



Setting You Free to Run Your Business PDR Products and Services Overview

The Challenge: What Every Business Confronts; So Much Hassle, So Many Headaches

The Solution: What PDR Offers Clients; Expert Guidance, Exceptional Service

Payroll Processing
Benefits Administration
Workers Compensation
Human Resources

Savings Worksheet: Adding Up the Financial Benefits of Outsourcing; Time & Money Well Spent



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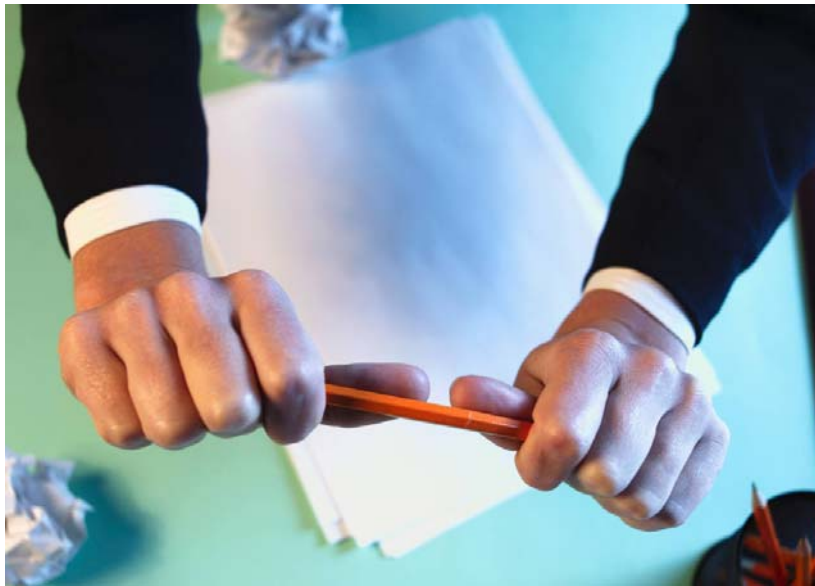
The Challenge: What Every Business Confronts

So Much Hassle, So Many Headaches

Running a business isn't easy. Far from it. It's hard enough to get good at what you do, ensuring profitability and survival. But then, especially as your business grows, to have to worry about added complexity related to your workforce -- a bigger payroll, more hiring / firing decisions, whether to add a benefits package, taking care of workers comp, coordinating with state and federal agencies on a multitude of reporting issues, handling unemployment claims and garnishments, wondering how to keep up with ever-changing and always complicated rules and regulations and laws... quite simply, the list of things to do and know (things you don't necessarily want to do nor become an knowledgeable let along an expert in) soon becomes near endless. Frustration can mount. And mistakes invariably will happen -- a situation that risks spinning out of control real fast, much to the detriment even downfall of your company.

Ever Feel As If You Are Reaching Your Breaking Point?

A regulatory maze to navigate; employee lawsuits on the rise; penalties being issued



- Over 100 federal and state agencies regulate businesses
- Between 1980 and 2000, the number of rules and laws regarding employment policies and practices grew by 60 percent
- An owner of a small- to mid-sized business can expect to spend roughly 25% of his / her time on administrative paperwork
 - Wage disputes were up 27% in 2006 as compared to a year earlier
 - Job-related bias or discrimination lawsuits were up 9% in 2007
 - Estimated number of annual employer tax updates: 400
 - Of the 30.5 million employment-tax returns and forms filed in 2004, 26% resulted in penalties, at an average cost of \$670 per penalty

The Solution: What PDR Offers Clients

Expert Guidance, Exceptional Service

Payday Resources (**PDR**), a Professional Employment Organization (PEO), brings nearly two decades of experience to the employee-related administrative services field. By working with us, clients are set free from having to do most of the burdensome and often error-prone administrative tasks associated with running a business. We offer comprehensive services in payroll, benefits, workers comp and human resources. Whether you are a company employing three people or three hundred, a company that has been in business for years or one just starting out, our services can save you time, energy and money.

Our Advantage

PDR has emerged as a leading outsourced administrative solutions provider in the state of Utah as exemplified by: a knowledgeable staff; major investments in new technologies to manage key



employee data (advanced online CRM software, time and attendance tracking); expertise in navigating complex and potentially damaging legal issues -- employee terminations, FLSA wage and overtime investigations, the impact of immigration legislation locally and nationally, new IRS forms and regs, etc. Providing convenient, dependable and affordable services, as well as maintaining a friendly and flexible attitude, we respond quickly to the changing needs of our clients -- doing most of the busy work for them so they don't have to, leveraging our expertise to solve their problems so they can focus on growing their businesses.

Partnership Approach

PDR approaches each client relationship as a partnership, collaborative in nature with both parties working together toward a common purpose. We are committed to our clients' ongoing success -- there with them every step of the way, through both thick and thin. Cases in point: We saved a client \$15,000 by mediating a lapsed worker comp policy

issue with the state Department of Labor. We also have stepped in and had penalties waived when OSHA and the IRS have initiated inquiries into violations of workplace safety and tax filings.

Solution-Driven

PDR brings together people processes and resources to address (find answers to) the multitude of often overwhelming employment-related workplace challenges that companies confront on a daily basis. Our staff is proactive and customer-focused, delivering support and service beyond expectation. We consider our job well done as clients realize efficiency gains and cost savings by running more streamlined and profitable operations.



Payroll Processing

Let Us Do the Busy Work for You

Service Overview

Processing payroll involves more than just writing checks and paying employees in a timely fashion. It can be extremely labor-intensive, requiring a massive amount of paperwork and detailed record keeping. A company is responsible for complying with various complex regulatory and tax-related issues at federal and state levels, which can be overwhelming, even costly. In 2005, there were over 400 individual tax updates. And approximately 1 in 4 employment tax returns resulted in penalties, at an average cost of \$670 per penalty.

Below are some discrete challenges a company typically confronts when processing payroll:

- Staff expertise is required in multiple areas—often too much to ask of a single individual with lack of experience, formal payroll and tax-related knowledge
- A greater opportunity exists for filing errors (a possible liability to the company)
- Labor costs typically increase, as additional man-hours are now required
- Valuable staff time is taken away—time that could be better spent addressing other pressing operational issues and / or growing the business

Leveraging knowledge, experience and expertise, PayDay Resources (PDR) offers comprehensive Payroll Processing services for companies of all sizes, market circumstances and industries—from construction to manufacturing to retail to technology. In particular, we provide the following payroll-related services:

- Employee Set-Up (deductions, benefits, filing status)
- Payroll Preparation (call, fax, use the Internet or customized software)
- Payroll Payment (checks, direct deposit, paycards, EFT); Convenient Delivery Options
- Payroll Reports (certified payroll, payroll reconciliation), QuikBooks Compatible
- Payroll Tax Deposits (federal, state, workers compensation)
- Quarterly Tax Reports (941s, TC-96, UI, WCI)
- Year-End Tax Reports (W2s, W3s, Federal Wage Listing, TC-96R, 940, State Unemployment Reconciliation)

We look forward to working with you.



Benefits Administration

Providing Your Employees with Only the Best in Benefits

Service Overview

By providing high quality benefits, companies are better able to attract, motivate and retain their employees in a competitive marketplace. PayDay Resources (PDR) offers clients a comprehensive and unique set of insurance solutions, as described below.

- **Unique Offerings**—PDR's Section 125 Cafeteria Plan and Premium Only Plan (POP) stand out as unique benefits that few outsourced management companies provide. Under these plans, employees can choose to set aside pre-tax dollars to pay for certain benefits. Considerable tax savings, for both employer and employee alike, can be realized by using these plans. (Note: To see an example of how this works, please see Appendix A.)
- **Unique Expertise**—PDR also has on staff an in-house Insurance expert, Gary Thornton. Gary is an appointed insurance broker who represents virtually every major health and dental provider in the state. As a value-added service to clients, he offers unlimited free consultation regarding issues related to health insurance administration. Gary helps you plan and invest in insurance products that meet your particular employees' needs.

Below is a list of available benefit options:

- Individual and Group Insurance Plans (IHC, BC / BS, United HC, Altius)
- Group Dental (Dental Select, TDA), Group Vision
- Section 125 Cafeteria Plan (a.k.a. "flexible spending" plan)
- Premium Only Plan (health premiums pre-tax deduction)
- \$50,000 in Free Life Insurance for Company Owners

We look forward to working with you.



Workers Compensation

Lower Your Liabilities, Protect Yourself from Expensive Litigation

Service Overview

PayDay Resources (PDR) provides clients with comprehensive risk management services, most notably, workers comp administration, which includes such things as:

- Handling Initial Account Set-Up
- Filling Out Appropriate Paperwork
- Paying Premiums (Bills) On Time
- Generating Certificates (verification of coverage)
- Avoiding Liability and Fines
- Reducing Legal Exposure
- Helping with Claims Processing
- Filing End-of-Year Audit

Proactive and informed, PDR reduces your risk exposure. This includes ensuring immediate responses to on-the-job injuries, as well as keeping up-to-date on the latest labor regulations (e.g., OSHA logs, OCIP requirements at both state and federal levels) and other issues related to workers' rights and workplace safety.

We look forward to working with you.



Human Resources

Creating a Better Workplace for You and Your Employees

Service Overview

Keeping up-to-date on workplace legislation is difficult. In fact, according to the U.S. Small Business Administration (SBA), between the 1980 and 2000, the number of U.S. laws and regulations regarding employment policies and practices grew by an astonishing 60 percent.

Not surprisingly, it is estimated that the owner of a small or midsized business dedicates up to 25 percent of his or her time on processing employment-related paperwork. In addition, firms with less than 20 employees spend 60 percent more money per employee than larger firms to comply with federal regulations.

PayDay Resources (PDR) provides knowledge and expertise when addressing Human Resources (HR) issues—increasingly important as the regulatory landscape has become more complex. By working with us, we help you navigate the HR maze, freeing you up to concentrate on the operational and revenue-enhancing aspects of your company. In particular, we provide the following types of services:

- Consulting via telephone (or on-site) as needed
- Developing a customized employee handbook and updates as needed
- Providing all necessary HR forms and employee paperwork
- Maintaining accurate and comprehensive employee files
- Resolving employer-employee concerns and conflicts
- Managing unemployment insurance claims, hearings and appeals
- Processing employee garnishments and income withholdings
- Assisting in federal wage and hour inquiries
- Ensuring compliance with ADA, COBRA, FLSA, FMLA and other federal laws

Of particular note, PDR makes available to clients a standard Employee Packet. Customizable to meet your company circumstance, and downloadable via our website (www.pdrutah.com), this establishes the ground rules and governing framework when handling employee-related HR issues.

We look forward to working with you.

www.pdrutah.com

Savings Worksheet: Adding Up the Financial Benefits of Outsourcing

Time and Money Well Spent

According to a recent national survey, 89 percent of small business owners who work with a Professional Employment Organization (PEO), such as Payday Resources (**PDR**), report significant reductions in the time they spend on various payroll and employee-related issues. And nearly 70 percent indicate a PEO saves them money, often times a lot of money. Presented below is a more detailed breakout in direct costs a company might expect to incur if it were to perform certain administrative functions in-house rather than outsource them to a company like **PDR**.

Payroll Processing

	<u>Cost / Burden*</u>
Payroll processing service	\$5,000
- Checks, direct deposits	included
- Payroll tax deposits	included
- Quarterly tax filings	included
- Year-end tax filings	included
Online payroll data entry software	\$750
Time and attendance tracking system	\$500

Benefits Administration

Plan procurement and design	\$3,250
COBRA administration	\$500
ERISA reporting	\$1,250
Section 125 plan admin and testing	\$1,750
Retirement plan setup / admin (IRA, 401k)	\$2,000

Workers Comp / Risk Management

Safety specialist (salary, overhead)	\$45,000
Safety audit (inspection / recommendations)	\$1,000
Procurement of policy, setup	\$500
Claims Administration (initiation, ongoing)	\$75 per incident
OSHA Recordkeeping	\$250

Human Resources

HR Manager (salary, overhead)	\$70,000
HR CRM software	\$10,000 +
HR library	\$1,000
HR forms (English / Spanish)	\$250
Federal labor law postings	\$150
Unemployment claims	\$50 per
Employee garnishments	\$25 per
Employee wage verification requests	\$25 per
Employee handbook	\$1,500 +
Custom HR Policies and Procedures	\$75 per policy
Maintenance of Employee Files	\$100 per employee

TOTAL ~ \$145,000

What's In Your Wallet?



* Figures are for illustration only; estimates based on industry experience, literature review.