

# **EXHIBIT 1**

**COMMONWEALTH OF PENNSYLVANIA  
BEFORE THE  
PENNSYLVANIA SECURITIES COMMISSION**

**IN THE MATTER OF** :

Tabletop Arena, LLC :  
Christopher Melville :

**ADMINISTRATIVE PROCEEDING**

Docket No. 2011-10-10.

**RESPONDENTS** :

**SUMMARY ORDER TO CEASE AND DESIST**

Based upon a preliminary investigation conducted by the staff of the Pennsylvania Securities Commission (Commission), the Commission has determined that evidence exists to support the following findings and conclusions:

1. Tabletop Arena, LLC (Respondent Tabletop) was, at all times material herein, an entity with addresses at 99 Market Street, Lowell, Massachusetts 01852 and [REDACTED] Lowell, Massachusetts [REDACTED]. At all times material herein, Respondent Tabletop maintained a website at [www.tabletoparena.com](http://www.tabletoparena.com) (Website) through which it offered for sale limited liability company membership interests (Interests) in Tabletop to move its retail location and expand its retail gaming business;
2. Christopher Melville (Respondent Melville) was, at all times material herein, an individual with addresses at 99 Market Street, Lowell, Massachusetts 01852 and [REDACTED], Lowell, Massachusetts [REDACTED]. At all times material herein, Respondent Melville was the manager of Respondent Tabletop;
3. In or about August 2011, at least one Pennsylvania resident (PA Resident) viewed an Advertisement (Ad) on an Internet message board. The Ad stated that Respondent Tabletop is soliciting investors to move its retail location and expand its retail business;

4. In or about August 2011, at least one Pennsylvania resident (PA Resident) viewed the Ad and the Website and, using an e-mail address provided on the Website, e-mailed Respondent Melville to request additional information about investing;
5. In or about September 2011, Respondent Melville e-mailed offering materials (Materials), including a Business Proposal and Member Agreement, to the PA Resident and offered for sale the Interests. Respondent Melville states in his e-mail:
  - a. Respondent Tabletop's retail store is currently closed due to a lease dispute but Respondent Tabletop is seeking investor funds for a new location;
  - b. Respondent Tabletop needs \$13,000 to \$50,000 immediately but more money would mean higher potential for growth into other large Northeastern cities; and
  - c. Current investors will be earning 7% per year over the next ten years, "effectively doubling up on their initial investment";
6. The Materials state:
  - a. Respondent Tabletop is a retail gaming store in Boston that hosts gaming tournaments in its current store and in rented spaces;
  - b. Respondent Tabletop is seeking investor funds to expand its business to provide a gathering place for people to play games and participate in tournaments;
  - c. Respondent Melville is the manager of Respondent Tabletop; and
  - d. Investors have no power to manage Respondent Tabletop's business ventures;
7. In or about September 2011, the PA Resident telephoned Respondent Melville. Respondent Melville stated:
  - a. An investment in the Interests would provide a 7% annual return;
  - b. Respondent Tabletop is seeking \$13,000 to move the store and another \$50,000 for "web development"; and
  - c. Respondent Melville will make the decisions concerning Respondent Tabletop;

8. In or about October 2011, Respondent Melville telephoned the PA Resident and stated:
  - a. Respondent Tabletop had received an investment that had assisted with the company's move and was now seeking investment funds to enhance Respondent Tabletop's inventory and compete with other stores;
  - b. The PA Resident would not be required to do anything for the business; and
  - c. Respondent Tabletop has 16 investors who do not do anything for the business and are receiving a 7% return on their investment;
9. The PA Resident had no substantive, pre-existing relationship with Respondent Tabletop or Respondent Melville;
10. The PA Resident was not an accredited investor under Rule 501 of Regulation D, and did not have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of the investment; and
11. The Ad did not contain the disclosure set forth in Commission Regulation 203.190, 64 Pa. Code § 203.190.

WHEREAS, the Interests described above are "securities" within the meaning of Section 102(t) of the Pennsylvania Securities Act of 1972 (1972 Act), 70 P.S. § 1-102(t); and

WHEREAS, Respondent Tabletop is the "issuer" of the Interests described above within the meaning of Section 102(l) of the 1972 Act, 70 P.S. § 1-102(l); and

WHEREAS, Respondent Melville acted as an "affiliate" of Respondent Tabletop within the meaning of Section 102(b) of the 1972 Act, 70 P.S. § 1-102(b), and, as such, caused and is about to cause Respondent Tabletop to commit the herein alleged acts which violated, and are about to violate, the 1972 Act, 70 P.S. § 1-101 et seq.; and

WHEREAS, the records of the Commission disclose that the Interests are (a) not registered under Section 201 of the 1972 Act, 70 P.S. § 1-201; (b) not exempt from registration under Section 202 of the 1972 Act, 70 P.S. § 1-202; and (c) not federally covered securities; and

further, the securities transactions relating to the Interests are not exempt under Section 203 of the 1972 Act, 70 P.S. § 1-203; and

WHEREAS, based on the foregoing, the Commission finds that Respondents Tabletop and Melville have engaged in and are about to engage in acts and practices which violate Section 201 of the 1972 Act, 70 P.S. § 1-201; and

WHEREAS, after due deliberation, the Commission finds that it is necessary and appropriate, in the public interest, for the protection of investors and is consistent with the purposes fairly intended by the policy and provisions of the 1972 Act to issue the following Order:

NOW, THEREFORE, by the authority of Section 606(c.1) of the 1972 Act, 70 P.S. § 1-606(c.1):

IT IS ORDERED that Respondents Tabletop Arena, LLC and Christopher Melville and every successor, affiliate, control person, agent, servant, and employee of them, and every entity owned, operated, or indirectly or directly controlled or hereinafter organized by or on behalf of them, shall immediately CEASE AND DESIST from offering and selling the Interests in the Commonwealth of Pennsylvania, in violation of the 1972 Act, and in particular, Section 201 thereof.

Pursuant to Section 607 of the 1972 Act, 70 P.S. §1-607, within thirty (30) days after receipt of written notification that this Order has been issued, any Respondent(s) against whom this Order was issued and entered may file with the Secretary of the Commission a written request for a hearing in respect to any matters determined by the Order. This written request must be filed with the Secretary of the Commission at the Commission's Harrisburg office. Failure to timely file the request for a hearing will result in this Order becoming a final Order.

Upon receipt of such written request for a hearing, the matter will be set down for a hearing to commence within thirty (30) days after receipt unless the person making the request consents to a later date.


If a person making a request for hearing consents to a later date but fails, after notification by first class mail to the person's last known address in the Commission's files, to consent to a hearing date that is within 180 days of the request, the request for a hearing shall be deemed abandoned and the order shall be deemed a final order.

FAILURE TO COMPLY WITH THIS ORDER MAY RESULT IN CRIMINAL PROSECUTION, INJUNCTIVE PROCEEDINGS, CIVIL CONTEMPT PROCEEDINGS, (INCLUDING CIVIL MONETARY PENALTIES) AND, SUBJECT TO THE RIGHT OF HEARING AFFORDED RESPONDENT UNDER THE 1972 ACT, THE IMPOSITION OF ADMINISTRATIVE MONETARY ASSESSMENTS AND STATUTORY BARS.

So ORDERED this 22nd day of November, 2011.



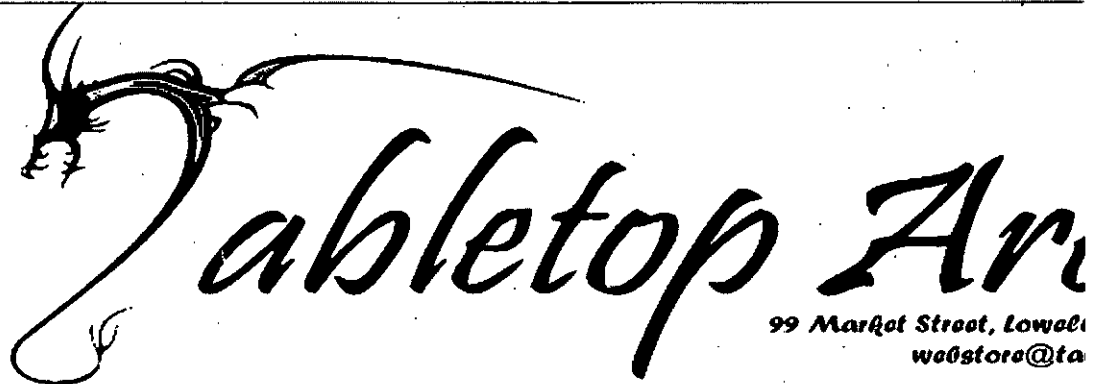
BY ORDER OF THE COMMISSION

  
\_\_\_\_\_  
Jeanne S. Parsons, Secretary

Date Issued & Entered: November 22, 2011

Representation before the Commission shall be in accordance with Sections 31.21, 31.22, 31.23, and 31.24 of the General Rules of Administrative Practice and Procedure, 1 Pa. Code §§ 31.21, 31.22, 31.23, and 31.24. An individual who substantially controls a Respondent may represent the Respondent in an adversary proceeding.

# **EXHIBIT 2**



99 Market Street, Lowell  
webstore@ta

HOME	BUYLIST	BOSKONE 49	MAGIC EVENTS	YU-GI-OH! EVENTS	GAMING EVENTS	INVEST IN US	ABOUT US
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**PRODUCTS**

- Magic Singles
  - Core Sets
    - Magic 2012
    - Magic 2011
    - Magic 2010
    - 10th Edition
    - 9th edition
    - 8th Edition
    - 7th Edition
    - 5th Edition
    - Fourth Edition
    - Unlimited
    - Beta
    - Revised Edition
  - Innistrad Block
  - Scars of Mirrodin Block
  - Zendikar Block
  - Shards of Alara Block
  - Shadowmoor Block
  - Lorwyn Block
  - Time Spiral Block
  - Ravnica Block
  - Kamigawa Block
  - Mirrodin Block
  - Onslaught Block
  - Odyssey Block
  - Invasion Block
  - Masques Block
  - Saga Block
  - Tempest Block
  - Ice Age Block
  - Mirage Block
  - Stand Alone Sets
  - Special Editions
  - Magic Promos
  - Commander Singles
  - Duel Decks: Knights vs Dragons

**Crowdfunding**

...plus \$302 In cash so far!

**Tabletop Arena Crowdfunding**

Goal: \$80,000

What we need (Minimum for us to receive funding): \$20,000

When we need it by: December 12, 2011

**How Crowdfunding Works:**

Business, projects, prototypes, or anyone can request money for a product or service by asking people donations, or a commitment to prepurchase items by asking the crowd to chip in a little at a time. Since times have high start-up costs, a little bit from everyone goes a long way. Crowdfunding is becoming more popular as venture capitalists, angels and financial firms dry up. Crowdfunding is a way for people to save money banks tons of money for high interest financing. **We only receive our funds if we have a total commitment or more from the crowd.**

**What do you get for your contributions:**

\$1 - Credit for helping build a friendly, local game store. We've got a giant brick wall, and we're going to give each contributor a brick with their name on it to show our appreciation for everyone's support, large and small.

\$30 - A Tabletop Arena T-Shirt. We're likely going to be redesigning our logo for the better, and since we have a print run of T-Shirts, we should be able to have options available for color and style.

\$50 - Tabletop Arena T-Shirt and 5x D6 Custom Dice Set. I think Dice are a great way for game stores to get customers. If you order enough of them, they're fairly inexpensive. Plus dice are awesome to have for almost any game.

\$100 - T-Shirt, Dice Set, and we'll pay back the contribution. I'm hoping to get a lot of these, more than looking for a handout here — I just want to find seed money to build the business up. If we receive all the funds we're looking for, I expect it will take 2-4 years to pay everyone back in the crowd. The more funds we raise, the faster we can pay back.

\$1,000 - T-Shirt, Dice Set, plus we'll pay you back with interest based on the time it takes to satisfy the contribution.

**Who is Tabletop Arena?**

... is Christopher Melville, founder, investor, and head of the company.

... is [REDACTED], experienced manager and friend.

... is all of our customers and friends of the store that have donated time and energy towards keeping the store open the week.



- Magic Products
- Gaming Supplies
- Event Pre-registrations
- Puzzle Rings by Pepi
- Board Games

... is all of our original investors, putting up \$2,000 - \$10,000 each to help us get started.

### What Happened? Why does the company need money?

We were doing well in our previous location, and we had no intention of moving the business. We built with an initial investment of \$80,000. Unfortunately, we were unable to negotiate the lease, and were forced home. Moving is a very costly process, and we lost both cash and inventory. With your help, we can fix this initial expense. We've built our store up from scratch once, in a less-populated area, and we're coming back again.

### Why a Game Store?

If you've spent any time in a game store, you know how vital they can be to a community. They're a place to have fun, after school or work. Together, we've discovered new games and great stories. Our mission is to see people playing new and different games all the time, and we want to provide an awesome place to do so. I believe in the business model we created, and I believe the end results are going to be worth the time and money it takes to rebuild our store. There is enough money to be made that if we pour our hearts and efforts into it, we will be able to quit our day jobs and live comfortably. That's our ultimate American dream.

### What are you going to do with the money if you reach your goals?

If we reach \$20,000:

- We'll have what we need to finish paying unpaid start-up costs.
- We'll restock the store with boosters and sleeves for Magic and Yu-Gi-Oh!
- We'll be able to market the store by hosting special events, and we'll become a premier Konami and Wizards-of-the-Coast store.

If we reach \$80,000

- We'll consolidate all of our credit & debts, drastically reducing the cost to operate the store, which means paying back our creditors quickly.
- We'll expand the games that we carry: role-playing games, card games, board games, miniatures games, and the electronic games.
- We'll market the store throughout Lowell, drawing in some of the 9,500 students and 100,000 local population. With that population in, we'll be larger than most community game stores.
- We'll continue our presence at conventions and events.
- We'll be able to restock our website, where we were already providing the best prices possible.

One thing we're *not* doing is paying ourselves with this money. So many campaigns include "Paying Yourself" and describe where the money is going. I, [REDACTED] and our other volunteers have other sources of income that we can use to pay ourselves. We won't start paying ourselves until the business is truly making enough money to be able to pay back our crowdfunders. We are in it for the community, not the money.



Social media is powerful, and we urge you to spread this message to all your game-loving friends. 800 hours is all it will take to meet our greatest goals. I know it's a lot of people and money, but if everyone pitches in, it's possible. We've had over 1,000 unique people come to our store in Manchester during the sole year that we were open. We'd like to see 1,000 unique people come to Lowell, and I'd like to see 10,000 people buy something from our store. We can't do it alone, nor would we want to. The store belongs to everyone who plays there, not just us. Unfortunately, we don't have a lot of time before we are forced to either close or succeed.

Thanks for reading, and thanks for your help.

—Christopher Melville

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Design [G. Wolfgang](#) | powered by: [Crystal Commerce, LLC](#)

INTERNET ARCHIVE  

<http://www.tabletoparena.com/index.php?cont=about>

OCT DEC Close  
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# TABLETOP ARENA

[HOME](#) [EVENTS](#) [BUY LIST](#) [SELL LIST](#) [ABOUT US](#)

## Upcoming Events

- 10/30: PTQ Paris @ Pratt & Witney Aircraft Club, Hartford, CT
- 10/31: Zendikar Game Day & Halloween Costume w/ Candy Tournament
- 11/6: Star City Games \$5,000 Legacy Open
- 11/11-11/13: Wizard World & TCG Player \$5k Magic Tournament
- 11/14: PTQ Paris @ IBEW on Airport Rd in Concord, NH
- 12/3-12/5: Wizard World & TCG Player \$5k Magic Tournament
- 12/11: PTQ Paris @ Charlestown K of C
- 3/11-3/13: PAX East Gaming Celebration, BCEC on the Boston Waterfront
- 5/27-5/29: Grand Prix Providence, Legacy Constructed, Providence Convention Center

## Scars of Mirrodin Product

- Booster Box: \$100.00
- Booster Case: \$510.00

Follow us on Facebook!



## About Tabletop Arena

Tabletop Arena is a start-up company serving Magic: the Gathering, Yu-Gi-Oh!, Board Game and Role Playing Game communities in the New England area. We feel that the communities in the area are undeserved by current game stores and that we can provide a better play experience, better prices on collectibles and used items, and provide a better selection of games and supplies than anyone else in business in New England.

## Location

Tabletop Arena is open in Manchester, NH at 1295 Elm Street inside of Level Up Gaming.

[http://maps.google.com/maps?f=q&source=s\\_q](http://maps.google.com/maps?f=q&source=s_q)

[Latest!](#)

[Show All!](#)

[View Larger Map](#)

We are currently in the process of searching for a location to open in the Somerville / Cambridge area due to popular demand for a new store in the community.

## Helping out Tabletop Arena

**Investing:** Tabletop Arena has raised over 3/4 of the necessary capital to do business through players in local communities contributing small - midsize sums of money to our business in exchange for interest and ownership of the company. We thought we could get bank loans for the rest, but unfortunately, we cannot. We are still looking for investments into the company, and if you're interested in seeing our business models, please contact us! [chris@tabletoparena.com](mailto:chris@tabletoparena.com).

**Creativity and Feedback:** No business survives without listening to what customers want. Send us any feedback or creative suggestion you might have! [chris@tabletoparena.com](mailto:chris@tabletoparena.com).

**Trading with us:** Our buy list for Magic: the Gathering is updated regularly, and we love bulk lots! View our [Buylist here!](#). I'm sure sometime in the future we'll transition a buy list for other card games as well.

**Facebook:** Follow us on Facebook for calls for help, store announcements, or event postings.



◆ Facebook is a registered trademark of Facebook, Inc.

# **EXHIBIT 3**



## **Business Proposal**

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- Existing Balance Sheet & Profit and Loss Statement
- Pro Forma Cash review with 1 year sales projections
- LLC Certificate - Legal document filed with the Secretary of State establishing
- Tabletop Arena, LLC under Massachusetts Law.
- LLC Operating Agreement - Operating agreement detailing the legal structure
- LLC Member Agreement - Investment Contract (Customized to meet investment)

# 1. Executive Summary

## Mission Statement

Tabletop Arena seeks to be a superior gaming retailer in the Greater Boston region that provides a gathering space for people to play games and participate in tournaments in a fun, casual and comfortable atmosphere for people of all ages.

## Purpose

Tabletop Arena seeks to raise \$80,000 in new investments to create a line of credit style payback for our investors. This style ensures that interest is constantly flowing into investor's return and the principle can either be returned or reused for the company to grow as needed during our course of business. This model is basically copying commercial loan products for businesses, but those are just not available to us.

## About Tabletop Arena

Tabletop Arena, LLC is a community game store located at 99 Market Street, Lowell, MA 01855. The LLC was created in Massachusetts in April, 2010 by Christopher Melville with the intent of opening a store in the greater Boston area. Tabletop Arena managed to raise \$87,000 in cash assets and \$20,000 of inventory assets towards opening its first store. As this was not enough funding for a Boston store with the area's higher operating expenses, a smaller, inexpensive store was opened at 1295 Elm Street, Manchester, NH on July 1st, 2010. Tabletop Arena used this venue to buy, sell and trade in new and used games and collectible merchandise and as a shipping center for sales from <http://www.tabletoparena.com>. Due to a failure to negotiate a favorable lease renewal, Tabletop Arena has moved to its current location is a huge improvement for our business model.

## Growth

Tabletop Arena started with a small customer base and a few conventions. In the first six months, Tabletop Arena managed to obtain a large inventory from customers and gained \$50,000 in gross sales. Through conventions and word of mouth, Tabletop Arena managed to grow its customer base and hold consistent weekly tournaments, and attend more shows to increase its reach to obtain more inventory. Tabletop Arena started a Crystal Commerce website, which uses several marketing outlets to generate increased sales of collectible cards. This has allowed Tabletop Arena to increase in gross sales significantly to \$124,000 in the second half of the first year in business. We expect to be able to repeat these results in Lowell at a much faster pace, the location boasts 9,200 new students that have moved into the area this fall, plus a much higher population concentration and better foot traffic than Manchester could provide us with.

## The Future

The objectives for the immediate future is to obtain funding which will be used to consolidate expenses, expand our inventory, and reduce our monthly overhead. We will support every form of gaming entertainment, with the central on local, in store play instead of being a shipping center and convention based business. With the profits made from the website and the store,

Tabletop Arena will be able to expand this location and hopefully become a New England retail chain.

## **2. Market Information**

### **Our Marketed Demographic**

Our customers range from casual board game players to those who play competitively to win prizes. We sell anything from classic to more in-depth games. We currently rely heavily on internet sales, and the store has historically been a buying outlet to support internet sales.

As the gaming industry has grown, many products have shown a broader appeal that includes both genders and a wider age range. What was once considered a limited market has proven to be a business opportunity including every demographic, ready to be tapped. We will focus on capturing this expanded demographic, hosting events and focusing on in-store sales to make the most of the location we are using, and the internet will become supplemental income instead of primary income.

### **Location**

Tabletop Arena opened at 99 Market Street in Lowell Center. This location is in the densely trafficked area of downtown Lowell. It is ¼ mile from Lowell High School, Middlesex Community College, and UMass Lowell's Inn and Conference Center and South Campus dormitories. It is ½ mile from other dormitories on the UMass Campus. Lowell boasts a population of just over 104,000 residents and a total of 9,200 students which makes up the majority of our target demographic. This location's cost per square foot is much cheaper compared to Manchester, and because it is a much larger size, we can hold bigger, more profitable events for our customers. Lowell is more centrally located to gamers likely to commute from Boston, Worcester, Nashua, NH and many of our customers have committed to travel from Manchester to support our new location.

## **Marketing Strategies**

### **Competitive Advantages**

**Play Space and Comfort:** We have a one of the largest in-store play spaces in New England. Tabletop Arena's new capacity is 84 players for competitive tournaments. Our space is one of the most comfortable spaces for gaming in New England, boasting hardwood floors, a high ceiling, padded chairs, and sufficient space for the players we want to bring in.

**Customer Service:** A common expectation is that a game store will have abysmal customer service, as stores tend to build a core of preferred customers and provide special treatment to these customers to the detriment of others. Tabletop Arena will turn that stereotype around by ensuring quality service to new customers without taking our regular customers for granted. We will aim to exceed customer expectations as often as possible, and create the feel that we truly appreciate customers choosing to spend disposable income with us.

**Demonstrative Game Library:** Most stores have only their popular games in their library, but we believe that it is wasteful to include only best sellers, these games are likely to sell whether they are there or not. We will have an ever expanding demo library to include all types of games, which will encourage anyone to try and play board games they might not otherwise consider buying. Regular customers and our staff will be encouraged to engage in games with new customers as they discover everything our store has to offer.

## **Advertising Plan**

**TCG Player:** This index service has become extremely competitive and popular within the Magic gaming community. Crystal Commerce sites such as ours are inserted at a 7% commission. The exposure has generated thousands of dollars of online sales for our company. TCG Player allows us to advertise directly to our community for large store events.

**Internet Media:** In order to keep in touch with our existing customer base and to attract new customers, Tabletop Arena keeps a high profile on the internet. We use our website (tabletoparena.com) along with Facebook, Twitter and local community sites to advertise in-store special events and to drive additional sales to our website.

**Print Advertising:** Currently, Tabletop Arena produces in-color fliers that are distributed at premier events and local businesses around Lowell. These have proven effective towards generating interest and players to attend events at the store. For local colleges, we will expand our print advertising efforts by placing ads in student planners and other materials that are distributed to college students. We've been aggressively distributing flyers among other local businesses that have been cooperative and supportive of our store.

**Custom products:** Tabletop Arena has recently created t-shirts that employees wear at the store and conventions, and we have been handing them out to customers to wear around the city. We've generated other items such as notepads that have proven to be popular sales items. The ROI for custom products is two-fold: more people see our brand, and it generates a profit for selling these items.

## **Market Competition**

### **Store Competition**

In Lowell, Larry's Wonderful World of Comics is the only existing competition in the area, compared to Manchester, where we were up against Collectibles Unlimited in Concord, NH, The Relentless Dragon in Nashua, NH, Myriad Games and Double Midnight Comics in Manchester, NH and The Game Castle in Londonderry, NH. Larry's provides weekly tournaments, but does not seriously buy or sell single cards. He holds a super cheap Yu-Gi-Oh! Event, relying on selling packs to players that attend. Larry's is not a serious game store, and has experienced decreasing attendance to his poor, unkempt basement play space. His focus on Comics and related collectible memorabilia does not overlap with the business model that Tabletop Arena seeks to set up in Lowell.

### **Web Competition**

**TCG Player Vendors** - As much as TCG Player has given Tabletop Arena extreme exposure to sell cards online, the nature of selling on an index site keeps our margin down as we compete with other online vendors. Often, where we could make as much as double our investment across the board, between competing with the lowest price on singles and the commission for using the service, we average 30% profit margin from web sales. As our connections to buy cards is often stronger than some of the vendors that chose to compete on the lowest end, having as much in stock as we do leads to a very high volume of sales, with our best month so far being \$17,000 gross sales online.

**Major Magic: the Gathering Websites** - StarCityGames.com / TrollandToad.com / GamingETC.com - These websites being the most visited by the Magic Community set the bar



for what most vendors buy and sell individual cards at. Often, we match the prices based on these sites and accept a lower profit margin in order to compete.

## **3. Operating Procedures**

### **Legal Structure, Management and Staff Structure**

Tabletop Arena is organized as a Massachusetts Limited Liability Company by our lawyer, [REDACTED] Esq. The Operating Agreement implements a corporate-like structure, with managers having control over operations and distribution rights, and members (who will be Tabletop Arena's investors) having capital accounts with rights to receive financial distributions at specified times. The Operating agreement will be drafted to ensure maximal flexibility so that the managers can grapple with unforeseen needs in the future, but also to ensure that the members' rights are not arbitrarily compromised. The managers, among other powers, will be empowered to raise capital, make financial distributions to members and managers, and amend the Operating Agreement.

The Limited Liability Company structure will protect the members. The members are, by statute, vulnerable only to the extent of their investment in the company. The members will have equity in the company, and those interests will be freely transferable, allowing members' shares to freely change hands. To protect the members against manager overreaching and caprice, reasonable limitations on the managers will also be in place to protect the members' investments. Lastly, the members will have the right to access the financial information of the company to keep apprised of the company's (and their investment's) financial health.

### **Store Operation**

#### **Distribution**

Tabletop Arena works with multiple distributors to get new products into the store. Currently, we have active, open and current accounts with GTS Distribution, Alliance Games Distributors, and ACD Distribution. We will open accounts with Konami Direct Sales, Wizards of the Coast Direct Sales and Games Workshop, these require us to establish the new store as tournament centers, which takes about 3-6 weeks after opening. Tabletop Arena will establish distributors for Video Game accessories and console remakes as the necessary capital becomes available.

#### **Management**

Christopher Melville is the owner of Tabletop Arena, and head of all operations involving Magic: The Gathering and other collectible card games. With his vast knowledge of the complex secondary market for Magic, and almost 3 years of managing Pandemonium Books & Games, he is truly invaluable to this company.

[REDACTED] assists in managing the company by implementing practices and procedures to help better the company. He is a great asset to the company because of his years of experience managing an independent kitchen for Sky Chefs, and his active role in the gaming community since its early stages gives him an unsurpassed proficiency in tabletop games that is essential to our employees' understanding of the market.

#### **Staff**

Tabletop Arena currently lacks the income or funding to formally higher anyone, and as a community store, has been able to rely on "friends of the store" to help run the store. A "friend" is someone who has either invested in the store or frequents the store and has expressed interest in future employment as the store grows, and especially has proven reliable and trustworthy with the store's operations. This allows Tabletop Arena to get the help we need now

building the store with very little risk and serves as an extended interview to give us the best people for the job.

## **Software**

Tabletop Arena uses Crystal Commerce as a point of sale system for the store. This means that we have a register that tracks daily reports, keeps sales tax, inventory, and restocking reports as a normal point of sale, but allows us to keep our on hand inventory live online. Crystal Commerce supports insertion into multiple services, including eBay and TCG Player. A module is in development for Amazon, which is becoming a more important sales channel than eBay. As the store's income and products grows, the power to be able to sell on every available sales channel is extremely important, and we're already invested in a system that supports what we will need.

## **General Store Procedure**

Tabletop Arena's managers and staff, during normal hours, are trained to manage our inventory, take sales, receive inventory into our system, run tournaments or events on the days they are working, and market the store. At least daily posts are made to our social networking outlets during store hours. Website shipping is managed exclusively by management daily, and a manager will take care of web inquiries and shipping even on days they are not working either before or after hours.

## **Events**

Tabletop Arena's secondary business is focused on holding large scale tournaments and attending other organizers' events as a vendor. Tabletop Arena hosts large tournaments in the store. In the event that an event is going to be too large for the store, we have the option to rent locations locally for larger events. These events make little money themselves, but the purpose of running these events is the massive influx of inventory obtained from customers.

## **Conventions**

Management may attend large conventions or events not hosted by Tabletop Arena as a vendor. These "shows" provide large volume of sales. Historically, these events dwarf what our previous location was able to generate in sales and buying opportunities. Buying opportunities often created situations where we purchased more inventory than we could afford to keep on hand, and rather than being able to properly capitalize by selling online or in store. Tabletop Arena has and will likely continue to sell overstock to other vendors, and only does so when profitable. Our presence at new conventions and events is an important marketing factor. As we grow, we hope to be able to properly capitalize all opportunities these events provide for us.

## **Website**

[www.tabletoparena.com](http://www.tabletoparena.com) has become integrated heavily with everything Tabletop Arena does. Tabletop Arena's store is a shipping center, and will continue to be so as the store presence grows and exceeds website sales. Tabletop Arena buys for the website at events in store and elsewhere. We advertise at conventions and purchase inventory at conventions held across the country. It's our point of sale software, and it's the center of all of our social networking pages. This business plan has talked heavily on all of these points, sufficiently covering how important and what roles the website plays in Tabletop Arena.

## Inventory

Tabletop Arena has in the past carried anywhere from \$2,000 - \$20,000 of on hand wholesale value inventory at any given time. The wide range is based on how long ago a large buying opportunity has arisen and how much we had on hand to fund a convention or event where we've had a buying opportunity. Cards have an extremely high turnover rate. The industry standard for any retail turnover at a 45% margin is 3.0 / year. Tabletop Arena has experienced a much higher turnover rate, and while we are still working with an accountant to file this past fiscal year's taxes, our best guesses puts it at 8-10 turns in the past year. This is a result of our online presence with TCG Player that started last January. As Tabletop Arena works to build the Market Street location, we will be looking closely at inventory growth. Every dollar that isn't needed for overhead will be invested into inventory until a point where Tabletop Arena can guarantee that we will have anything a customer could demand in stock.

To help us meet our future inventory goals, we're looking to drastically expand our on hand inventory and buying power. This process will generate rapid inventory growth and turnover beyond what is being asked for to start with, which will increase our sales ability, especially when it comes to in-store sales.

- \$5,000 into Warhammer (40k & Fantasy)
- \$10,000 for single cards, both for Magic: the Gathering & Yu-Gi-Oh!
- \$4,000 for video games with a focus on buying used retro games
- \$1,000 for video game accessories from distribution channels
- \$1,000 for New Release Board Games
- \$1,000 for Gaming Supplies Restocks
- \$3,000 for Sealed Trading Card Game product, Magic, Yu-Gi-Oh! and Pokémon.

## Store Fixtures & Equipment

Tabletop Arena currently has the following fixtures & major equipment:

- Desk (Serves as register station and buying station)
- 7 6'x3' tables for inventory fixtures
- Multiple sets of modular shelving units
- Computer, Printers, and peripherals needed for point of sale
- Regular refrigerator
- Storage Shelving
- 8 6'x3' tables for tournaments and gaming
- 24 chairs

Tabletop Arena would like \$5,000 to buy the following equipment

- \$1,200 – Tables & Chars to match our 84 person capacity
- \$800 – Retail, glass door commercial refrigerator highlighting our products offered
- \$1,500 – Video Game equipment for in store tournaments & open gaming
- \$800 – Security System including monitored door alarm and surveillance
- \$700 – Desktop Computer to meet increasing demands of adding a Security system

## 4. Financial Information

### Existing Liabilities

In addition to the \$25,000 inventory expansion and \$5,000 fixture expansion described above, Tabletop Arena needs to deal with outstanding liabilities created by various events, including being an underfunded company for the business executed in the past year.

- Vehicle Debt: \$8,700
- Short Term Investments: \$23,000
- Credit Card Debt: \$6,500
- 1 Month Expenses: \$6,500
- Alliance: \$4,300
- Tax Liability: \$1,000

### Past Company Performance

Tabletop Arena's original business plan didn't properly predict everything that the company would need to obtain to properly execute its business plan. As a result, the company lost money in the first year of business. The amount that was lost was in line with the original plan, most companies lose money in this time. Unfortunately, as we use this to predict Tabletop's Arena future income and factor in moving into a brand new location (which is a heavy investment in itself, and it hurts having to do so twice in such a short period of time), Tabletop Arena is predicting a loss for the second year as well, which is why we are seeking the loan. The first year paints a clear picture of what we can expect out of the company, what time line is required to reach a profitable state for our industry, and what can be accomplished with what resources. As a result, we can clearly and completely predict exactly what we need and have a reasonable expectation as to when the company can reach profitability again.

### Profit and Loss report with notes on previous performance

Attached is a profit & loss statement broken down by month from July 1st, 2010 through August 31st, 2011.

- **July:** Slow. Tabletop Arena just opened the doors and needed to establish itself as a force in the gaming community.
- **August – October:** Tabletop Arena experienced rapid growth, proving that the business plan could be implemented. Tabletop Arena started attending many local events, and the first convention was attended in October.
- **November:** Tabletop Arena created a plan for travelling cross country. An investment was made in a new, reliable company van. Travelling proved to be very exciting for the company, and the van has been invaluable for many other activities, including moving.
- **December:** Tabletop Arena experiences a bad show. With high reward comes high risk, and not every high risk works out. Tabletop Arena is hurt financially, cash wiped out. Tabletop Arena had a very deep inventory, at this time Crystal Commerce was integrated into the company to counter the poor show.
- **January:** TCG Player is integrated. After an extremely successful website launch and strong store sales from customers receiving Christmas money, the end of the Month brings even more success and sufficient cash flow from a large convention in New Orleans and a strong new release. Tabletop Arena's inventory has become narrowly focused on Magic: the Gathering, which is not the original intention of the business plan.

Tabletop Arena's competition in Manchester prevented any other business activities from succeeding.

- **February-March:** Tabletop Arena nails convention after convention. Tabletop Arena invests all capital resource into the second largest gaming convention in the country: PAX East. Our sales goal based on performance from vendors that appeared at the previous and first year of PAX east was set at \$40,000. Due to many factors, including increase in vendor attendance, Tabletop Arena misses the set sales goal and our deposits total \$28,000 after staffing expenses. Tabletop Arena was the best performing tabletop vendor, however we were left with debt from the show. The benefits was found in a finally diverse, successful inventory and the last of the fixtures needed for conventions was available in the company. Overall, Tabletop Arena considers PAX a success and intends to use the information gathered to manage risk and inventory for the show to create sales and profit from this year's show.
- **April - July:** Tabletop Arena was steady, but a string of underperforming conventions and debt created from Penny Arcade leave no room for growth, and Tabletop Arena's on hand inventory started falling.
- **August:** Especially difficult for Tabletop Arena, it became clear mid month that the store was moving. Moving is expensive, and the resources to deal with moving haven't been available to the company since March. Customers learned of the store's fate, and stopped supporting Tabletop Arena. In addition, [www.tabletoparena.com](http://www.tabletoparena.com) was taken offline. There was no way to manage the website and look for a new location.

### Break-Even Analysis

All things considered, it's important for the company to show that the company is worth investing in. By consolidating everything, we will need to manage returns for all of our current and future investors. We have been making payments each month, and Tabletop Arena will be able to sustain that level of monthly financial payments. The following is a breakdown of our monthly expenses that Tabletop Arena needs to pay each month.

- Rent - \$1100
- Expected Utilities - \$200
- Comcast / Internet - \$70
- Credit Card / Minimum Payment - \$400
- Quickbooks Online / Payroll Processing - \$60
- Credit Card Processing - \$90
- Automotive Loan - \$300
- Automotive Maintenance - \$200
- Crystal Commerce / Endicia / Authorize.net - \$85
- Liberty Mutual / Auto Insurance - \$390
- Business Insurance / Expected Premium - \$50
- Unusual / Miscellaneous Expenses - \$200
- Signtronix / 36 Month Lease - \$250

Currently, the store overhead is \$3,395. We have sufficient help, and Christopher and [REDACTED] does not currently draw money for personal expenses / compensation, though in Manchester, they did. This is a significant drop in overhead moving to Lowell, overhead in Manchester was \$5,400 / month, and the threat of it increasing beyond that, affordable or not, was not an added expense the company could realistically expect to be worth the potential return. Operating on an average of 40% margin (web sales are generally 30%, store sales are 35-50% margin), the store needs to generate \$8,400 per month in income to break even, excluding income from events. It's possible to do that with the level of sales, but it's difficult to realize the company mission without funding. Tabletop Arena's lease is attached, and after 6 months, Tabletop Arena's expenses will increase. Here's what we expect, long term, the company expects to be spending, assuming proper funding:

- Rent (Cascading lease, ½ year – 3 year term, no further increases) - \$1400
- Utilities (Expected from increase usage of premises) 300
- Comcast - \$70
- Quickbooks Online – Payroll Processing - \$60
- Credit Card Processing - \$90
- Automotive Expenses - \$200
- Gas & Travel Expenses - \$80
- Automotive Insurance - \$200
- Crystal Commerce - \$85
- Business Insurance - \$50
- Unusual / Miscellaneous Expenses - \$200
- Cell Phone / Data Service (4 Lines) – \$220
- Part Time Employee Compensation (including expected employer tax portion) - \$1,912
- Manager's Salary (Christopher, including all expected taxes) - \$1587
- Investor's Return / Interest on Principle - \$466
- Investor's Return / Principle Payment - \$481
- Investor's Return / Existing Investments – Remainder of Income

**Wow, Let's talk about this! How is this sustainable? – Future Changes in Overhead**

First, this adds up to \$7,381.00 per month. The breakeven point for sales on a 40% margin is under \$19,000 / month, which is less than our best performance months in Manchester, plus this is in a situation where we receive every penny we're asking for in this business plan. Assuming we are fully funded, we should be able to gross about \$40,000 per month in sales at an average 35% margin or better, all the time, but we're not projecting that out of conservatism and avoiding repeat mistakes made in the past.

**Rent** – Tabletop Arena is in a cascading lease, the details are attached. The leasing company gave us the chance to build our business at a rate we can afford now, giving us the chance to gain the sales Tabletop Arena projects based on our last location and repeatable business model, we will be able to support this rent.

**Utilities** – If we're using the space more and generating more income, it will cost more to heat and cool the location.

**Gas & Travel, Cell Phone, & Manager's Salary:** Christopher is currently working another full time job. Tabletop Arena can afford not having him available in the store every day because of the "friends of the store" program in place. The store will demand Chris's time in the future, and he will need at least enough to cover living expenses and taxes currently paid by the second job.

**Automotive Insurance:** Tabletop Arena expects this premium to continuously drop.

**Part Time Employees:** [REDACTED] and Friends of the Store expect their efforts to allow us to hire them. This is the current minimum wage plus payroll taxes for 6 days at the store. We will likely hire [REDACTED] and 2 part time employees at 2 days a week each, lining up with away events and critical days at the store.

**Investor Return:** Broken up between interest and principle, the payment is calculated for a 10 year venture for \$80,000.

**Investor Return / Existing Investors:** Tabletop Arena's first waves of investments were written for the company to reinvest any money earned, and pay back the money towards the end term

of their investment. As Tabletop Arena grows and earns money, we will start showing them their return.



# **EXHIBIT 4**

www.nesfa.org

Our innovative no-boundaries layout is designed to stimulate conversation between friends (old and

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**Tabletop Arena** shared a link.  
December 3, 2011

[http://www.tabletoparena.com/crowd\\_funding](http://www.tabletoparena.com/crowd_funding)

**Tabletop Arena - Cards, Games and Events**

[www.tabletoparena.com](http://www.tabletoparena.com)

Your description goes here

Like · Comment · Share

5

1



**Tabletop Arena** shared a link.  
November 28, 2011

<http://www.nesfa.org/boskone/b49/gametournament.html>

**Magic The Gathering \$1,000.00 Sealed Deck Tournament -  
Boskone 49 -- February 17-19, 2012, NESFA's.**  
[www.nesfa.org](http://www.nesfa.org)

# **EXHIBIT 5**





**Christopher Melville**

So anyone want to invest in a start up? We are a healthy company that has made \$75,000 in gross sales in Q1 2011. We're looking for a total of \$40,000 to stabilize and grow the company in the new year with many exciting opportunities. Good ROI, and now with better bookkeeping! We have a few leads already, you can help!

Share · April 12, 2011 at 10:35pm ·



2 people like this.

---

  Um... maybe? We should really be in contact I think.

April 13, 2011 at 2:12am

---

  i cant particularly invest, but i make excellent free labor, and willing, cuz anything is better than sitting on my ass all day every day

April 13, 2011 at 4:26am

# **EXHIBIT 6**

ic...

15



### Christopher Melville via Tabletop Arena

Hey friends of mine on Facebook, I need your help. I started a crowdsource project for the store, as we needed additional investors to support the new location. I'm hoping that you'll contribute a little to the Chip In project, and that you'll share it with someone else you know who might be able to help out a little bit, and turn and turn again, we can raise what we need to keep the shop open without having to ask for money ever again.

#### Tabletop Arena - Cards, Games and Events

[www.tabletoparena.com](http://www.tabletoparena.com)

Your description goes here

Share · December 4, 2011 at 10:35pm ·



[Redacted] Already done. :~)

December 4, 2011 at 11:47pm



[Redacted] Did you consider lendingclub?

December 5, 2011 at 12:40pm

# **EXHIBIT 7**



**Christopher Melville**

I applied for a \$50,000 line of credit. The bank implied everything looked good for an application of this size relative to the size of the business. I'm nervous because this money would mean a lot towards continuing on the growth path that we're on. The business plan has been making its way around and we may even get new investors too.

Share · August 9, 2011 at 10:25pm ·

11 people like this.

---



# **EXHIBIT 8**



# Tabletop Arena

**@tabletoparena** Lowell, MA

A classic New England Game store with lots of space, supporting Magic: the Gathering, Yu-Gi-Oh!, Pokemon, Warhammer 40k & Fantasy, Retro and New Video Games.

<http://www.tabletoparena.com>

Follow

Text follow tabletoparena to 40404 in the United States

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**tabletoparena** Tabletop Arena

Hey guys, we're still working on raising funds. If you want to support your local store this is the best way possible! [me.lt/31D7Q](https://me.lt/31D7Q)

15 Dec



**tabletoparena** Tabletop Arena

Hey guys, we'll be at Boskone this February! You should check us out! [me.lt/6rbCx](https://me.lt/6rbCx)

15 Dec



**tabletoparena** Tabletop Arena

Hey guys! We're starting up a #CrowdFunding campaign for the #Lowell store. [me.lt/6rb1q](https://me.lt/6rb1q)

5 Dec



retweeted by tabletoparena

@TabletopArena needs \$20,000 to fund its move to #Lowell . Support local gaming now, get paid back later! [ow.ly/7Pyd1](https://ow.ly/7Pyd1) #games

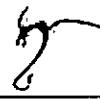
5 Dec



**tabletoparena** Tabletop Arena

We will be, unfortunately, closed for black Friday

24 Nov



**tabletoparena** Tabletop Arena

We're running a draft tonight around 6:30, so stop on by!

18 Nov

Stay in touch with Tabletop Are

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# **EXHIBIT 9**



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**SIGN IN**

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## Tabletop Arena - Gaming Superstore - Feedback Wanted

Share |

Company Name:	Tabletop Arena
Industry:	Entertainment
Number of Employees:	2
Capital Needs:	\$50,001 - \$100,000
Location:	Lowell, MA
Company Website:	<a href="http://www.tabletoparena.com">http://www.tabletoparena.com</a>
RaiseCapital Website:	<a href="http://www.raisecapital.com/tag/At-least-read-it-and-critique-me-a-Hobby-Gaming-Superstore-cfb3">http://www.raisecapital.com/tag/At-least-read-it-and-critique-me-a-Hobby-Gaming-Superstore-cfb3</a>

**Contact member**

**Add to Watch List**

Member postings are only reviewed for offensive or inappropriate content. The accuracy of the representations contained in a member post should be independently verified by the user.

### Description

Tabletop Arena has just moved into a New location in Downtown Lowell. We are a hobby gaming retailer, specializing in Retro Video Games, Collectible Cards, Miniatures, Board Gaming and Role Playing games. These markets were once niche, but are very much becoming mainstream. Tabletop Arena is in the perfect market to capture and grow a substantially large customer base using the major brands of the above markets. We are looking for \$80,000 to invest in a 10 year venture at 7% annual return. You can view our working business plan here - <http://www.tabletoparena.com/themes/clients/tabletoparena/assets/business/bplan.current.docx> - Copy and Plast the whole link and the file will download off our website. We've worked hard to create a clean, comfortable, presentable, organized, functional store. What we're missing is all of the elements that will make us successful. Come play a game, check out the store, view the plan. If you like what you read, I will be ecstatic to share our financial documents, all available online. As an investor, you will have the power to monitor the

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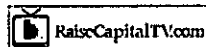
company's performance through our ecommerce software, quickbooks online, google docs, and other online tools we use in place of any records that would otherwise be kept in the store. I'm not saying we're green, but when it comes to documents, we're 100% electronic. Thanks for considering our company, We've done and will continue to do anything we can to succeed.

Images

Click on thumbnails to enlarge

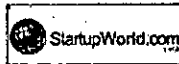
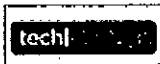
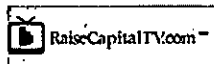


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# **EXHIBIT 10**

# DEMAND LOAN PROMISSORY NOTE

Amount: \$1,000.00

Date: September 1st, 2011

FOR VALUE RECEIVED, I **Christopher Melville**, business owner and resident of **Tabletop Arena, 45 Bodwell Ave, Lowell, MA 01854** (Borrower's Address) promise to pay to the order of [REDACTED] One Thousand Dollars and No Cents (\$1,000.00) together with interest thereon at the rate of 7% annually.

This Note shall be FULLY paid on September 1st, 2012. -OR- Borrower will make eleven (11) monthly payments on the amount of one hundred dollars and no cents (\$120.00) beginning on September 1st, 2012. This payment plan includes the principle balance (\$1,000.00), interest earned (\$103.86) and late fees of \$20.00 per month for each month this demand loan is late (\$220.00).

Payments due under this Note shall be made at the following address:

[Insert Address]

Maker gives the following property as collateral security for the payment of this note:

The assets of **Tabletop Arena**, including inventory, property, fixed assets and income.

If **Tabletop Arena**, in the event of failure, is unable to pay this promissory note, a personal guarantee of the income of **Christopher Melville** must be used to make payments and pay any remaining balance of this promissory note.

All payments of this note shall primarily be applied to interest and thereafter to the principal loan amount.

This note may be prepaid at any time without notice, in whole or in part, and without incurring any penalty or bonus.

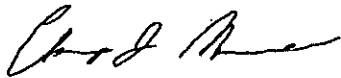
Any change of the borrower's name or address must be promptly disclosed to the lender.

This note shall, at the option of any holder, be immediately due and payable upon the occurrence of the death, dissolution, insolvency or liquidation of the undersigned, or any endorser, guarantor or surety to this note.

Borrower agrees to pay all collection agency costs, court costs, and legal fees, incurred or paid by the Lender in the collection and/or enforcement of this Promissory Note.

This note is to be governed by the laws of the State of Massachusetts

Borrower, intending to be legally bound, has signed this Promissory Note on this February 27, 2012.



Borrower's signature – Christopher Melville

Lender's Signature [REDACTED]

Witness' signature

Notary Signature - Subscribed and sworn to before me on this date: \_\_\_\_\_