

AMERICA'S TRAINS INC. EXECUTIVE SUMMARY

A Vacation Void - Amtrak assumed responsibility for intrastate passenger train operations in the 1970s. Subsequently, upscale train vacation services in the USA disappeared with none allowing passengers to reside on board during extended layovers at en-route destinations.

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

Until now no U.S. passenger trains, and luxury rail cars, rank among the world's top 25. This deficiency no longer exists because ATs is introducing cars that are equal to the world's finest.

Filling the Void - ATs is satisfying the lack of service and excess interest by introducing up to 29 luxurious standard cars over several years which will start service based on demand and existing advance sales. They include high (two) and single level dining, lounge and sleeping cars that travel alone or together (a train set), with a total of up to 140 bedrooms. About seven additional self-sufficient private cars with two or three bedrooms and several special activity cars will be introduced at opportune times. Cars provide incomparable Journey by Rail vacations and related services traveling throughout the US and into Canada in collaboration with and pulled by Amtrak and other railroads. Five to eight day Journeys include extended layovers at intriguing en-route destinations where passengers live on board while enjoying a wide variety of off-car things to do.

Products - Specific luxury train vacation products and revenue sources are:

- Individual Journeys by Rail, the initial product, on standard cars traveling alone or together as a train set, starting with the high level car Sunflower (cars are named after flowers). Typical retail fares are about \$7,400 per person, double occupancy (\$14,800 for two), lower than similar luxury foreign train fares.
- Train'Shares (timeshares), when sufficient inventory permits, for a 10 year or perpetual term with a price that can exceed \$30,000. After paying a per Journey use fee that covers operating expenses, the total Train'Share owner cost for Journeys is lower than equivalent luxury timeshare property vacations.
- Fractional Interest, when private cars are introduced, which is shared ownership of a car with prices from \$150,000 for a 1/12th 10 year up to \$280,000 for a 1/6th perpetual term of ownership. Prices are reasonable compared to other luxury fractional interest vacation properties.
- Activity cars that provide added passenger services traveling with train sets, for an additional fee.
- Management services, for Train'Share owners and otherwise, that produce favorable net income.

Rail cars - Cars are rebuilt to be the world's finest, offering distinctive characteristics not otherwise available. Cars will be acquired and improved at a total average cost of \$650,000, up to about \$775,000 for the Sunflower, a high level car. The market value of an improved Amtrak certified car will exceed the cost; the high level Sunflower's value should be \$875,000.



The 'Sunflower', Amtrak certified, 4 deluxe bedrooms, dining, lounges, stairs and elevator to upper level.

Competition - There is no meaningful, equivalent train vacation competition in the United States. Amtrak provides point to point passenger service with adequate, relatively mediocre cars. To visit an en-route location, Amtrak passengers have to leave trains and go to a hotel. ATs will retain rail vacation and luxury passenger train market dominance in the USA.

Marketing and Sales - Marketing of the enticing characteristics of Journey by Rail products makes it easy to penetrate and capture the infinitesimal share of relatively huge identified markets needed to sell all Journeys using management's proven capabilities, existing sales outlets, substantial support from domestic and foreign travel agents, major strategic and tactical business affiliations, and other available capabilities.

America's Trains Inc, the Company - The Company was formed in the State of Wyoming. 1,238,540 common shares have been issued to Company founders/managers for a \$618,000 investment. Business forecasts are supported by a proven business model, unique in demand products, comprehensive hard input, actual prior operating experience, and notable skills,

pertinent business knowledge, tenacity and resilience of management.

Funding - Expenses to date have been paid by and some continuing equity investment is available from present principals. Funding of an additional \$100,000 combined with sales revenue will support adequate progress. However, up to \$300,000 will expedite introduction of the first car and related revenue. Up to \$500,000 will permit accelerated expansion ahead of forecasts, with high occupancy. New funding can be secured by rail car assets. ATs may consider immediate sale of additional common shares at a favorable price, a preferred share crowdfunding offering, and/or loans to replace capital that was previously expected but is no longer fully available from present principals for reasons not related to the business.

Use of Funding Proceeds - Funding will be used to expedite finalization of interior improvements on the 1st car (the Sunflower) which has already been mechanically rebuilt and is Amtrak certified, and subsequently for improvements on the 2nd car. Although sales of Journey products on the 1st car starts the generation of cash to finish improving more cars, additional immediate funding could accelerate completion of improvements and generate earnings ahead of forecasts.

Funding Source Rewards - Funding source benefits can include the following:

- An early share of notable net earnings, or interest for loans and commercial financing.
- Full reimbursement of the amount funded, from dividends, additional payments or other valuable considerations before initial common shareholder/managers receive any return on their investment, which incentivizes them to maximize Company performance and earnings.
- Rail cars are available as collateral to secure funding and related reimbursement.
- If shares are acquired, a possible option to recover the full invested amount by profitably selling the stock back to the Company within a couple of years.
- Rights to invest in future share offering rounds, to avoid dilution of stock positions.
- Vacation benefits that include Journeys by Rail, and a worldwide selection of luxury resort vacations available from the Company's selected vacation exchange company.

Revenue and Profitability – Earning and cash flow expectations are supported by unique business advantages including (but not limited to): a low cash burn rate; 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; elimination of surplus rooms and related costs; market domination; cautious forecasts based on hard facts with adequate reserves; expenses tied to income; a minuscule number of available Journeys by Rail compared to a huge overall market; and, continuing performance analysis followed by timely action to enhance ongoing performance. Net income starts in the 1st year. Based on realistic, affirmed, achievable expectations, performance in the first 5 years from the sale of individual Journey vacations alone (excluding Train'Share and other revenue sources) includes:

Gross revenue = \$221,000,000 Net income, EBITDA = \$82,700,000 Margin = 37% Surplus cash = \$64,100,000

Assuming that the number of issued common shares increases from 1,238,540 up to 1,500,000, at the prevailing \$0.50 price paid per share the EBITDA dollar amount per share over 5 years exceeds \$55, excluding \$26,000,000 of possible additional net income that is expensed as a supplemental reserve for which there is no expected requirement.

Risk Mitigation – In addition to other various desirable business attributes, funding source risk is avoided because rail car assets are available to secure an investment and favorable earnings occur even if sales are a fraction of projections or if just one major product is sold, like individual Journeys.

Business Implementation - Adequate operating capabilities exist, mechanical repairs to the first car have been completed and it is Amtrak certified, initial marketing and sales are starting, and positive cash flow is imminent.

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 ATs, America's Trains Inc.*

A home run Badly needed There is pent up demand Puts USA on the train vacation map