

AMERICA'S TRAINS INC. EXECUTIVE SUMMARY

An Undesirable Vacation Void - Amtrak assumed responsibility for intrastate passenger train operations in the 1970s. As a result there have been no adequate and upscale train vacation service in the USA, or any that allow passengers to reside on board during extended layovers at en-route destinations.

Although a significant consumer market exists, vacation suppliers have neglected and requisite rail vacations in the USA have not been available for reasons that have been resolved by America's Trains Inc. ("Company").

Until now no U.S. passenger train has been among the world's top 25. Company Cars correct this shortcoming.

Filling the Void - America's Trains is satisfying lack of service and excess interest by introducing 42 luxurious dining, lounge, activity and sleeping Cars with a total of 175 bedrooms, and seven self sufficient Private Cars each with two or three bedrooms. They will provide incomparable individual (single) Journey by Rail vacations and frequent Journeys for timeshare ("Train'Share") and Fractional Interest ownership buyers in collaboration with Amtrak and regional railroads, traveling throughout the US and into Canada. Typical Journeys are for 7 nights with extended layovers at en-route destinations, while living on the train. Cars are dropped off by one and subsequently picked up by another Amtrak train. An additional 11 activity and display Cars will be operated.

Products - Specific luxury train vacation and other products are:

- Individual Journeys by Rail on multiple Cars traveling together (Train Sets) on seven night Journeys. Fares are about \$6,500 per person (double occupancy), below luxury foreign trains; or, on single Private Cars.
- Train'Shares (timeshares) on Train Sets with prices from \$11,880 for a 10 year biennial Train'Share, up to \$26,900 for an annual perpetual term; and, on Private Cars. Prices are lower than similar foreign rail vacations.
- Fractional Interest ownership of a 1/12th to 1/6th share of a Private Car, at a price of from \$150,000 for a 1/12th 10 year up to \$280,000 for a 1/6th Perpetual Term,
- Activity Cars that provide added services traveling with Train Sets.
- Display Cars that travel with Train Sets providing promotional platforms for commercial products.
- Related profitable management services.

Rail Cars - Older passenger rail Cars are rebuilt to become the world's finest, offering distinctive vacations not otherwise available. The total of 60 Cars will be acquired and improved within five years at a cost of \$38.9M.



Possible Car 2, after improvements



Car 1, as is, recent photograph



Possible Car 3, after improvements

Competition - Presently, there is no meaningful, equivalent train vacation competition in the United States and the Company will retain market dominance. Amtrak provides point to point passenger service with adequate but mediocre cars; however, to visit an en-route location passengers have to leave Amtrak trains and go to a hotel.

Marketing and Sales - Marketing of the enticing characteristics of individual and Train'Share Journeys makes it easy to penetrate and capture the infinitesimal share of pertinent markets needed to sell all Journey by Rail products using management's proven capabilities, substantial support from domestic and foreign travel outlets, excited timeshare sales sources, strategic and tactical business affiliations, and other supporting entities.

America's Trains Inc, the Company - The Company was formed in the State of Wyoming. 1,063,750 common shares have been issued to Company founders/managers for a \$470,225 investment. They are expected to buy another 222,500 common shares at \$0.90 each; increasing the number of issued common shares to 1,286,250. Business projections are supported by a proven business model, unique products, excess demand, strategic and tactical relationships, and the notable pertinent skill, business knowledge, tenacity and resilience of management.

Funding - Expenses to date have been paid and more equity capital is expected from initial managers/principals. The Company is raising \$500,000 to \$1,000,000 by (1) implementing a preferred share crowdfunding offer. At the same time additional or alternative funding sources may be considered including (2) one or more private investor(s), (3) although it is relatively premature, an arrangement with a public company to allow trading stock

prices to benefit from rapid earnings growth, (4) commercial equipment (Car) financing, (5) an acquisition or merger, (6) federal government railroad financing of \$5,000,000 (documentation is completed); or, (7) otherwise.

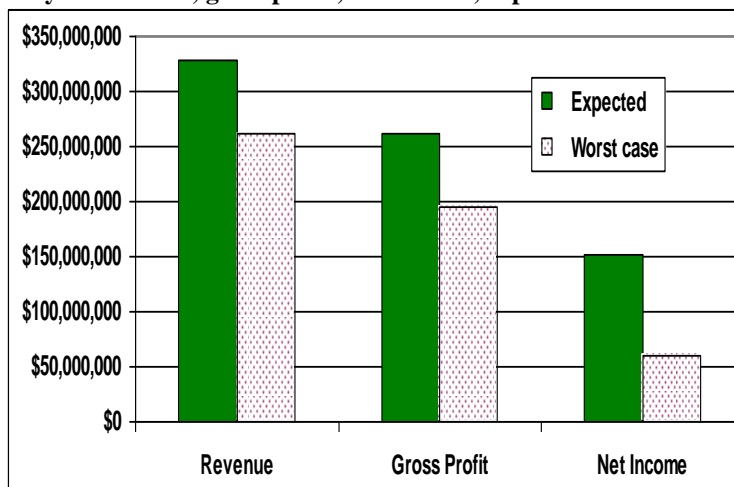
Use of Funding Proceeds - Net proceeds will pay debt on two Cars and to fully improve one of them. Revenue from the sale of Journey products on the two funded Cars is more than sufficient to finalize improvements on the second and to acquire and improve additional Cars.

Funding Source Rewards – “Funding source” rewards and benefits can include the following:

- Notable and early dividends if capital is raised by a preferred stock offering.
- Funding sources receive full “reimbursement” of the amount funded, whether from dividends (if they are Preferred Share holders), additional payments, or other valuable considerations before common shareholders receive any dividends. The dividend amounts are used to expedite funding source reimbursement. Because management holds common shares, this further incentivizes them to maximize Company performance and earnings. At the end of three years, the Company will owe funding sources any unpaid reimbursement.
- The rail Cars provide collateral to secure reimbursement to funding sources.
- If preferred shares are offered, an option to recover the full invested amount by selling stock back to the Company for 1.4 times the price paid for shares, in the 25th month after the investment was made.
- Preferred share owners can invest in future share offering rounds, to avoid dilution of their stock position.
- Funding sources have preferred rights to full reimbursement of invested or funding amounts (with interest) in the unlikely event that liquidation is necessary; and, Preferred Share holders receive a pro rated share of additional, subsequent liquidation proceeds.
- Funding sources receive vacation benefits that include Journeys by Rail, and a worldwide selection of luxury resort vacations available from the Company’s selected timeshare exchange company, at a nominal cost.

Revenue and Profitability - Revenue and profit expectations are supported by: a low cash burn rate and early positive cash flow (in about eight months); nominal debt; spending for capital equipment (Cars) only after high future occupancy is assured by advance sales; related elimination of surplus room inventory costs; market domination; cautious forecasts and adequate reserves; expenses tied to income; the minuscule number of attractive Journey products compared to the enormous domestic and foreign railroad travel, leisure, luxury vacation and timeshare markets; and, systematic fiscal and milestone analysis that triggers timely remedial action. Over five years expected (after significant scrutiny) and *worst possible case (improbable)* cumulative total sales revenue is over \$328M (\$262M), gross profit exceeds \$261M (\$195M) and net pre tax income is about \$150M (\$60M).

5 year revenue, gross profit, net income, expected & worst case



Risk Mitigation - Investor, funding source risk is avoided because of many desirable business attributes (see above), because adequate earnings occur if sales are a fraction of projections; and, multiple exit strategies (that should not be necessary) provide for protection and/or recovery of invested amounts, including the liquidation of Cars at prices in excess of their cost.

Business Implementation - Adequate operating capabilities exist and initial marketing and sales have begun.

Present markets as seen by industry experts

“US travel and tourism is poised for strong forecast period growth ... continues to be on a strong growth path”

“The desire for luxury travel continues to rise” ... “There has been no greater time for growth in the luxury segment”

“Vacation ownership, also known as timeshare, continues to lead in the hospitality and leisure industry with steady growth” ... “Both demand and supply factors are poised to observe substantial growth in the years to come”

“Where are the sleepers that cater to people with showers and wi-fi, or even the special trains that would take travelers across America to Civil War battlefields, major league baseball games, rock concerts, or national parks? Where are the creative railroad financiers, selling sleeping cars as timeshares or condos?”

Matthew Stevenson, rail authority and author - They have arrived, from America’s Trains Inc.