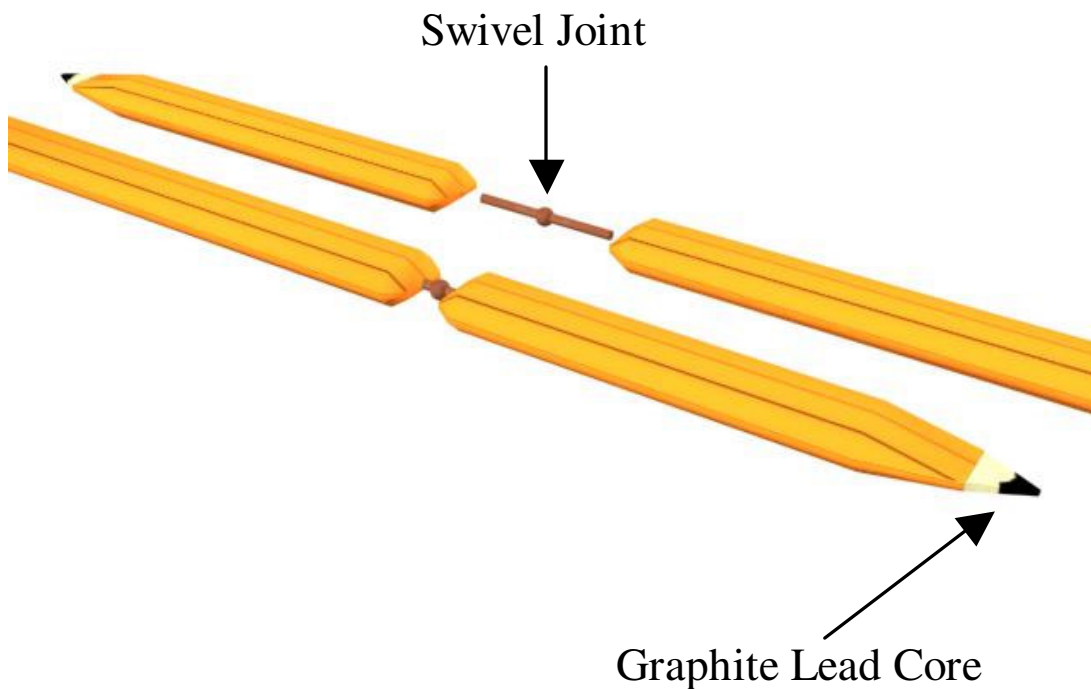
This *Pivot Pencil* allows its users to consistently apply precise markings in difficult-to-reach areas, and without any interference or reliance on guesswork. And these users are quite high in number, as are the sales of all types of pencil products, as well.

And the *Pivot Pencil* can place an accurate marking upon your company, too, not to mention its profitability, by giving it the opportunity to reclaim an import-reliant field with a true red-white-and blue improvement. Please read on to learn more about this product!

Features & Benefits Of *The Pivot Pencil*

Features

- Two wooden pencils:
 - Of flat-octagonal columnar design,
 - Tapered to 45° angle at ends, and
 - Measuring 7 3/16" x 9/16" x 5/16" when attached.
- Pencil leads:
 - Of rectangular columnar design, and
 - Measuring 7 3/16" x 1/4" x 1/16".
- Swivel joint:
 - Made of alloy steel,
 - Encased within EPDM material,
 - Fits within truss head slot of 6-32 x 1/4"
 - Female end measures 11/16",
 - Male end measures 1 1/4", and
 - Outside end measures 3/16".



Benefits

- Pencils fit within and extend from swivel joint.
- Reaches into and marks accurately within space-constricted areas.
- Can be used within constricted spaces and around corners that are ordinarily inaccessible with normal and carpenter's pencils.
- Maintains angular placement during use.
- Prevents inaccurate markings.
- Can improve production accuracy.
- Can improve production time.
- Can be used in countless trades.
- Can be used by millions of do-it-yourself consumers.
- Can be used by millions of applicable hobbyists.

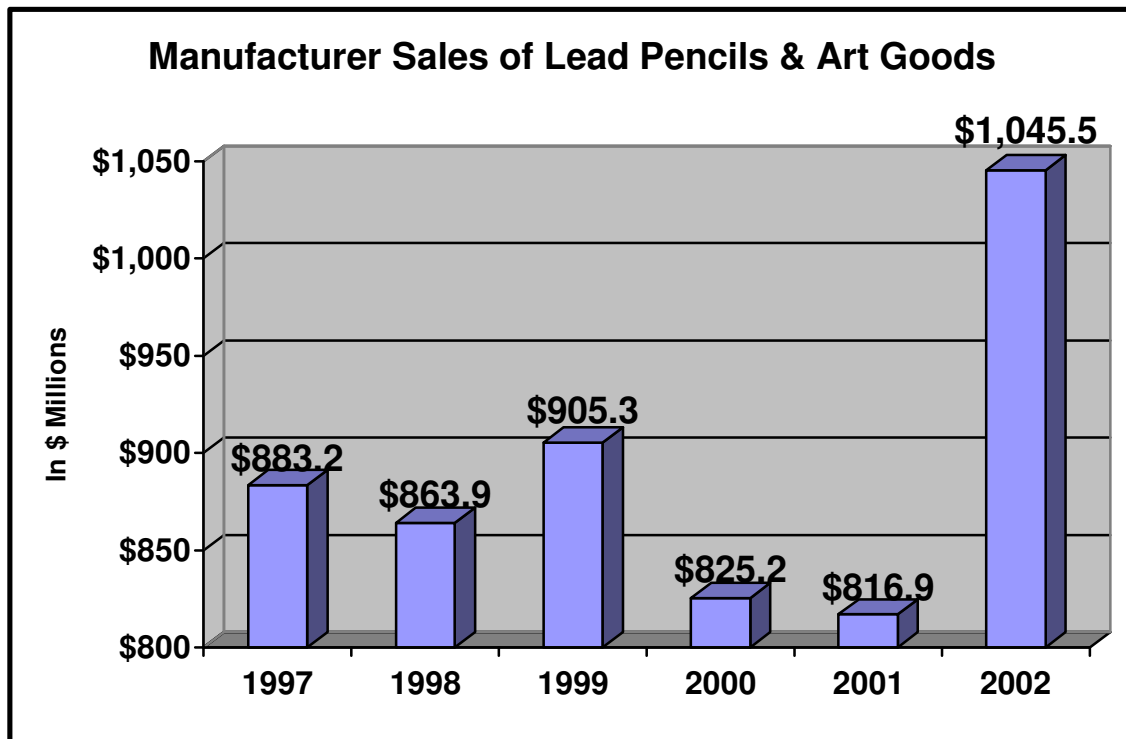


Pertinent Manufacturing Industries
Of
The Pivot Pencil

SIC	Industry	Companies	Annual Sales
2499	Wood Products, NEC	2,842	\$6.121 billion
3951	Pens & Mechanical Pencils	185	\$1.068 billion
3952	Lead Pencils & Art Goods	152	\$1.046 billion

Most carpenter's pencils and similar items are made by companies in SIC 3952, which includes the better known companies of Dixon Ticonderoga, Cumberland and Musgrave, and this industry can of course be contacted regarding the *Pivot Pencil*. Because of the mechanical implements within this product (and because a SIC 3952 company might have to contract out the mechanical part of the *Pivot Pencil* anyway), SIC 3951 can be included. Because both industries are somewhat small, SIC 2499 can also be included, especially since some companies in that industry make the individual components used in the final manufacturing of pencils. Sales for these industries will be presented in order of their applicability.

The following chart shows the recent sales history of the Lead Pencils & Art Goods manufacturing industry:

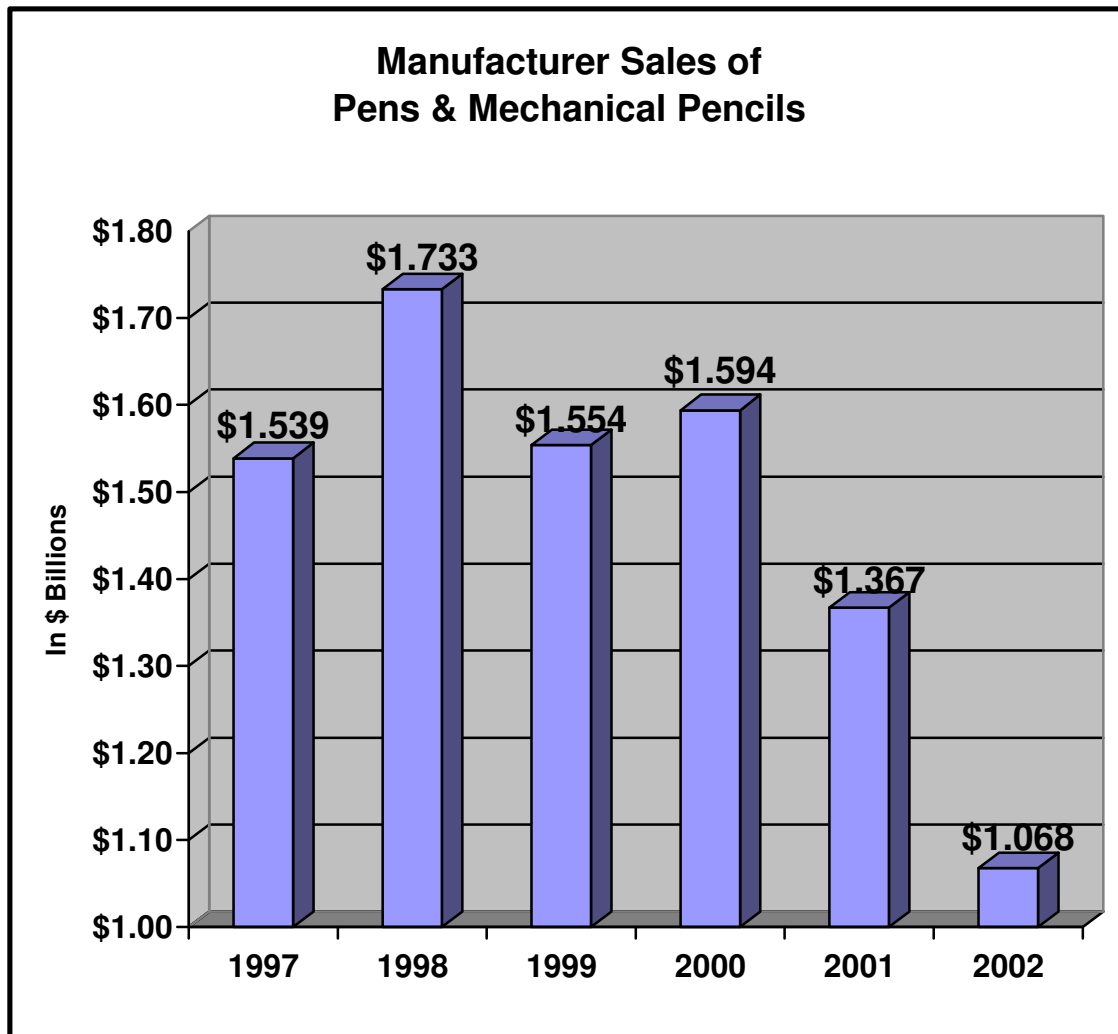


Source: U.S. Bureau of the Census

Annual sales of this industry grew 18.37 percent in the last six years on record.

Sales of lead pencils alone represent more than half of all of these sales for the industry, and provide a profit of about 62.5 percent for the companies that make such products. There has been no true difference in costs of materials or labor in this period, which indicates that demand alone has been the impetus for this rapid increase in 2002.

The following chart shows the recent sales history of the Pens & Mechanical Pens manufacturing industry:

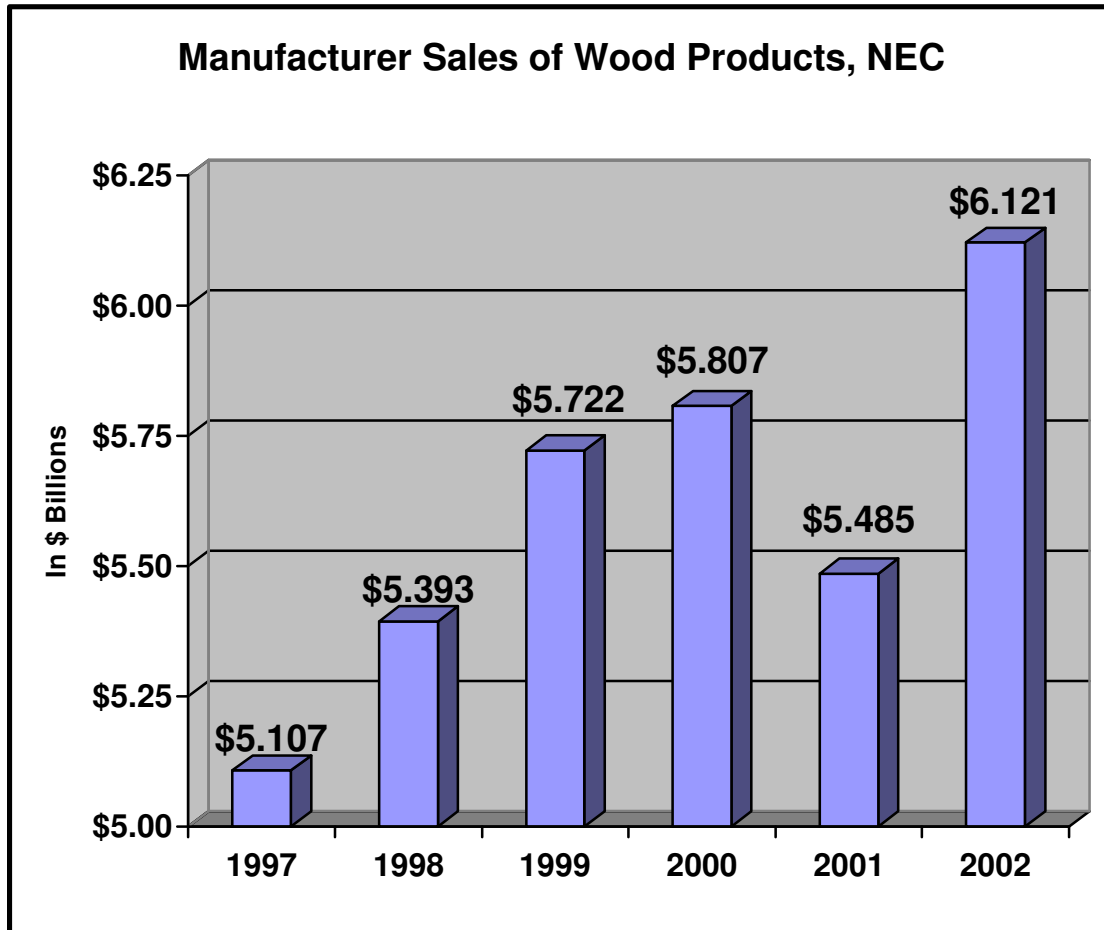


Source: U.S. Bureau of the Census

Annual sales for this Pens & Mechanical Pencils industry declined 30.6 percent.

This decline can be attributed in part to foreign competition, as well as simply overall decrease in consumer demand. However, please know that most of the companies in this industry make many other types of items, too. If pens and mechanical pencils are no longer their dominant sales products, such companies get reclassified in another industry, which may in part explain the decline depicted. For example, note that 21 companies included in this industry in 1997 are no longer listed to be in this SIC 3951 class.

The following chart shows the recent sales history of the Wood Products, NEC industry:



Source: U.S. Bureau of the Census

Annual sales of this industry grew 19.86 percent in this most recently recorded six-year period.

Profits of this industry rose 21 percent in this same time period, while its costs of materials rose 20 percent.

Regarding pencils and carpenter's pencils in general, foreign competition appears rather threatening. In 1991, only 16 percent of pencils sold in the U.S. came from overseas. By 1994, however, close to half were foreign imports. The U.S. government attempted to respond to this circumstance in 1994 by imposing large anti-dumping duties on Chinese pencils, and imports soon dropped. Unfortunately, these duties were not in effect long enough, and by 2000 imported pencils represented 53 percent of all pencils sold in the U.S.

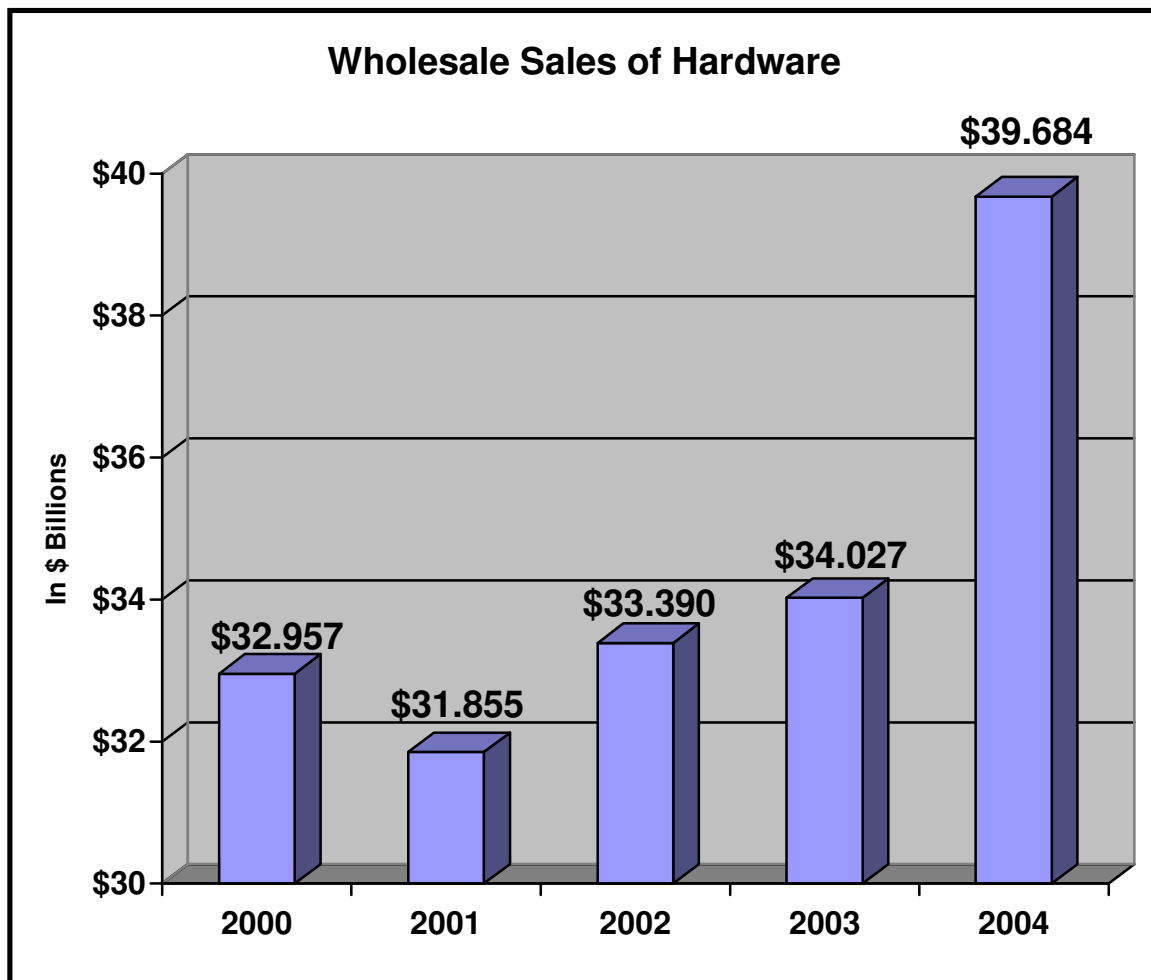
This circumstance can be in part used in the presentation of the *Pivot Pencil*. U.S. companies can respond to this circumstance by offering a new, unique and improved product that its foreign competitors cannot produce, and regain their share of this market.

Wholesale Industry
Of
The Pivot Pencil

SIC	Industry	Companies	Annual Sales
5072	Hardware	9,473	\$39.864 billion
5085	Industrial Supplies	23,063	\$59.111 billion

The *Pivot Pencil* can be distributed to various retail environments by companies within the Hardware wholesale industry.

The following chart shows the recent sales history of the Hardware merchant wholesale industry:

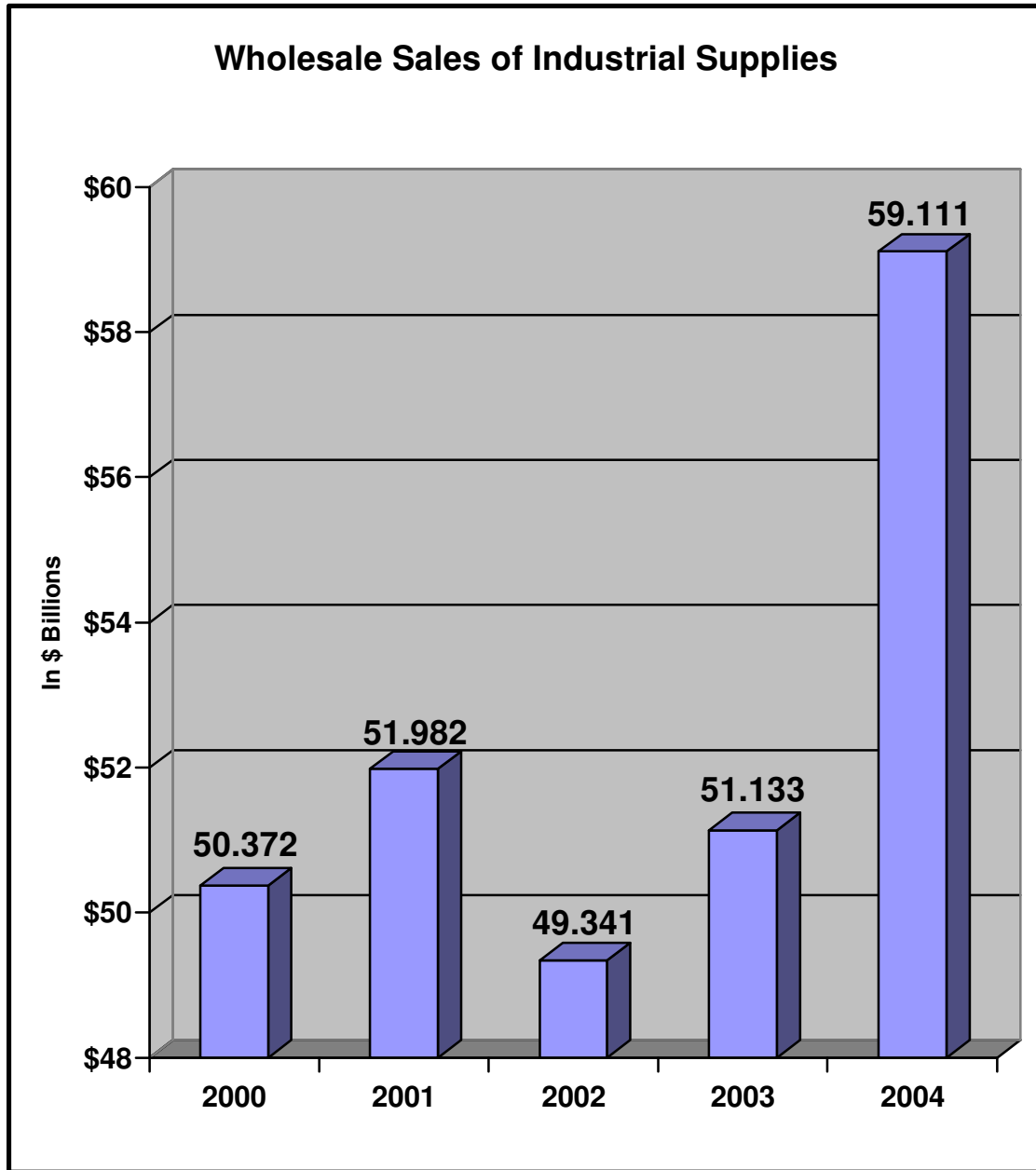


Source: U.S. Bureau of the Census

Annual sales of this merchant wholesale industry increased 18.98 percent in the last five years, and almost 17 percent in 2004 alone.

The *Pivot Pencil* can be supplied directly to professional users by companies within the Industrial Supplies wholesale industry.

The following chart shows the recent sales history of the Industrial Supplies merchant wholesale industry:



Source: U.S. Bureau of the Census

Annual sales of this industry grew 17.35 percent in the last five years, and 15.6 percent in the last year alone.

Retail Industry
Of
The Pivot Pencil

SIC	Industry	Companies	Annual Sales
5211	Building Materials Dealers	38,194	\$180.08 billion
5251	Hardware Stores	15,748	\$19.161 billion

The *Pivot Pencil* can be included with other tools and equipment by this industry that sells to both small businesses and to private consumers.

The following chart shows the recent sales history of Building Materials Dealers:

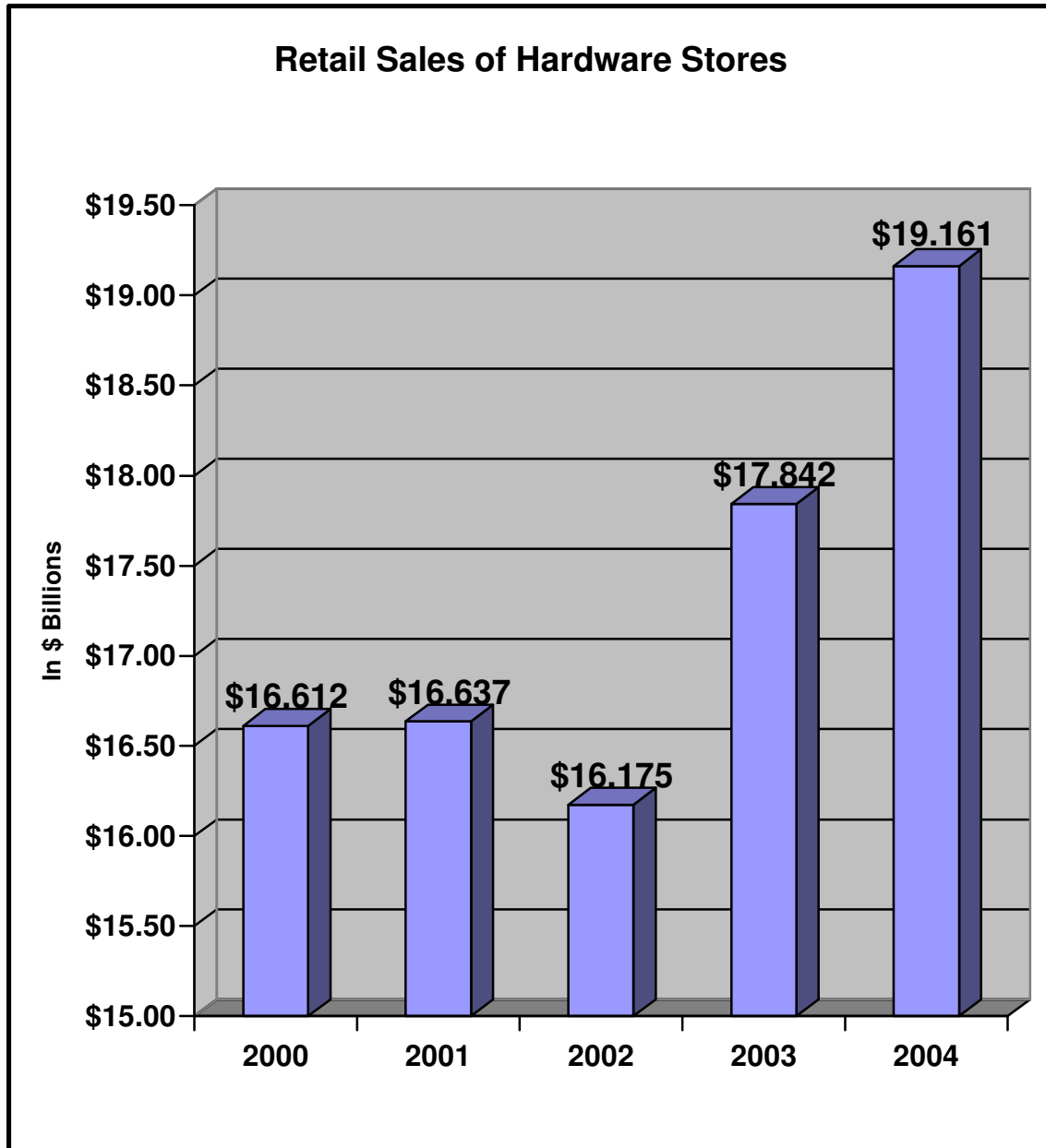


Source: U.S. Bureau of the Census

Retail sales for this retail industry grew 36.53 percent in the last five years, and soared 16 percent in 2004 alone.

Hardware Stores can include the Pivot Pencil with other tools, supplies and craft materials.

The following chart shows the recent sales history of Hardware Stores:



Source: U.S. Bureau of the Census

Annual sales of Hardware Stores increased 22.74 percent in the last five years.

Marketing Potential Of ***The Pivot Pencil***

The *Pivot Pencil* provides a modernized improvement to an age-old tool.

- Standard pencils and carpenter's pencils have been used for 440 years, and with only slight variation in design and utility. Simply put, this simple device met the simple needs of all. But for too long there have been complicated needs that remain unmet.
- Carpenter's pencils can not conveniently access or accurately mark upon space-constricted areas, around corners or around and inclusive of intruding/protruding objects. And despite all the precise measurements and accurate markings consistently required, such common workspaces are too often left up to guesswork.
- But go guessing no more, because an accurate answer is now being offered to this question: the *Pivot Pencil*. The *Pivot Pencil* is designed to allow convenient access in order to ensure accurate measurements and markings throughout all areas of use.

The *Pivot Pencil* can help a U.S industry overcome foreign competition.

- Throughout the United States, millions of American companies and American consumers purchase pencils and carpenter's pencils from thousands of American distributors and American retailers, resulting in over 3 billion of these objects sold in our country every year. The problem is, the money from these millions of dollars in sales doesn't stay in America.
- In 1991, only 16 percent of pencils sold in the U.S. came from overseas, but by 1994 almost half of the pencils sold here were foreign imports. Import duties were quickly imposed to correct this situation, but these correcting efforts didn't last long enough. By 2000, imported pencils represented 53 percent of all pencils sold in the U.S.
- The *Pivot Pencil* can help reclaim this U.S. market. This U.S. patent-pending product offers a new and needed improvement that no foreign company can compete with, and the *Pivot Pencil* can reclaim this billion dollar U.S. market for a U.S. company.

The *Pivot Pencil* can appeal to a growing number of do-it-yourself homeowners.

- Over 140,000 remodeling projects are undertaken every year on private residences in the United States, and the owners of these residences like to do a lot of that work all by themselves.
- In fact, almost half of these remodeling projects – 49.3 percent, to be exact – are done independently by residents, and despite the fact that they don't necessarily have professional skills for such projects.
- To compensate for their lack of skills, these consumers purchase the latest and newest gear to help them perform their jobs as easily as possible. And they don't hold back on these purchases, either. In the last reported year of 2003, U.S. consumers spent over \$55 billion on alterations and almost \$20 billion on additions to their homes.
- The *Pivot Pencil* can join a huge and profitable field by providing these do-it-yourself households with assistance in completing their tasks.

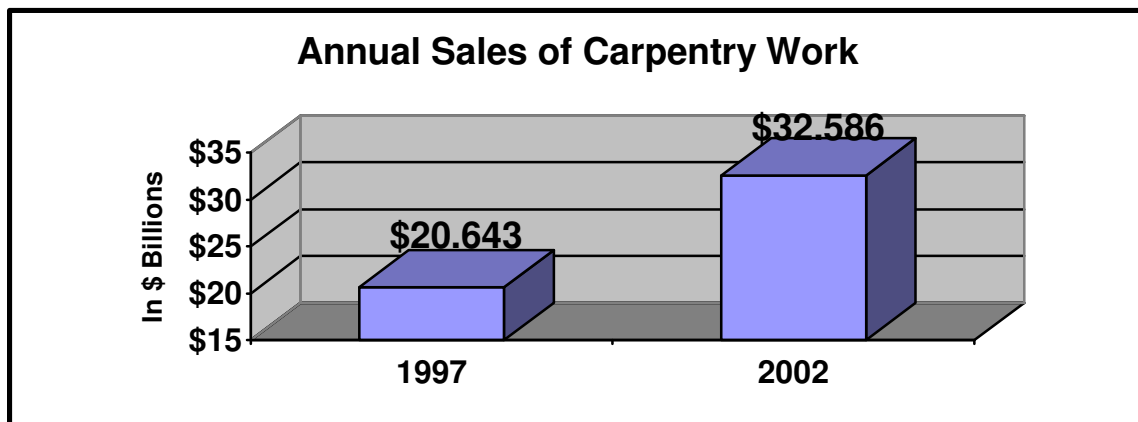
Sources: Writing Instrument Manufacturer's Association, *Residential Improvement & Repair Statistics and Top-Line Reports*.

Potential Consumer Base
For
The Pivot Pencil

The primary commercial target market of the *Pivot Pencil* would, of course, be carpenters.

SIC	Industry	Companies	Annual Sales
1751	Carpentry Work	45,028	\$32.586 billion

The following chart shows the most recently available sales history of Carpentry Work:



Source: U.S. Bureau of the Census

Annual sales of this industry rose 57.85 percent in this most recently recorded period.

Because of the wealth of potential use of the *Pivot Pencil*, a very large class of secondary commercial consumers can be identified, as well.

SIC	Industry	Number of Companies
1521	Single-Family Housing Construction	218,684
1522	Residential Construction	25,578
1531	Operative Builders	8,910
1541	Industrial Buildings & Warehouses	10,367
1542	Nonresidential Construction	45,026
1711	Plumbing, Heating & A/C Contractors	132,109
1741	Masonry & Other Stonework	21,566
1742	Plastering, Drywall & Insulation	25,238
1743	Terrazzo, Tile & Marble Work	10,774
1752	Floor Laying & Floor Work	16,978
1761	Roofing, Siding & Sheet Metal Work	46,731
1799-02	Coating, Caulking & Weatherproofing Contractors	4,162
1799-06	Home & Office Finishing, Furnishing & Remodeling	8,676
Total Number of Applicable Secondary Companies		724,122

There are also private consumers that can be considered target markets for the *Pivot Pencil*. As previously noted, Americans actively seek to perform much renovating and remodeling independently, and spend over \$75 billion annually on such projects.

	Households With Work Done	Work Done by Householder
Garage/Basement/Attic Conversion	3,785,000	2,302,000
Remodel Bathroom	13,893,000	9,005,000
Remodel Bedroom	8,656,000	6,585,000
Remodel Kitchen	9,387,000	5,115,000
Remodel/Convert Room to Home Office	2,115,000	1,708,000
Remodel Other Rooms	8,143,000	5,663,000
Add Bathroom	1,606,000	836,000
Add/Extend Garage	1,095,000	559,000
Add Other Room	1,814,000	743,000
Add Deck/Porch/Patio	5,568,000	3,075,000
Roofing	10,408,000	2,894,000
Siding	3,533,000	1,099,000
Aluminum Windows	1,384,000	380,000
Clad-Wood/Wood Windows	1,007,000	374,000
Vinyl Windows	4,202,000	1,530,000
Ceramic Tile Floors	7,115,000	3,671,000
Hardwood Floors	4,539,000	2,042,000
Laminate Flooring	3,697,000	2,025,000
Vinyl Flooring	4,665,000	2,385,000
Carpeting	9,999,000	2,574,000
Kitchen Cabinets	4,911,000	2,126,000
Kitchen Counter Tops	5,130,000	1,871,000
Skylights	788,000	232,000
Exterior Doors	6,083,000	3,049,000
Interior Doors	3,694,000	2,043,000
Garage Doors	4,412,000	1,036,000
Concrete/Masonry Work	4,959,000	2,125,000
Wall Paneling	1,340,000	822,000
Ceramic Wall Tile	2,354,000	1,296,000
Totals	140,282,000	69,165,000
Percentage Independently Performed by Householder		49.3 %

The *Pivot Pencil* can also be used by Americans to assist in particular hobbies, as well.

Americans Actively Participating in Woodworking	11,323,000
---	------------

Sources: U.S. Bureau of the Census, Mediamark Research and *Top-Line Reports*.

Cost and Price Estimates
For
The Pivot Pencil

All estimates for the possible costs and prices of a new, yet-to-be-manufactured item are very difficult to estimate. This difficulty is due to potential variations in the costs of initial materials, the rate of production for the item, and its initial consumer demand. As a result, these estimates are very difficult to comprise.

Moreover, research on estimated costs and prices is very restricted so as to avoid improper disclosure of the *Pivot Pencil* while still in these beginning stages.

In order to provide further detailed information for consideration, however, such estimates should be offered. The “Best Estimate” enclosed within is primarily based upon pricing of similar products (when possible) by this applicable manufacturing category, current cost of necessary materials, and average value added for the applicable manufacturing industry.

These estimates are broad, subject to change, and are enclosed only to offer a preliminary means of evaluation of product value for the *Pivot Pencil*. Of course only you, the manufacturer, could properly determine the costs and prices.

The broad estimates on potential costs and prices for *Pivot Pencil*, throughout the line of distributors, could be:

	Low Range	Mid Range	High Range
Materials Cost	40¢	48¢	58¢
Manufacturer’s Cost	78¢	94¢	\$1.13
Wholesale Price	\$1.45	\$1.74	\$2.09
Supplier’s Price	\$1.98	\$2.38	\$2.85
Retail Price (MSRP)	\$2.74	\$3.29	\$3.95

REMINDER: It is extremely important to remember that the above costs and prices are only broad estimates. Actual costs and prices can only be determined by manufacturing companies with a good understanding of their own production capabilities and by suppliers and outlets, based on the final prices offered to them.