



The Challenge

Ideas for Impact is a challenge to generate ideas for a business that can be consistently profitable in the New York City area, while employing people who need a second chance in life.

Spring Into Action (www.springintoactionnyc.com) is sponsoring this challenge because we are passionate about creating jobs for people who want to work, but who face significant barriers to employment (i.e. the formerly incarcerated, recovering addicts, and/or homeless people). By soliciting ideas from a wide variety of people and places, we hope to find a business that meets all our criteria and that we can launch in the next twelve months.

The challenge winner is guaranteed \$5000 and another \$20,000 if we successfully launch their idea. As importantly, they will have the satisfaction of knowing that their idea is helping to solve one of society's most intractable problems, and that they will have our eternal gratitude. Life doesn't get any better than that.

OFFICIAL CHALLENGE RULES

The Criteria:

Submissions must minimally describe a business that:

1. Is commercially sustainable because it provides a differentiated product or service that meets a specific customer need.
2. Requires no more than \$1 million to break even and is easily scalable once it breaks even.
3. Provides a variety of jobs and opportunities for career growth so our employees aren't locked into minimum wage jobs forever.

Timeline:

Entry Period: Entries will be accepted from December 15, 2010 at 12:00AM EST until February 15, 2011 at 11:59PM EST.

The Semi-Finalists: Spring Into Action and its advisors will review all submissions and select five (5) semi-finalists by April 1, 2011. Semi-finalists will be notified by email, and announced on our website.

The \$5,000 Noble Prize for Social Impact: Upon further review, Spring Into Action will announce the world-famous "Noble Prize for Social Impact" no later than June 1, 2011. The winner will be notified by phone, and announced on our website.

The \$20,000 Launch Bonus: The winner will be awarded an additional \$20,000 when (and if) the business ultimately opens its doors for operation.

Eligibility:

Both individuals and teams are eligible to participate.

There are only two eligibility requirements. First, all entrants (including all team members) must be at least 18 years old at the start of the Challenge. Second, all entrants must agree to these Official Challenge Rules. The Challenge has no geographical restrictions for applicants, except where prohibited by law.

How to participate:

Go to www.ideasforimpact.com and complete the online application during the Challenge entry period. For those of you who are computer phobic, you can email, fax, or snail mail us your application along with a signed copy of these rules. In order to be considered an Official Entrant, both eligibility requirements must be met, and all Submission Requirements, as outlined below, must be fulfilled.

Teams will designate a "Captain" as the point of communication with Spring Into Action. Team Captains must agree to these Official Challenge Rules on behalf of his or her team

By participating in the Challenge, participants acknowledge and guarantee that the ideas submitted are their own, unless explicitly stated otherwise.

Official Entrants must provide the following Submission Requirements:

Name and contact information, including email address and phone number (so we can notify the semi-finalists and the winner)

The Business Idea – A really smart person would answer the following questions about an idea that meets the challenge criteria:

1. A brief description - what is the business and how does it work?
2. What problem does the business solve?
3. Who are the target customers, how many are there, and why would they buy this product or service from us?
4. Who are the competitors?
5. How does this business create jobs with opportunities for career growth for our employee population?
6. What is your ideal involvement with this idea?

We are open to receiving any and all ideas, be it a spark or a well thought out business plan. Keep in mind though that the better you describe your business idea, the more likely we are to see the genius of it. It's also important to emphasize that while we're open to hearing

about ideas that work in other cities, the winning idea will be a business that we can launch in the New York City area.

The Sponsor:

The Challenge is sponsored by Spring Into Action, a New York limited liability company with principal place of business at 1180 Avenue of the Americas, 16th Floor, New York, New York 10036.

About Spring Into Action:

Four years ago Andy Potash stepped down as CEO of his core businesses, Distinguished Programs Group (www.distinguished.com) and ReSource Pro (www.Resourcepro.com), both insurance-related companies. Though still Chairman, he wanted find a more satisfying way for his family to "give back" than serving on boards and writing checks. More than anything, Andy enjoys starting businesses, and in doing so creating jobs (his core businesses employ over 900 people). So he's decided to start a business that would create jobs for people who need a second chance in life – the formerly incarcerated, recovering addicts, and/or homeless people.

Sixteen months ago, the Potash family hired two recent college graduates with an interest in social entrepreneurship to help us on our quest. Our five-person team spent the last year trying to start up our first social business, New York City's first mattress recycling facility. The business, called Spring Into Action, would have collected old mattresses from aggregators (mattress retailers, hotels, hospitals, etc.), manually disassembled each unit at a warehouse in the South Bronx, and resold the components to be processed into new products.

Alas, price was an issue for our bigger customers who weren't convinced that our social and environmental proposition was worth more than what they were currently paying. And as the bed bug epidemic mounted, it became apparent that dealing with the infestation that would come with deconstructing hundreds of used mattresses each week was going to exacerbate our cost problem. It also made us wonder whether we'd be doing any favors to our employees by having them work in a bed bug infested warehouse. For these reasons, we've decided to shelve this project for now. However, we are still passionate about starting a social enterprise, and need your help in finding the right business to start!

Limitations of Liability (or stuff our lawyer required):

TO THE MAXIMUM EXTENT PERMITTED BY LAW, EACH ENTRANT INDEMNIFIES AND AGREES TO KEEP INDEMNIFIED SPRING INTO ACTION AT ALL TIMES FROM AND AGAINST ANY LIABILITY, ACTIONS, CLAIMS, DEMANDS, LOSSES, DAMAGES, COSTS AND EXPENSES FOR OR IN RESPECT OF WHICH SPRING INTO ACTION WILL OR MAY BECOME LIABLE BY REASON OF OR RELATED OR INCIDENTAL TO ANY ACT, DEFAULT OR OMISSION BY SUCH ENTRANT UNDER THESE OFFICIAL CHALLENGE RULES INCLUDING WITHOUT LIMITATION RESULTING FROM OR IN RELATION TO ANY BREACH, NON-OBSERVANCE, ACT OR OMISSION WHETHER NEGLIGENT OR OTHERWISE, PURSUANT TO THESE OFFICIAL CHALLENGE RULES BY SUCH ENTRANT.

Privacy Notice:

Any personal information collected during the course of the Challenge by Spring Into Action will only be used for administering the Challenge, and will be subject to the practices described in the Spring Into Action Privacy Policy (located at <http://www.springintoactionnyc.com/privacy>).

Disclaimers:

- **The decisions of Spring Into Action are binding and final.**
- **By participating in the Challenge, each entrant is irrevocably granting Spring Into Action the perpetual, non-exclusive, worldwide right and license to use and implement such entrant's submissions.**
- **Only Official Entrants will be eligible to receive the award.**
- **All submissions will be kept confidential.**
- **Only semi-finalists will be eligible for the Noble Prize for Social Impact, and only the Noble Prize for Social Impact winner will be eligible to receive the \$20,000 Launch Bonus.**
- **Spring Into Action has no obligation to implement the winning idea.**
- **Spring Into Action assumes no responsibility for any internal disputes among members of a team that have collective interests in the submission materials.**
- **The winner of any prize is responsible for all taxes.**
- **The Challenge is void where prohibited.**