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## ***Business & History***

Founded in early 2000 during the 'dot-com' bust, LMI Global became a trusted source for orderly asset disposition while maximizing residual value for lease/finance institutions and high-tech organizations looking to shed IT assets. The company is committed to vastly improving customer satisfaction in the secondary network equipment market through the development and deployment of technology that enhances overall liquidity while maximizing value. The foundation of LMI's innovative approach is its disruptive technology.

LMI has engaged, represented, and assisted various international finance institutions enabling the liquidation of technology assets for organizations including Mitsubishi UFJ, Sumisho, Tokyo Lease, and Softbank Business Lease. The company has worked with finance groups in the United States, Japan and Europe such as Pentech Financial, Wells Fargo, Relational Technology, Direct Capital Corporation, and Insight Investments. The company has also worked with the U.S. military, federal, state, and local governments, academic institutions, and mid-large size corporate clients. LMI's direct clients include the U.S. Army, US Navy, Defense Intelligence Agency, Walter Reed Army Medical, Mecklenberg County, University of San Diego, Friendster, SixApart, and LinkedIn.

## ***Innovative Approach***

The foundation of LMI's innovative approach is its disruptive analytics engine, based on a database with over 50 million present day and historical data points, allowing users to gauge real-time supply/demand curves, predictive value analytics for an asset's life cycle, real-time buyer/seller auto-matchmaking, and overall statistical analysis for maximizing residual values.

Over the last six years, LMI has been diligently archiving market data including current inventories within its buying group. The company has developed a wide range of utilities based upon data-mining current and historical market data coupled with high-level statistical analysis. The firm continually seeks to integrate high-level software applications, alternative or non-traditional business approaches, and market environmental factors to pipeline value-maximizing solutions to its client base. Presently in 2009, LMI has filed several key technology/business process patents that, in early beta stages, have proved highly effective in solving long-standing problems to streamline industry processes while delivering a substantial, tangible increase in value to LMI's clients.

## ***Products & Services***

LMI strives to be the one-stop solution for CFO's, CIO's, and IT Asset Manag-

ers in Fortune 1000/Global 2000 enterprises. The company leverages the entire below-listed suite of applications that are provided to clients coupled with several other key proprietary technologies, which enable start-to-finish asset management and disposition in a consignment/remarketing engagement.

By maintaining a \$1 billion 'meta-inventory' of accessible equipment ready for overnight delivery, LMI provides its clientele with a quick and efficient procurement solution in the IT Asset Management process for sparing, disaster recovery and network production or expansion. The company also creates new revenue streams for Value Added Resellers and Network Integrators by utilizing a co-branded or private label procurement portal for their client base.

By allowing clients to tap directly into a buying group with an annual procurement power of over \$1.5 billion, the company offers a centralized and liquid disposition market. This efficient and easy-to-use utility provides an integrated solution for maximizing residual values in the asset disposal segment of the IT Asset Management process.

LMI has also created a 'put' option market where sellers buy a 'put' option to sell assets at a strike/sale price that is set through a market discovery mechanism, at a future specified date. This utility allows for asset managers to hedge market-book value risk of IT assets that are scheduled to be displaced during a tech refresh.

In addition, LMI itself or through its strategic partners maintains or has access to a global network of warehousing depots and testing facilities. All equipment is audited, de-installed, packaged/palletized and sent to one of its facilities or partner's facility where an inbound receiving audit is made and the equipment is subsequently tested prior to disposition.

### ***Market Opportunity***

In the current economic environment, businesses are forced to slash budgets while maintaining or exceeding their overall product or service offering. The CEO wants increased revenues and competitiveness while reducing costs. The CFO cuts the CapEx/IT spending while demanding the CIO increases performance in their department, setting the stage for a boardroom battle. By maximizing value received for displaced IT assets the CIO can rollback funds into their budget. By utilizing secondary equipment for non-mission critical network production or expansion, disaster recovery implementations, or an overall sparing program, the CIO can continue to deploy capital for state of the art network infrastructure, thus maintaining or exceeding the overall quality of service expected or demanded by the CEO, the Directors, and ultimately their customers.

The overall market size for IT asset sellers has increased as businesses look at shedding off under-utilized assets coupled with an overall increase in the market size of buyers looking for cost savings while buying IT assets. Unfortunately, there is no organized distribution channel market venue for these buyers and sellers. LMI is capitalizing on wedging the wholesale 'market maker' segment between the buyers and sellers through proprietary technological development. The company believes that the industry is on the verge of its break-out growth curve and continued economic malaise will only further grow the industry and overall market.

### **Industry Statistics & Projections**

Recent Cisco, Foundry/Brocade, and Juniper sales show that the router, switch, and layer 4-7 markets have revenues of around \$20-\$30 billion annually. While those numbers likely represent a decrease in revenues for these, businesses are looking to cheaper alternatives for purchasing networking equipment including the secondary market.

- "US enterprises and consumers are expected to spend more than \$27 billion over the next five years on Ethernet services provided by carriers ... the market is expected to grow at a compounded rate of over 25 percent, increasing from \$2.4 billion in 2009 to reach nearly \$7.8 billion by 2014."

*SOURCE: The Insight Research Corporation, May 2009*

*[http://enewschannels.com/2009/05/05/enc6992\\_181959.php](http://enewschannels.com/2009/05/05/enc6992_181959.php)*

- "The worldwide service provider router and switch market grew 15% in 2008 to \$12.8 billion ... 2008 was a great year for routers, with IP edge and IP core routers up a combined 26% in 2008 ... For the year, Cisco maintains its strong leadership in the combined IP edge router and IP core router segments, although Juniper, Alcatel-Lucent, Huawei, Ericsson-Redback and Tellabs all gained revenue market share in 2008, eating into Cisco's lead."

*SOURCE: Infonetics Research, Feb. 2009*

*<http://www.infonetics.com/pr/2009/router-switch-market-highlights.asp>*

- "... IDC anticipates that datacenter Layer 4-7 switching is required to build the datacenter of the future. As a result, revenue in this market will reach \$1.5 billion by 2013 as the datacenter transforms to meet the accelerating demands of network-based businesses."

*SOURCE: IDC, Mar. 2009*

*<http://www.the-infoshop.com/study/id85595-datacenter-layer.html>*