





**HZO**  
PROTECTION FROM THE INSIDE OUT®

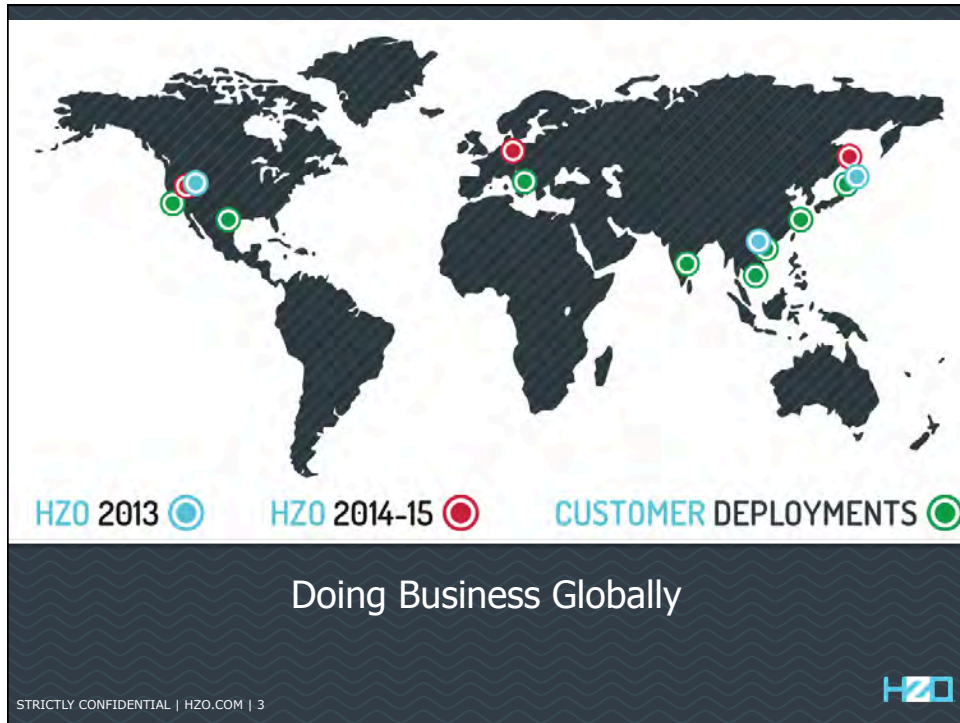
**Utah Technology Companies  
Grow Global—Stay Local**

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Value Proposition:  
HZO changes **where** electronics are used.

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## Grow Global-Stay Local

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## Event

Statement from a new HZO senior management employee recruited to Utah from Hong Kong, and who has lived in other world-class cities in Europe, the US, and Asia:

“It is hard to find communities [in Utah] where residences are focused around tech parks. All I find are shopping centers.”

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## Observation

1. The current sales tax distribution system to Utah municipalities provide zero incentive to attract employers with high wage jobs
2. Utah municipalities compete for big box and other retail businesses in their jurisdictions
3. The majority of retail jobs are minimum wage
4. Therefore, Utah has a massive incentive to create minimum wage jobs

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## Event

Comment from Utah municipality employee when HZO was moving its headquarters and we inquired if there were any incentive packages available for moving our business to their city and growing our employee base from 22 to over 200 in two years and our revenue from \$0 to >\$100m in five years:

“Do you sell anything at retail? (HZO answered no.) Sorry, we won’t have anything for you unless you are retail. But we’ll be excited to have you come here.”

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## Observation

“The average salary for technology jobs [in the USA] is \$66,000.”

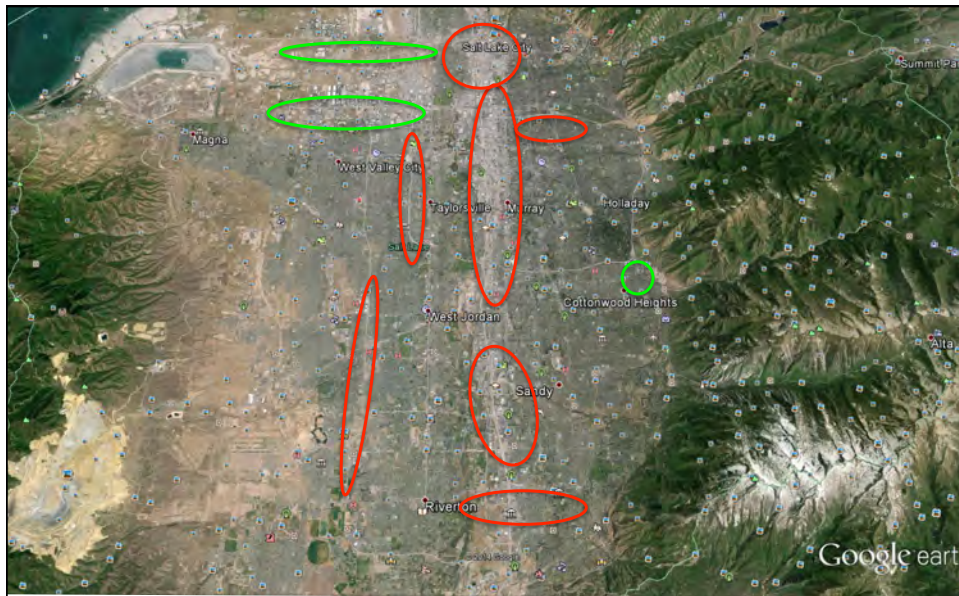
<http://www.simplyhired.com/salaries-k-technology-jobs.html>

“The average salary in Utah is \$45,000.”

<http://www.indeed.com/salary/Utah.html>

Utah tax structure for municipalities **MUST** pivot to create incentives to lure higher wage jobs

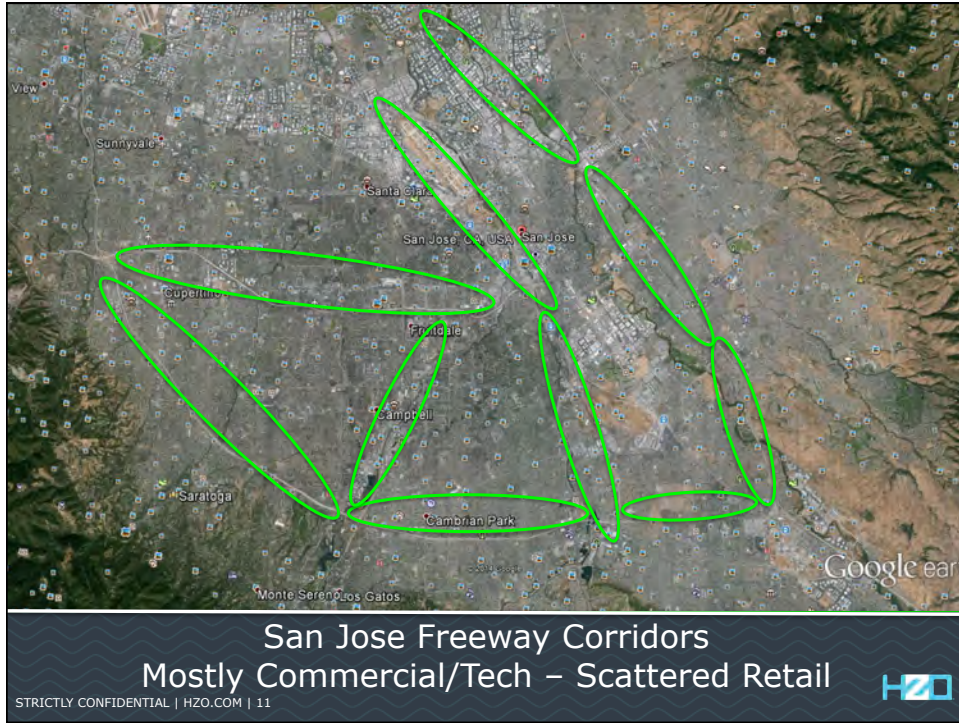
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Salt Lake County Freeway Corridor  
Mostly Retail – Scatter Commercial

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## Observation

Utah Will Change – Will the Change be Progressive or Regressive

Utah No. 2 in nation for urban sprawl, study shows  
<http://www.ksl.com/?nid=148&sid=29578701#xB4Xik2T4cEeLYJl.99>

Utah's population is expected to soar 86 percent by 2050 from 2.9 million to 5.4 million  
<http://www.standard.net/stories/2014/04/20/utah-population-nearly-double-2050>

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## Event

Comment from an executive of an \$80 Billion revenue company when exploring whether to use HZO technology in its electronics products sold on-line:

“[Our company] cannot incorporate technologies from any Utah company. If we do, Utah will tax all our internet sales of products containing technology from Utah and it will kill our margins.”

Note: They are using HZO, because we have unrivaled technology, but it required approval from the CEO and CFO of the company to come to Utah to explore prospects.

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## Observation

Utah should get it's share of internet sales tax revenue but not at the expense of creating barriers to revenue for Utah companies and Utah should eliminate legacy laws that inhibit Utah companies from doing business globally.

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## Event

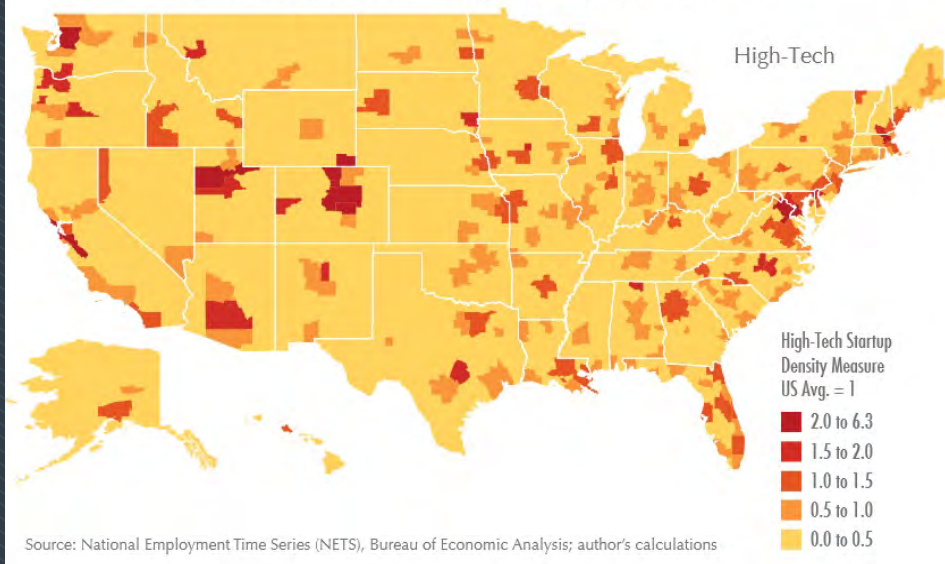
Comment from a CEO of a major investment firm in New York City providing a “compliment” to Utah:

“Utah is an incubator state. And they are good at it. We invest in companies in Utah and monitor their growth to a critical inflection point. Eventually, we will do an M&A deal that moves the company to a big business state, but Utah sure has good innovations.”

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Figure 7: High-Tech Startup Density by Metro in 2010



“Hathaway measured the density of high-tech start-ups across 384 U.S. metros by their location quotient, a conventional urban metric that chart's how a city compares to the national average, set at 1.”

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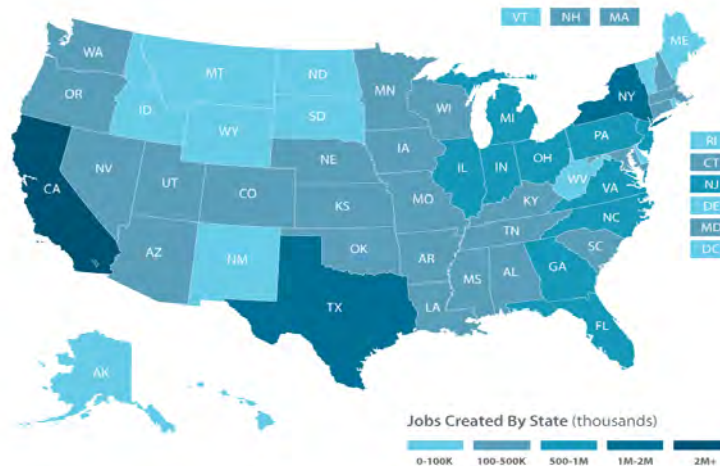




When a Utah company moves outside Utah or is sold to an out of state entity, what moves with it?

1. Jobs
2. High paying jobs
3. Intellectual property

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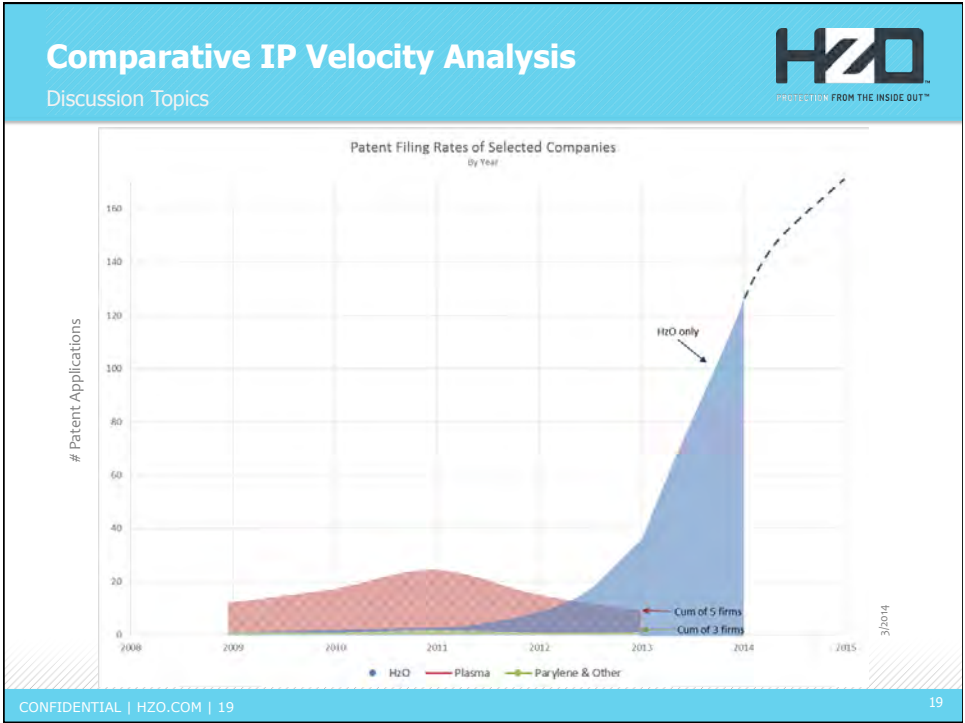


“Intellectual property is a proven driver of U.S. economic growth. In a first-of-its-kind report, the GIPC found that IP creates jobs, spurs R&D, exports, and output....”

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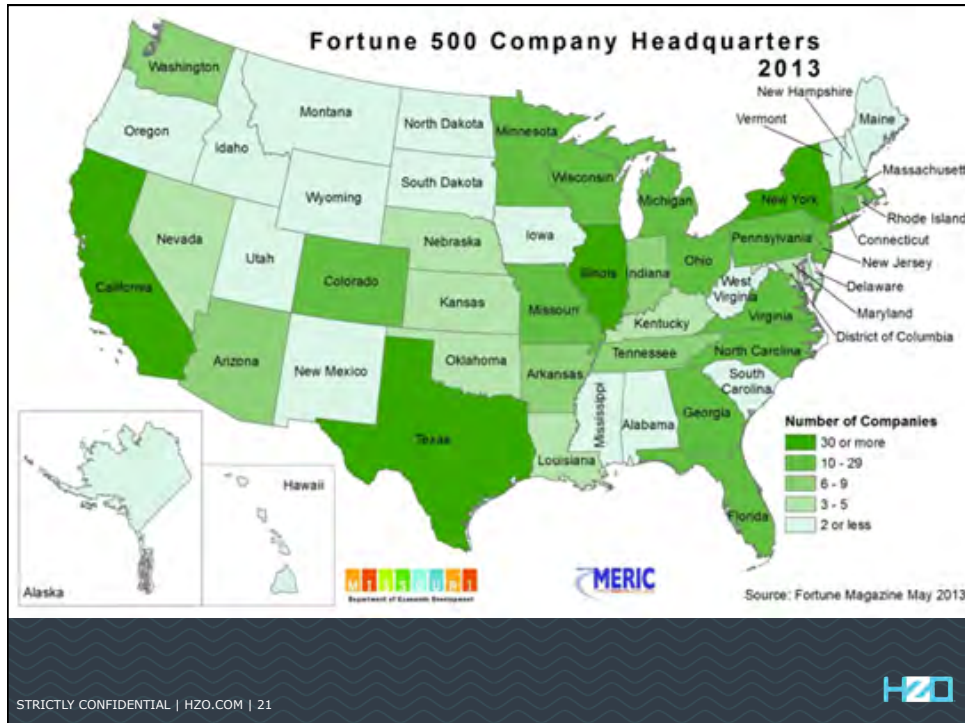




## Observation

Incent retaining businesses in Utah with equal or greater zest than we do attracting outside business to Utah

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Observation

“It is true that almost every Fortune 500 company is set up in these two states (Delaware & Nevada), and they have specific reasons to do so.”

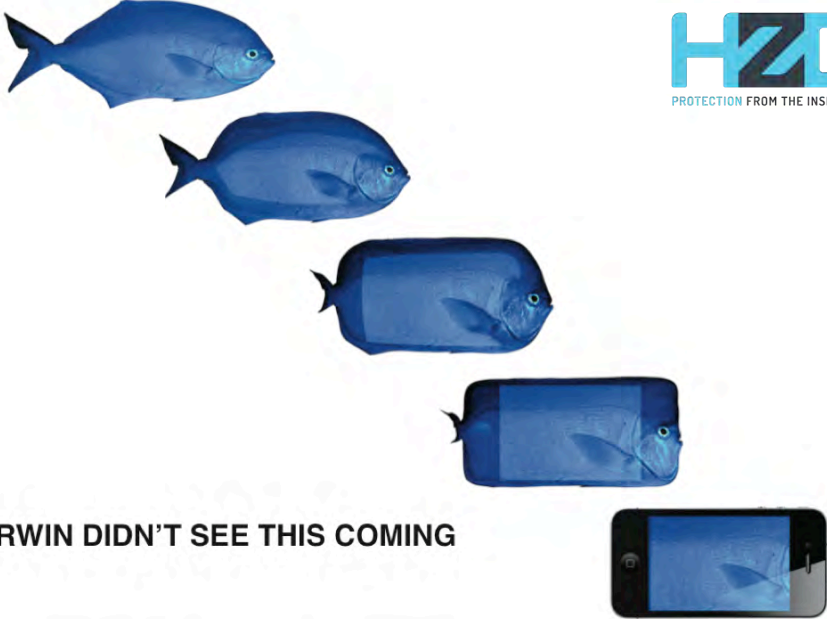
<http://www.entrepreneur.com>

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Observation

Create favorable corporate tax,  
regulation and litigation strategies

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The image shows a sequence of five blue fish-like shapes arranged in a descending staircase pattern from top-left to bottom-right. The shapes transition from a natural fish to a rounded fish, then to a fish with a rectangular body, then to a fish with a screen-like body, and finally to a smartphone. The HZO logo and tagline are in the top right.

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**DARWIN DIDN'T SEE THIS COMING**

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