



SECURED CREDIT FACILITY Up To \$100,000,000

Novus Acquisition &
Development Corp.
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This is a draft for the intention of discussion purposes only
This should not be construed as a solicitation or an offering of securities

EXECUTIVE SUMMARY

Introduction

Novus Acquisition & Development Corp, a Nevada Corp, (symbol NDEV or Novus) along with its subsidiary, WCIG Insurance Service, LLC, (California Insurance Entity) is the nation's first healthcare insurance plan in the medical marijuana field ("MMJ or Cannabis"), and property and casualty sector. Our objective is to expand from a wholesaler to a carrier of our won policies in a diverse surplus business lines outside the MMJ space.

Novus' goal is to procure funding of \$100 million, file with all 50 states to expand our insurance model, and underwrite our own insurance policies, by attaining the necessary net asset value to write such policies that is compliant for each State Department of Insurance throughout the United States. The company has finalized their audit and will be filing their Form 10 with the Securities and Exchange Commission.

SUMMARY OF FUNDING

Collateralization

Our recent approval in property and casualty and annuity lines in California will position Novus the right to sell our own secured annuities. Then file with Department of Insurance (DOI) agencies in every state nationally as an insurer.

Novus' corporate annuity program is a fixed annuity, where institutional investors will put funds into Novus, have the principal protected with collateral by purchasing zero coupon treasury bonds (5-7 years), then Novus can offer to the financial institutions the following:

- a) Straight 4-5% interest per year with a 18% profit sharing on net proceeds, or;
- b) The financial institution has the option to convert to common stock or warrant at a pre-negotiated value with proper regulatory approval.

Contained herein, Notes 4-6 demonstrates how Novus will use the allocated funds for our underwriting efforts in our specific insurance lines of business. In



addition, Novus can attain this by taking advantage of our recent entry into Lloyds of London as a United States broker and up-lift our status as a direct Lloyds Broker and place business directly with any Lloyd's managing agent subject to terms of our business agreement.

This is the predominant route to place business into the market in the United States, by positioning Novus with the ability to write our own 100% secure corporate annuities fund that will give Novus the leverage to move risk to other reinsurance carriers in their respective business sectors.

Technology

Novus has developed a fully automated web portal <http://www.getnovusnow.com>. This portal design makes Novus the online one-stop insurance entity, giving insurance agencies the ability to sell direct to consumers and give instant and easy access to a range of insurance solutions tailored specifically to their insurance profile.

To meet this consumer demand, Novus' portal has established a footprint in the institutional insurance business where it has positioned itself to generate up to 40 insurance lines of business, plus automation of API gateways tied to 24 of the world's most prominent insurance/reinsurance carriers.

There has been a significant increase in the number of insurance contracts completed via the Internet. Seventy-Two percent of consumers use the internet as their primary source of insurance information and procurement. Novus' assessment concluded that very few insurance companies use up-to-date technology, which leads to lower satisfaction rates and lower customer retention. Novus' portal will give consumers ease of benefits selection, premium payments, and binding of policies.

Value added: Wall Street institutional investment firms and the insurance industry complement each other with the integration of insurers and investment banks, who are both constituents to leverage capital market positions with the nation's largest insurance carriers, to take advantage of any revenue opportunity.

Expand to Multiple Lines of Business

Currently Novus' management has developed multiple lines of healthcare services for mid-market consumers and institutions that are not insured or under insured with just over 100 providers online covering over 10,000 zip codes nationwide. Our current benefit packages cover, in addition to medical cannabis, physician visits, dental, Lasik, hearing, diabetic supplies and lab services.

Novus' portal was designed to attract, convert, optimize and retain customers, and deliver high consumer satisfaction with the right message to the right customer at the right time. According to Bain and Co., financial services and insurance research shows that each customer who is satisfied will bring 6.3 new customers per year on an average with a loyalty renewal rate of 97%.

Medical Marijuana Competitive Assessment

In the current environment major insurers won't cover MMJ for at least the next 5 years, leaving Novus the market share of a national consumer base of close to 23 million patients. The reason health insurers won't cover MMJ is:

- a) MMJ is not approved by the FDA, and that approval depends on clinical studies conducted within the US that measure efficacy, safety, effectiveness and side effects, and;
- b) Major carriers don't want to jeopardize their lucrative federal agreements with Medicare and Medicaid that can reach into the billions of dollars annually

Since over 60% of American approve of this alternative treatment it will be inevitable that the federal government will be initiating some form of legalization in the next 5 years.

Medical Marijuana Health Revenue

Insurance is the staple of Novus' business model, mainly in risk oversight, our revenue is realized on a per member per month or "PMPM" basis, derived from an HMO term, which is based on the number of members being current on their premiums.



For MMJ (THC based products) we have approval to roll out our health insurance products and services in California (representing 50% of the MMJ market), Arizona, Colorado, Michigan, Hawaii, Alaska, Oregon, Vermont, with a filing of reciprocity in Nevada.

The Novus business model is based on health insurance in risk and non-risk areas. The program works as follows: “members”, “patients” or “lives” for the oversight management to mitigate risk, patients pay a fee of \$24.95 per month. According California NORML, conservative estimates indicate there are now over 1,000,000 medical marijuana cardholders in California, or 2% of the population. Other data stipulates an estimate of over 1,125,000 patients, or 3% of the population.

Therefore, we can extrapolate that 2% of the population in California alone are qualified for some type of MMJ treatment (THC component), and within 5 years other states will join in the movement.

Ultimately, as new state and federal determinations are made in the MMJ industry Novus intends to integrate this insurance infrastructure into its quality of care model, providing added value to the entire sector as a unified national brand. With this infrastructure we are expanding into an HMO component, once federal statutes approve MMJ on a national level. Then, whichever direction the MMJ industry regulatory protocol goes Novus will be there with the most important part, compliant integration of patients into their preference of treatment through our network.

Why Diversification

Novus acquired WCIG Insurance in late August of 2015 with the knowledge that the insurance industry plays a vital role in the economy of the United States. Novus’ attraction to the insurance industry’s \$1.4 trillion market share with a global reach and the ability for us to sell our own annuities (described below) positions Novus to leverage funds and our net asset value to write our own policies.

U.S. based insurers are also significant participants in the global financial markets. As of year-end 2014, the Life Health and Property and Casualty sectors reported \$7.3 trillion in total assets, roughly half the size of total assets held by insured depository institutions.

Growth Opportunities in Emerging Insurance Markets

Also alluring are emerging markets in Asia and Latin America, which present growth opportunities for U.S. insurers. Between 2000 and 2007, three-fourths of global insurance premium growth was generated in North America and Western Europe. Since 2007, the majority of global premium growth has shifted to Asia and Latin America. Similarly, the MMJ market growth will be over 7% per annum.

Valuations of Insurance Companies

Another frequently cited metric for publicly traded insurers (and other financial institutions) is price to book value, which compares the market value to the book value on the balance sheet of an institution.

Many off-shore investment firms are leaning towards insurance because of this metric and that valuations consistently trade higher than 15-20 times multiple, making the global insurance market a rapid expansion, particularly in emerging markets within Asia and Latin America.

By way of comparison, while total global premium volume grew by 90 percent from \$2.4 trillion in 2001 to \$4.6 trillion in 2011, U.S. premium volume only grew by 33 percent, from \$904 billion to \$1.2 trillion. Projections estimate by 2030 the U.S. market share will fall to seven percent globally, taking a distant third place behind India (23%) and China (18%), and there embeds future institutional investors and our market share as an emerging growth insurance entity.

Management

The Company has assembled an executive management team comprised of individuals with strong analytical skills in the equity markets, marketable cap structuring, healthcare controlled risk technology, finance and management experience in market consolidation and roll ups.

Frank Labrozzi-CEO

Mr. Labrozzi is a Wall Street veteran for the past 24 years. A results-oriented, analytical executive in mergers and acquisitions. Mr. Labrozzi has a diverse industry disciplines and has worked with over 100 small to mid-cap companies

and investment firms with specialty of focus on:

- Mergers and Acquisitions
- Turnaround/ Reorg
- Corporate Start Ups
- Corporate Finance
- Public Offerings
- Strategic Planning

Mr. Labrozzi has consulted and negotiated contractual terms with many industry leaders with increased market capitalization, corporate cap structure and market assessment with over 100 private and public companies. His area of discipline is health care, insurance, accountable care and risk management.

Andrea Lopez, Director

Ms. Lopez's fifteen-year tenure of global operational experience has included many facets of compliance and roll out of the healthcare delivery processes. Specifically, creating and maintaining healthcare policies under the performance standards and scrutiny of Medicare, and Fortune 500 Companies. She is an active member of the Global Healthcare Anti-Fraud Network, the National Health Care Anti-Fraud Association, the European Healthcare Fraud & Corruption Network, and the Health Care Compliance Association.

As a member of the Board of Directors and President and CEO of Novus Medical Group, Inc. d/b/a Novus MedPlan, Ms. Lopez will develop medical plans putting Novus on the path of a Health Care Insurance program called the "MedPlan" program. The MedPlan program will seek to deliver a health insurance format to patients interested in using medical marijuana in the states where it is legal.

Funding Initiatives

Currently the company seeks to get an institutional Letter of Credit, that will allow us to gain the market cap to underwrite policies, initially in California, then generate reciprocity throughout the country, gain dry powder and move on to international marketplace.

Milestones Accomplished

Novus' achievements in the insurance and insurance product industry are:

- June 10 2014: Novus enters into the integrative medicine and signs first health care provider. Launching integrative medicine that fills the gaps

where competitive insurers don't cover.

- October 3, 2014: Novus: Novus Offers Affordable Holistic Healthcare to Phoenix Area Patients Through Partnership With LifeGuard Wellness Clinic. Adds, dental, vision, hearing and diabetic services to its benefit plan.
- December 17, 2014: Novus Teams Up With PR Revolution to Execute Go-to-Market Strategy.
- December 29, 2014: Novus Built A Proprietary Software System to Handle Membership Growth for 2015 Novus 1.0
- February 14, 2015: Novus Executes Agency Sales Agreement With Senior Healthcare Benefits for insurance sales.
- March 11, 2015: Novus Rolls Out MedPlan Into New States & Updates Growth Initiatives. A market presence in Arizona, California, Colorado, Michigan and Oregon.
- March 30 2015: Nation's First Medical Marijuana Medical Plan Portal Goes Live Novus 1.0.
- May 21, 2015: Novus Digital Marketing Achieves Higher Anticipated Results in patient enrollment.
- Aug 24, 2015: Novus Acquires Insurance Entity to Diversify Business Model acquires WCIG Insurance Services for \$560,000 in the Life and Health business lines.
- March 8, 2016 Novus Expands Insurance Footprint, Automates Web Portal Novus 2.0 and procures 200 independent insurance agents to sell Novus' benefits packages.
- March 31, 2016 Novus is approved to do business as a Lloyds of London US broker with sites on being a Lloyds Broker/Syndicator.
- April 2, 2016: Novus get approval to write annuities in the State of California with sights set on reciprocity in all 50 states.



Novus Acquisition & Development Corp
Profit and Loss Proforma

Policy Reserve To Underwrite	\$75,000,000	\$132,437,500	\$238,957,031	\$373,930,176	\$656,622,882
	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
Revenues:					
Insurance and Other:					
Insurance premiums Health	\$18,750,000	\$33,109,375	\$59,739,258	\$93,482,544	\$164,155,721
Insurance premiums P&C	\$22,500,000	\$39,731,250	\$71,687,109	\$112,179,053	\$196,986,865
Insurance premiums Life	\$7,500,000	\$13,243,750	\$23,895,703	\$37,393,018	\$65,662,288
Interest, dividend and other investment income	-	\$500,000	\$750,000	\$1,000,000	\$1,500,000
Gross Revenue	\$48,750,000	\$86,584,375	\$156,072,070	\$244,054,614	\$428,304,873
Finance and Financial Products:					
Specialty	\$2,000,000	2,400,000	4,000,000	\$7,000,000	35,000,000
Interest, dividend and other investment income	\$1,000,000	1,000,000	1,000,000	\$1,000,000	2,000,000
Investment gains/losses	-	-	-	-	-
Total Finance and Financial Products	\$3,000,000	3,000,000	3,000,000	\$3,000,000	-
Gross Finance and Financial Products	\$6,000,000	6,400,000	8,000,000	\$11,000,000	37,000,000
Total of Revenue and Financial Products	\$54,750,000	\$92,984,375	\$164,072,070	\$255,054,614	\$465,304,873
Costs and expenses:					
Insurance and Other:					
Insurance losses and loss adjustment expenses	\$12,187,500	\$21,646,094	\$39,018,018	\$61,013,654	\$116,326,218
Insurance underwriting expenses	\$2,325,000	\$5,230,000	\$10,250,000	\$17,500,000	\$26,000,000
Commission Paid	\$9,750,000	\$17,316,875	\$39,018,018	\$48,810,923	\$85,660,975
Interest expense SBLC	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$120,000,000
Gross Expenses	\$28,262,500	\$48,192,969	\$92,286,035	\$131,324,576	\$347,987,193
EBITDA	\$26,487,500	\$44,791,406	\$71,786,035	\$123,730,038	\$117,317,680
Cash Reserves	\$26,487,500	\$47,791,406	\$74,786,035	\$131,324,576	\$117,317,680

Note Proforma is blue lined whereas the Financial Statements are green lined

Notes to Proforma

1. **Policy Reserve to Underwrite:** This is the maximum amount of insurance to write to stay compliant with most State Department of Insurances and the corresponding Department of Revenue based Net Asset Value of reserves.
2. **Revenue recognition:** Insurance premiums for prospective property/casualty, life and health insurance are earned over the loss exposure or coverage period in proportion to the level of protection provided. In most cases, premiums are recognized as revenues ratably over the term of the contract with unearned premiums computed on a monthly basis. For the purposes of this report it is computed on a yearly basis.
3. **Insurance Premiums Health:** This amount represents the amount of revenue that will be generated by underwriting Health Insurance. This represents the second highest profit margins in the industry; our projections are that Novus will underwrite 25% of total gross revenue of the Policy Reserve.
4. **Insurance Premiums P&C:** This amount represents the amount of revenue that will be generated by underwriting Property & Casualty Insurance. This represents the highest profit margins in the industry; our projections are that Novus will underwrite 30% of total gross revenue of the Policy Reserve.
5. **Insurance Premiums Life:** This amount represents the amount of revenue that will be generated by underwriting Life Insurance. This represents the fourth highest profit margins in the industry; our projections are that Novus will underwrite 10% of total gross revenue of the Policy Reserve.
6. **Interest and Dividends:** Represents management's ability to offer financial consulting to clients in mergers, acquisitions, health plan development and actuarial services.
7. **Specialty Insurance:** This represents necessary items not covered by your ordinary homeowners or automobile insurance. This can include but is not limited to flood coverage, identity theft insurance, data breach, mobile home coverage, motorcycle insurance, personal watercraft coverage, boat insurance, pet insurance, private mortgage insurance, travel insurance, title insurance or renters insurance.
8. **Interest Dividends:** Management is experienced traders and will purchase secure financial instruments to continue to increase our ability to secure funding so it can increase underwritings

- 9. Insurance Losses:** The excess, if any, of the estimated ultimate liabilities for claims and claim settlement costs over the premiums earned with respect to retroactive property/casualty reinsurance contracts is recorded as a deferred charge at inception of the contract. Deferred charges are subsequently amortized using the interest method over the expected claim settlement periods. Changes to the estimated timing or amount of future loss payments produce changes in unamortized deferred charges. Changes in such estimates are applied retrospectively and are included in insurance losses and loss adjustment expenses in the period of the change. Losses and loss adjustment expenses, Liabilities for losses and loss adjustment expenses are established under property/casualty, life and health insurance issued by our insurance subsidiary WCIG for losses that have occurred as of the balance sheet date. The liabilities for losses and loss adjustment expenses are recorded at the estimated ultimate payment amounts, except that amounts arising from certain workers' compensation contracts are discounted. Estimated ultimate payment amounts are based upon (1) reports of losses from policyholders, (2) individual case estimates and (3) estimates of incurred but not reported losses.
- 10. Interest Expense LETTER OF CREDIT:** LETTER OF CREDIT is paid off in year 5.
- 11. Cash Reserves:** Cash Reserve Ratio (CRR) is a specified minimum fraction of the total deposits of customers, which insurance entity's banks have to hold as reserves either in cash or as deposits. CRR is set according to the guidelines of the State Insurance Commissions.



**Novus Acquisition & Development Corp
Consolidated Balance Sheets
Unaudited**

	<u>Year End 2015</u>	<u>Sept 30, 2015</u>
ASSETS		
Current assets:	\$	\$
Cash and cash equivalents	25,067	18,750
Investments	27,000	4,336
Total current assets		23,086
Software Development	51,063	47,356
WCIG Acquisition	570,000	570,000
TOTAL ASSETS	673,130	640,442
LIABILITIES AND EQUITY		
Current liabilities:		
Note Due to Related Party	167,220	159,674
Due to related parties	23,732	23,732
Total current liabilities	190,952	183,406
Total liabilities	190,952	183,406
Stockholders' Deficit:		
Series A Preferred: \$.001 par value; 6,600 shares authorized; all shares issued and outstanding as of December 31, 2014 and 2013	660	660
Series B Preferred dividend stock: \$.001 par value; 100,000,000 shares authorized; no shares issued and outstanding as of December 31, 2014 and 2013	—	—
Series C Preferred convertible stock: \$.001 par value; 10,000,000 shares authorized; 4,000,000 shares issued and outstanding as of December 31, 2014 and 2013	4,000	4,000
Series D Preferred stock: \$.001 par value; 100,000,000 shares authorized; no shares issued and outstanding as of December 31, 2014 and 2013	—	—



Common Stock; \$001 par value 200,000,000 shares

Authorized: shares issued an outstanding

88,953,624 and 81,603,624
as of December 31, 2015 and June 30, 2015
respectively

	88,953	88,953
Additional paid-in capital	7,896,896	7,326,896
Accumulated Deficit	6,344,302	6,344,302
Total Equity	1,552,594	982,746
Total Liabilities and Equity	<u>880,531</u>	<u>640,442</u>

Note Proforma is blue lined whereas the Financial Statements are green lined



Novus Acquisition & Development Corp
Statements of Operations
Consolidated

	Date	Date
	Year End 2015	Sept 30 201
Revenues	\$ 82,101	\$27,634
General and administrative expenses	33,854	32,654
Professional fees	79,868	3,160
Salaries and wages	0	0
Total operating expenses	113,722	35,814
Loss from operations	(31,621)	(8,180)
Other income (expense):		
Investment gains (losses)	-	-
Other income	-	-
Other expense	-	-
Total other income (expense)	-	-
Loss from continuing operations	\$ (31,621)	(8,180)



Novus Acquisition and Development Corp
Consolidated Statements of Cash Flows
Unaudited

	Year End	
	Year End 2015	Sep-15 2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	\$(31,621)	\$(19,634)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Stock-based compensation	-	-
NET CASH USED IN OPERATIONS	(31,621)	(19,634)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(31,621)	(19,634)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	25,067	20,000
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$4,300	\$4,300
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid during the period for:		
Income taxes	\$20,070	\$20,070
Interest	\$-	\$-
NONCASH FINANCING ACTIVITIES		
Conversion of accrued expenses to common stock	\$-	\$-
Conversion of payable to related party to common stock	\$(27,616)	\$(15,770)

Use of Proceeds:

To demonstrate how Novus will deploy the Use of Funds we will be giving the viewer a step-by-step assessment of what we will do with the funds and what the result of the fund will do the company’s valuation and the ability to repay the funds at maturity.

The use of proceeds will cover business lines in Life, Property, Liability, Casualty and Health and the costs over ten different products within those lines. While the benchmarking covers both operational costs and sales and commission costs, this report is concerned exclusively with operational costs, marketing and product development.

The areas of,

- Product Development
- Marketing
- Sales Support
- Policy issuance
- Policy servicing
- Claims Management
- IT
- Facilities (Miami Los Angeles)

Expenditure	Cost Per Year	Percentage to	
		Use of Proceeds	
Health Line Development	\$500,000	3.33%	Funding
Life Development	\$150,000	1.00%	\$15,000,000
P&C Development	\$500,000	3.33%	
	\$300,000		Leverage To Write
			Policies
			5 Times
Marketing	\$200,000	1.33%	
Sales Support	\$250,000	1.67%	Total Policies
Policy Servicing	\$150,000	1.00%	Underwriting
Claims Management	\$150,000	1.00%	\$75,000,000
Facilities	\$125,000	0.83%	
	\$2,325,000	15.50%	

Notes to Use of Proceeds

Introduction

The reader should note that the business complexity relating to brands, sales channels, product mix or customer-facing processes is an important driver of operating costs and limits insurers' ability to leverage economies of scale. One example is that Novus already has over 200 independent insurance agent applicants identified and pending, leading to high diverse priced contracts.

Note 1: Admin/Operating Model.

Many insurance operational models are consolidation of within one back-office function in the Miami office where the sales funnel will be in numerous locations. This eliminates difficulties managing workload as a result, experiencing both backlogs as well as underutilization, to mitigate a decline in customer satisfaction and deteriorating financial performance. This cost will cover:

- Sales Support
- Policy issuance
- Policy servicing
- Claims Management
- Postage Logistics
- Facilities (Miami, Los Angeles)

Note: Offices will be in Miami where admin will be consolidated and Los Angeles where sales will be implemented

Note 2: IT Model:

A fragmented legacy IT landscape is often a root cause for failing to leverage economies of scale, driving high IT costs as well as mushrooming operational costs. The IT Model facilitates efficiencies and new business opportunities, for example from improved pricing or underwriting techniques. Consolidating and modernizing the IT landscape simplifies operating processes, allows higher levels of automation, and significantly reduces the time to market for new products. We find that insurers with complex legacy systems tend to have both a high IT spend and low productivity, while players with streamlined IT manage to achieve high productivity with limited IT expenditure. There is no "one size fits all" solution – what optimization means will inevitably depend on the context, IT streamlining is directly correlated to cost reduction.

Note 3: Officer/Management/Admin Model:

Performance management is the key to an insurer’s success. Performance management drives cost outcomes across all areas. From our operational standpoint one of the most striking findings is without management incentives there is a lack of rigorous performance in management. The result is that costs rise again after just a few years even after the implementation of cost reduction measures. Our management will be given a salary versus a draw based on the new business that is acquired, this way performance levels are easily attained through the income statement.

Having examined the cost challenges facing the industry and the greatest levers, what are the implications for CIOs and COOs? What are the imperatives for a sustainable and continual cost reduction effort?

Curb business complexity. We consistently find that reducing business complexity is a key lever for reducing costs.

HOW THE COLLATERALIZATION WORKS

Note 4 LETTER OF CREDIT FACE VALUE ASSESSMENT

Below is a demonstration the Face Value of a Standby Letter of Credit:

Face Value	Term	Rate	Maturity	Maturity	Total Due
Letter of Credit	In Months	Yield	Principal	Including Interest	Maturity
100,000,000	60	4%	\$100,000,000	20,000,000	120,000,000

Note 5 Letter Of Credit Collateralization

Zero-coupon bonds are issued by the U.S government or other financial institutions and are bought at a deep discount. It is the intention to purchase U.S treasury zero-coupon bonds because they offer the entire payment at maturity; zero-coupon bonds tend to fluctuate in the discount price much more than coupon bonds, making this a 100% guaranteed.

Zero Coupon	Face Value	Time to	Maturity	Net P&I
Bond		Maturity	Total	
35%	\$100,000,000	60	\$35,000,000	\$135,000,000

Note 6 LETTER OF CREDIT MONETIZATION ASSESSMENT

- a) **Available Proceeds:** Once funding is procured, the funds from the Net Principal and Interest owed on LETTER OF CREDIT will be \$20 million US Dollars. Conversely, the maturity of the Zero-Coupon Bond will be \$35 million U.S. Dollars. Netting \$15,000,000 for Novus to capitalize their business structure.
- b) Novus’ \$15 million in operating capital to underwrite their insurance policies. See below for the use for the Use of Proceeds.

Zero Coupon	Total Due LC	Available For	Excess Funds
Bond Maturity	at Maturity	Use of Proceeds	Per Year
\$135,000,000	120,000,000	\$15,000,000	\$3,000,000

- c) **STOCK PRICE VALUATION:** In addition, since Novus is a publicly traded company insurance entities trade higher, around 20 times multiple and the stock price is valued on a “Book Value” basis. By monetizing the Letter of Credit we can project the stock price at \$2.73 per share giving the company a Market Capitalization of \$300 million. During year 1.

Stock Valuation	Shares Issued	Book Value	Multiple	Market
Book Value		Per Share	20	Capitalization
\$15,000,000	110,000,000	\$0.1364	\$2.73	300,000,000



Health | Life | Liability

- d) **Earnings From Insurance Underwriting Activities:** This will give Novus the ability to leverage underwriting activities to 5 times our net asset value which is estimated of up to \$650 million in policies by year 5. Having 100% of funds tied up in policies is unrealistic, since we are a conservative company; the projections are based on a 50-65% placement of policies and the EBIDTA of 20% in net earnings in year five.

Underwritten of	Actual Funds For	Net Proceeds
Policies (Gross)	Policy Underwriting	EBITDA
\$650,000,000	\$420,000,000	\$117,000,000

Stock Valuation	Shares Issued	Earnings	Multiple	Market
Earnings	25% Dilution	Per Share	20	Capitalization
	Factor			
\$117,000,000	150,000,000	\$0. 78	\$15.60	2,300,000,000

Cap Structure

Authorized 200 million
 Insider Rest 44.5 million
 Float 17.8 million
 Total Issued 88.9 million

Contact

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Safe Harbor Statement

This submittal includes forward-looking statements, which are based on certain assumptions and reflects management's current expectations. These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations. Some of these factors include: general global economic conditions; general industry and market conditions and growth rates; uncertainty as to whether our strategies and business plans will yield the expected benefits; increasing competition; availability and cost of capital; the ability to identify and develop and achieve commercial success; the level of expenditures necessary to maintain and improve the quality of services; changes in the economy; changes in laws and regulations, includes codes and standards, intellectual property rights, and tax matters; or other matters not anticipated; our ability to secure and maintain strategic relationships and distribution agreements. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. It also brings to the attention of the reader that Novus or its subsidiaries will not be handling, sell or broker the sales of, receive funds from any marijuana or any illegal substances that the Federal government has not approved. Novus will as regulatory issues arise, modify its business model.