



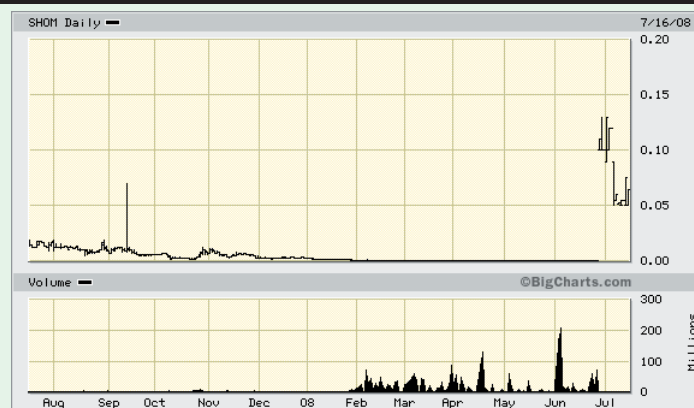
## Southern Home Medical

### BUSINESS SUMMARY

Healthcare staffing has become one of the fastest growing challenges in the medical industry. The nation's medical institutions, local area clinics and physician's offices are in dire need of quality patient care and better financial management of human resources. **Southern Home Medical Equipment, Inc. (OTC: SHOM)** is a holding company with a focus on serving the needs of the health care staffing industry.

Through its Encore Medical Staffing, Inc. ("Encore Medical") division, Southern Home supplies quality health care professionals on a per diem and temporary contract basis to hospitals, rehab centers, nursing homes and other medical facilities. Encore aggressively recruits and provides Registered Nurses (RNs), Licensed Practical Nurses (LPNs) and Certified Nursing Assistants (CNAs). With a growing national franchise business, Encore Medical franchises are located in Charleston, Columbia, and Greenville, South Carolina; Lebanon, Kentucky; Palm Beach Gardens, Florida; and Baltimore, Maryland. Southern Home Medical is leveraging the success of its Encore franchise business model to expand sales opportunities on a national basis.

### STOCK INFORMATION



<b>Business:</b>	<b>Healthcare Staffing</b>
<b>OTC Symbol:</b>	<b>SHOM</b>
<b>Market Price:</b>	<b>\$0.07 (7/17/08)</b>
<b>52 Week Range:</b>	<b>\$0.01 - 0.13</b>
<b>Avg. Daily Volume:</b>	<b>20,571</b>
<b>Shares Outstanding:</b>	<b>20 Million</b>
<b>Market Cap:</b>	<b>\$1.3 Million</b>
<b>Fiscal Year End:</b>	<b>December 31</b>

important service to fill in daily nursing shortages and improve the quality of patient care. From large hospitals to specialized care centers, traveling nurses and temporary staffing opportunities are in



**Encore Medical Staffing, Inc.**



**RNs • CNAs • LPNs**  
SUPPLEMENTAL & CONTRACT STAFFING  
**FOUNDED BY NURSES, RUN BY NURSES**

### MARKET PROFILE

According to the latest projections from the U.S. Bureau of Labor Statistics, more than 1.2 million new and replacement nurses will be needed by 2014. As nursing managers fall into retirement, and colleges and universities struggle to accommodate increases in enrollment, the need for highly qualified medical staffing is intensifying. Outsourcing qualified medical professionals provide an exceedingly

a cycle of virtually non-stop demand. Government analysts project that more than 703,000 new RN positions will be created through 2014, which will account for two-fifths of all new jobs in the health care sector.

***In America, a person turns 50 every 8 seconds — that's more than 10,000 people every day (AARP).***



According to the US Census, 77 million people were born between 1946 and 1964, which is defined as the “Baby Boomer” era. Now that the Baby Boomer population is aging and living longer, our nation’s health care system is faced with new challenges, including a widening gap between the number of elderly patients and qualified personnel to look after them. One report states that the ratio of geriatric specialists to seniors in the United States is about one to 2,500. Encore Medical’s staffing solutions help solve this health care crisis.

## STAFFING SOLUTIONS

The mission of Encore Medical is to continually recruit and provide the finest health care professionals to medical institutions for travel and supplemental placement to Encore Medical’s client institutions across the USA.

Encore Medical’s application process provides quality screening of each health care professional

through the use of License and CPR validation, Skill Checklist, OSHA & HIPPA Forms, Background Checks and Drug Screening. Through this process, Encore Medical is able to provide only the best nursing professionals to medical facilities using its services. Acute care hospitals, nursing homes, rehab centers, LTACS, mental health organizations and other medical facilities can request outsourced assistance on a daily or contractual basis, 24/7.

Encore currently has opportunities for RN’s, LPN’s, CNA’s, Occupational Therapists, Physical Therapists, Physical Therapists, Respiratory Therapists, Speech Therapists, Home Health Aides and Home Sitters. Encore provides healthcare professionals the flexibility to choose when they want to work, where, and in what specialty. By offering per diem work, temporary and contract assignments, many nurses are choosing to work with Encore Medical for a secondary income.

## CORPORATE HIGHLIGHTS

**Bullish Outlook** – Government analysts project that more than 703,000 new RN positions will be created through 2014, which will account for two-fifths of all new jobs in the health care sector.

**An Aging Population** – By 2030, the 65-plus population will double to about 71.5 million, and by 2050 will grow to 86.7 million people (U.S. Census), increasing an ongoing need for high-quality health care professionals to care for our elderly.

**Proven Franchise Model** – Encore Medical’s franchise model has proven to be successful in filling the nationwide nursing shortage and continues to expand its locations nationally. Most recently, Encore Medical increased revenues by 63% in Q2 ‘08 compared to Q1 ‘08.

**Revenue Upside** – SHOM reported revenues of \$66,768 for the month of June 2008. Monthly revenues are expected to increase exponentially.

## FRANCHISE BUSINESS MODEL

The huge nursing shortage is expected to continue due in large part to an aging Baby Boomer generation. Areas where a high percentage of the population is over the age of 65 include retirement hotspots like Florida, but even these areas are likely to disperse to accommodate the growing housing and health care needs of the elderly.

Encore Medical has franchises primarily in the Southeastern United States and plenty of opportunities for regional expansion. The state of North Carolina alone represents up to 10 individual franchise opportunities in dynamic markets like Charlotte, Raleigh, and Greensboro as well as several secondary markets that often represent even greater opportunity to solve growing medical staffing needs. In Greenville, South Carolina, Encore Medical recently announced it had completed its seventh staffing agreement and is aggressively filling supplementary and contractual shifts. In an uncertain US economy, Encore Medical franchise opportunities empowers individuals to set up their own business and have financial independence.

Encore Medical's franchise model is unique in that it allows RNs, CNAs, and LPNs to actively help solve the growing national problem of health care staffing. Nurses, individuals most familiar with the inherent problems of staffing, are best equipped to serve medical facilities as well as other nurses seeking temporary assignments.

Encore Medical has established vendor relationships for Financing, Invoice Factoring, Insurance Policies, Criminal Background Checks,

Liability Insurance, Drug Testing, Software, Web-Site Hosting, Company Store, Administrative Forms and Business Plans. All business agreements, nurse intake packets, marketing strategies, nurse recruiting strategies and all other needed forms are included in the franchisee's initial start-up cost and monthly royalty fees paid to Encore Medical. In return, Encore Medical provides worry-free assistance covering all bases of the franchisee's initial and future success. A new franchise can be opened in approximately 60 days due to Encore Medical's creation of a one-stop shop and managerial support for its franchisees.

## UPSIDE OPPORTUNITY

By 2015, those aged 50 and older will represent 45% of the U.S. population (AARP), creating new challenges to provide affordable, sustainable quality elderly patient care. Southern Home Medical has recognized this market trend as an opportunity for substantial future growth. Division Encore Medical Staffing specializes in providing outsourced, qualified health care professionals to alleviate the long-term national shortage of nurses facing our country. In addition, Encore Medical provides a winning strategy to create new business in the United States in an uncertain economy. The Company is aggressively recruiting qualified nursing professionals to open up franchise locations that expand its regional dominance and ability to enter new geographic areas of interest. With six locations and a pipeline of staffing agreements secured in Encore Medical's key franchisees, Southern Home Medical is well positioned to build shareholder value over the long-term.



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