MEMORANDUM

DATE: March 17, 2009

TO: Michigan Economic Growth Authority

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Portfolio Management & Packaging

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SUBJECT: Briefing Memo – Quantum Learning Technologies, Inc.
High Technology MEGA Credit

COMPANY NAME:

Quantum Learning Technologies, Inc.
2245 S. State St., Suite. 1200
Ann Arbor, MI 48104

HISTORY OF COMPANY:

Quantum Learning Technologies (QLT) provides web-delivered educational products that enable learners to reach their academic potential. Their solutions embed scientifically based methods of cognitive processing instruction and explicit basic skill development in engaging, interactive programs inspired by video game design techniques.

The company's products, Ramps to Reading and SkatekidsOnline, develop critical and creative thinkers. These are novel online environments appropriate for all learners that look and feel like computer games that today's children love to play. These games are currently used in school classrooms across the county.

The company currently has 11 full-time employees in Michigan.

PROJECT DESCRIPTION:

Quantum Learning Technologies plans to release its first online computer game to the consumer market by 2010. Skatekids Virtual World (SKVW) will be much more robust and complex virtual game for sale directly to the consumer market globally. The company will need to hire technical and creative people to develop and successfully launch this new game.

Quantum Learning Technologies will invest approximately $930,000 and create 47 jobs over the next five years as a result of this project. The average weekly wage for the newly created jobs will be $1,212. The company also offers healthcare benefits, and plans to pay a portion of the benefit cost.

BENEFIT TO STATE:

According to the economic analysis done by the Michigan Economic Development Corporation utilizing Regional Economic Models, Inc. software, it is estimated that this facility will generate a total of XX jobs in the state by the year 2016. Total state government revenues through the year 2016, net of MEGA costs, would be increased by $XX million (current dollars) due to the presence of this facility.

BUSINESS CASE:

Quantum Learning Technologies has large investors in Chicago, IL and Austin, TX where they are being asked to locate to. In addition, these two metropolitan areas have a well developed infrastructure to support advanced computing and digital media companies and a highly skilled labor pool.

OTHER STATE AND LOCAL ASSISTANCE:

Ann Arbor SPARK plans to support this project by coordinating with the City of Ann Arbor to reimburse the company their $1,000 application fee.

QUALIFYING HIGH-TECHNOLOGY ACTIVITY:

The company is a qualified digital media business, as defined in the Act.

RECOMMENDATION:

Based on the factors described above, the Michigan Economic Development Corporation recommends a 90 percent high-technology employment tax credit for seven years for up to 47 net new employees in excess of the company's established base of 11.