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1.0 Executive Summary

The purpose of this business plan is to showcase the continued development and growth of a freight brokerage based in Providence, Rhode Island. Deutsch Northeast Logistics Group LLC (“the Company”) was founded by Matthew Deutsch. The Company will specialize in sourcing regional and national level transportation for companies that have freight that needs to be brought to their destinations. At this time, the Company is seeking a \$100,000 revolving credit facility in order to establish operations. The Company will commence operations in the first quarter of next year.

Operations

The primary revenue center for the Company will come from the ongoing arrangement of freight transportation throughout the Northeastern United States as well as the continental United States. The Company will work with numerous companies within the greater Providence area that have ongoing needs for domestic freight transportation. The Company will also have the ability to arrange for ocean freight transportation for international shipments as well as air freight transportation.

On each order, the Company will receive a fee equal to 15% of the face value of the transportation transaction. Matthew Deutsch will initially serve as the initial staff broker while concurrently on boarding numerous other agents that will drive revenue in the coming years.

The third section of the business plan for further discuss the operations of this freight brokerage.

The Financing

As noted above, the Company is currently seeking a \$100,000 revolving line of credit in order to commence operations. Matthew Deutsch will contribute \$25,000 towards venture.

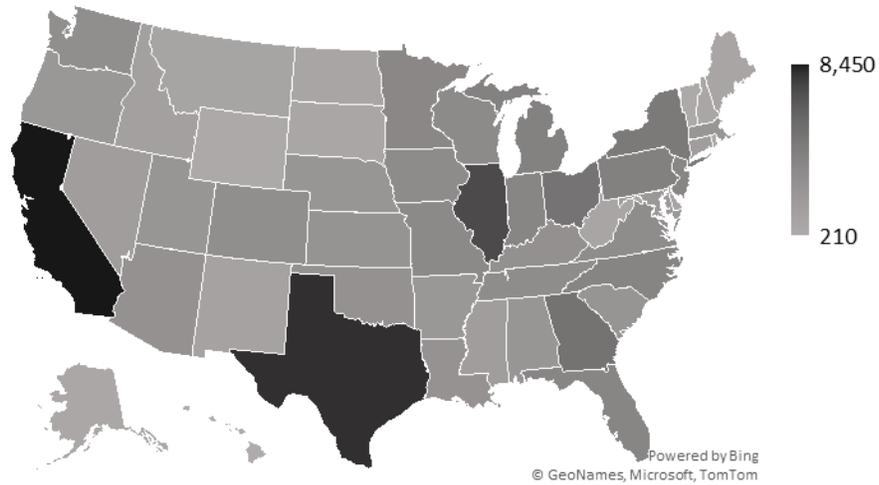
Given the highly predictable nature of revenue is produced by the freight brokerage, the Company will be able to acquire additional capital on an as-needed needed basis as it expands.

The Future

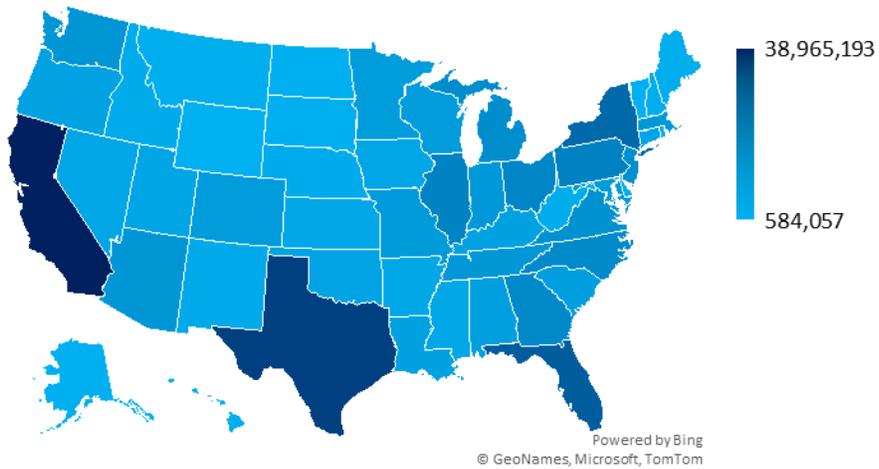
Deutsch Northeast Logistics Group will continue expand its operations by establishing ongoing relationships with companies that have product distribution needs. Given the large number of transportation providers that the Company will maintain relationships with - the business will be able to operate as an end-to-end solution for any entity’s transportation needs. The Company will expand the scope of its direct outreach operations throughout the life of the business.

Market Overview

Number of Freight Transportation Services



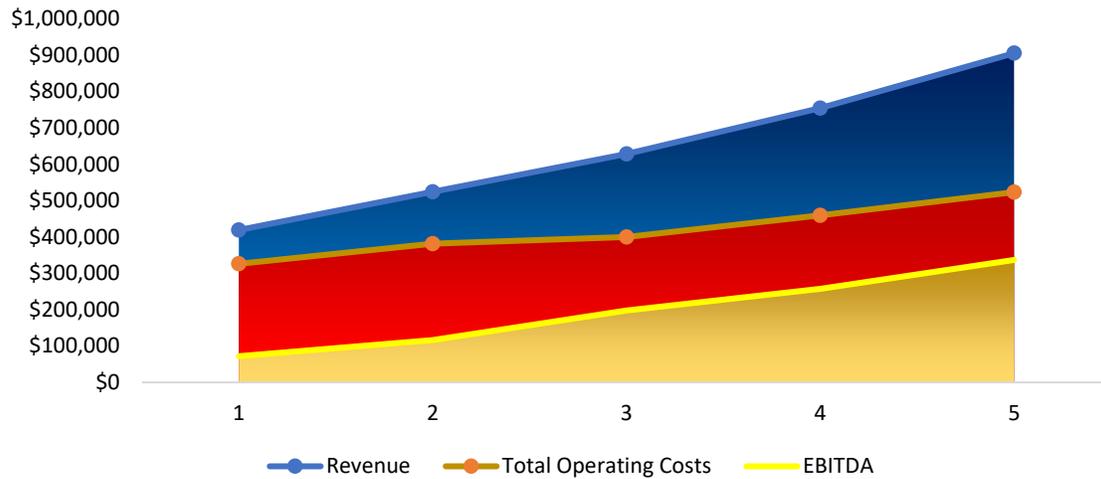
Market Demand by Population



Revenue Forecasts

Proforma Profit and Loss					
Year	1	2	3	4	5
Revenue	\$418,950	\$523,688	\$628,425	\$754,110	\$904,932
Cost of Revenue	\$20,948	\$26,184	\$31,421	\$37,706	\$45,247
Gross Profit	\$398,003	\$497,503	\$597,004	\$716,405	\$859,685
Total Operating Costs	\$325,982	\$381,493	\$399,358	\$459,030	\$523,059
EBITDA	\$72,021	\$116,010	\$197,646	\$257,374	\$336,626

Revenue, Operating Costs, EBITDA



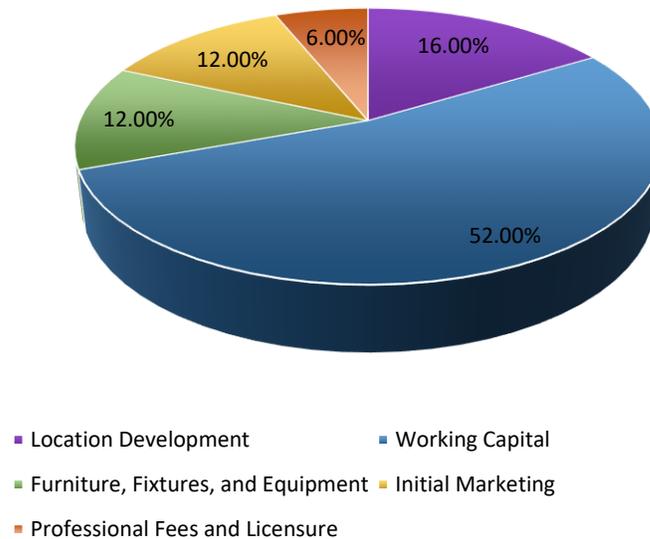
2.0 The Financing

2.1 Funds Required

The funds discussed in the executive summary will be used for the following:

Use of Funds	
Location Development	\$20,000
Working Capital	\$65,000
Furniture, Fixtures, and Equipment	\$15,000
Initial Marketing	\$15,000
Professional Fees and Licensure	\$7,500
Misc. Costs	\$2,500
Total	\$125,000

Use of Funds Overview



2.2 Management and Investor Equity

Matthew Deutsch retains to 100% ownership interest in the business.

2.3 Exit Strategies

Although this is not expected to occur for a substantial period of time, the Company could easily be sold to a third-party who is looking to get into the freight brokerage industry or to a larger company already engaged in this capacity. Generally, it can be expected that an established brokerage will have a price to earnings multiple of three times the prior year's EBITDA. Based on the financial result showcase in this document, Deutsch Northeast Logistics Group may have a value of up to \$1 million by the fifth year of operation.

3.0 Operations

Through its highly developed supply chain operations, Deutsch Northeast Logistics Group will be able to provide complete end to end solutions for any type of freight transportation domestically or internationally. It is expected that approximately 90% of the Company's operations will involve arranging for freight transportation within the continental United States. The Company will work with numerous long haul transportation providers as well as regional transportation providers so that cost-effective transportation solutions can be offered to clients.

The Company will also maintain ongoing relationships with ocean freightliners as well as air freight carriers so that international and time sensitive freight can be transported appropriately.

The Company will generate its revenues exclusively from broker fees. As noted earlier, the business will produce a fee equal to 15% of the face value of the transportation order.

4.0 Overview of the Organization

4.1 Registered Name

Deutsch Northeast Logistics Group LLC. The business is registered as a limited liability company in the State of Rhode Island.

4.2 Commencement of Operations

Revenue generating operations will commence in the first quarter of next year.

4.3 Mission Statement

To provide and end solutions on a cost-effective basis among companies that need freight transported through United States.

4.4 Vision Statement

To become a widely recognized brokerage that offers seamless transportation solutions.

4.5 Organizational Objectives

- Properly on-board staff freight brokerage agents that will increase the Company's book of business in the coming years.
- Establish ongoing relationships with freight transportation providers so that cost-effective solutions can be provided.
- Engaged in a wide-ranging direct outreach campaign among companies that frequently have freight transportation needs.
- Implement appropriate fiscal policies to ensure that Deutsch Northeast Logistics Group remains profitable even during challenging economic climates.
- Provide staff with a rewarding career that provides significant financial incentives among those at further the growth objectives in the business.
- Potentially expanded to other markets within the Northeastern United States as the Company grows.

5.0 Market and Industry Analysis

5.1 External Environmental Analysis

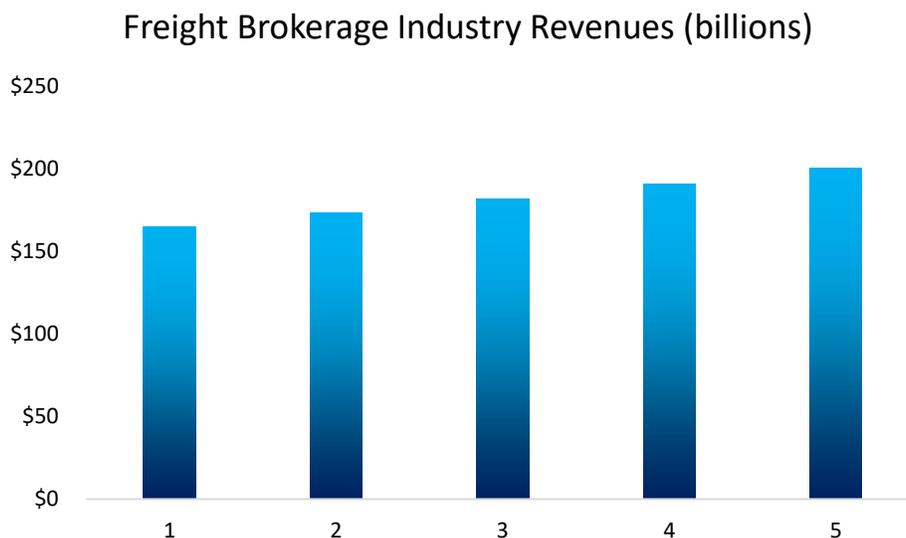
This section of freight brokerage business plan will discuss the industry, the competition that the business will face, the current economic climate, and the Company's demographic profile.

At this time, the economic climate with the United States is moderate. As a result of continually changing trade policies, the economic dynamics of the country have changed moderately over the past year. The US Federal Reserve as well as major central banks are implementing appropriate measures to ensure that the inflation rate remain in control while also ensuring steady employment.

It should be noted that the business will be able to maintain its revenue and profitability, even during challenging economic climates, as the business will operate across a number of diverse industries that have ongoing transportation needs, regardless of how the economy is doing.

5.2 Industry Analysis

Within the United States, there are 80,000 companies that operate in a freight brokerage capacity. These businesses generate \$165 billion of revenue while providing jobs for 500,000 people.



This industry will continue to undergo changes as a result of improved technology that guide the operations of freight brokerages. Machine learning and artificial intelligence are expected to be integrated into the industry given that they can effectively provide route optimization for freight transportation. Furthermore, numerous online application suites are used in order to facilitate the freight transportation process. Deutsch Northeast Logistics

Group will integrate the latest in technology into all facets of operation in order to provide cost-effective solutions to its clients.

5.3 Customer Profile

The following demographic profile will be used during the course of marketing operations:

- Annual revenue of \$1,000,000
- Will spend \$2,500 to \$10,000 per engagement
- Operates within 250 of the Deutsch Northeast Logistics Group location

5.4 Competitive Analysis

This freight brokerage business plan has been written as a sample. If this was done as an engagement for an actual client, a substantial competitive analysis would have been done among regional freight brokerages as well as national level competitors. This would have included an examination of how long they have been in business, their annual revenues, and ways in which this brokerage would be able to remain competitive.

6.0 Key Strategic Issues

6.1 Sustainable Operations

Deutsch Northeast Logistics Group will have sustainable operations as a result of the following:

- The Company does not need to take a risk as a relates to the transportation freight.
- The Company will be able to quickly onboard companies within Providence and Rhode Island that have ongoing freight transportation needs.
- The ability to provide transportation solutions for the entirety of the continental United States, as well as for international fright needs will provide a substantial differentiating factor.
- The Company can provide arrange arrangements for any type of freight, including refrigerated and perishable goods.

6.2 Basis of Growth

The Company will expand via the following methods:

- Continued expansion of the number of agents that work on behalf of the business.
- Expansion to include other types of freight that have complex handling needs.
- Expansion of operations to include dispatch services on an outsourced basis.

7.0 Marketing Plan

7.1 Marketing Objectives

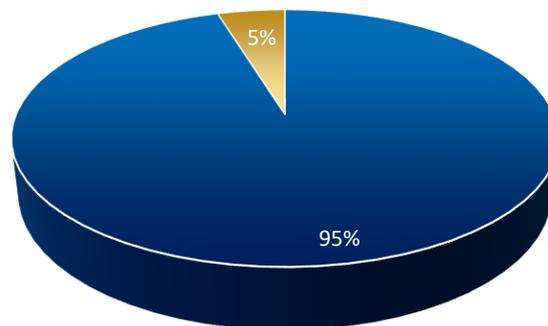
- Engage in a wide-ranging direct outreach campaign companies within Providence.
- Maintain an expansive online presence, including the use of social media in order to drive interest among product-based companies.
- Market the Company’s services within trade journals in order to foster ongoing relationships with transportation providers.

7.2 Revenue Forecasts

Yearly Sales Forecast					
Year	1	2	3	4	5
Freight Brokerage Fees	\$399,000	\$498,750	\$598,500	\$718,200	\$861,840
Ancillary Fees	\$19,950	\$24,938	\$29,925	\$35,910	\$43,092
Totals	\$418,950	\$523,688	\$628,425	\$754,110	\$904,932

Gross Profit					
Year	1	2	3	4	5
Total	\$398,003	\$497,503	\$597,004	\$716,405	\$859,685

Revenue Generation



■ Freight Brokerage Fees ■ Ancillary Fees

7.3 Revenue Assumptions

Year 1

- First year revenue will reach \$418,000.
- During this year, one staff agent will be hired.

Year 2

- Revenue will reach \$523,000.
- Revenue will increase by 25%.

Years 3-5

- By the fifth year of operation, total revenue will reach \$904,000.
- The Company will continue to expand the types of freight transportation services offered.

7.4 Marketing Strategies

Most importantly, Management will actively engage in direct outreach with Company's throughout the greater Providence metropolitan area. The business will engage in face-to-face interactions in order to showcase the wide range of freight brokering operations and solutions that can be provided to its partners. This is going to be the most effective way of establishing relationships with companies that require ongoing freight transportation.

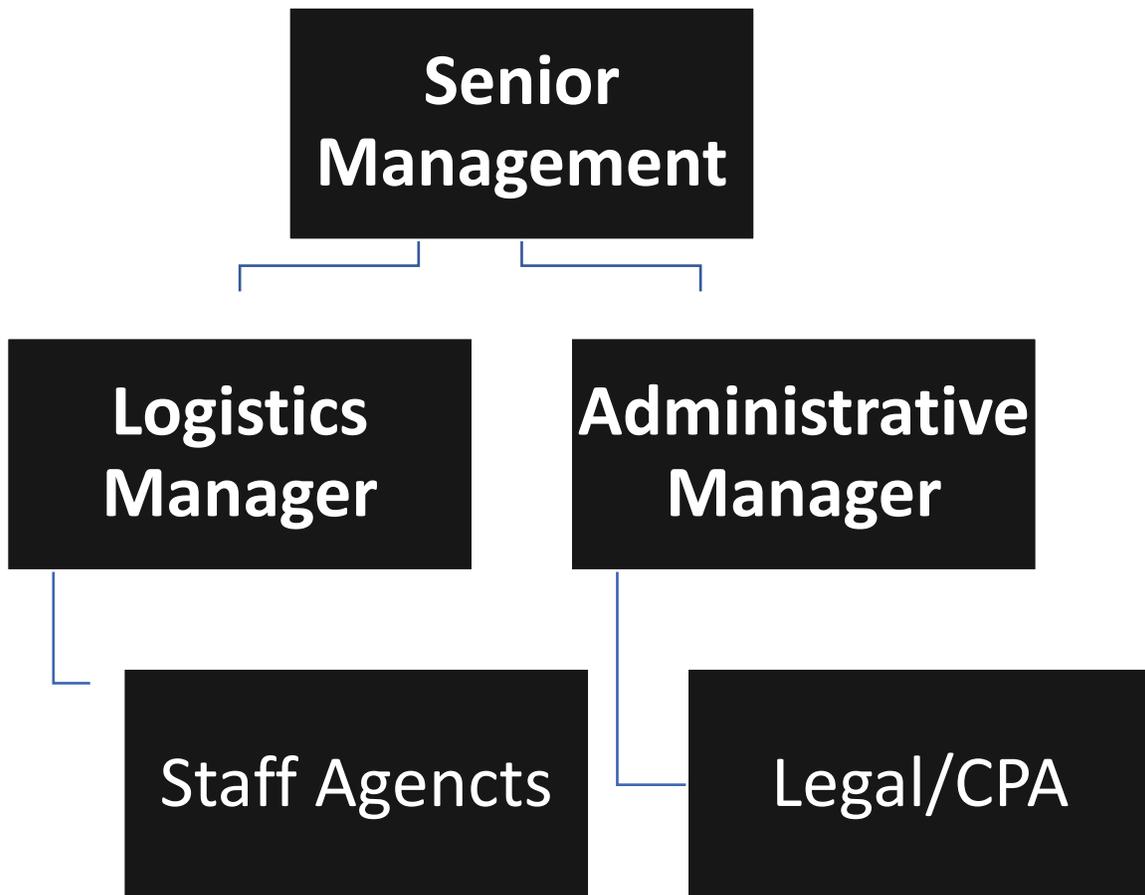
In addition to these direct outreach initiatives, the Company will maintain an expansive online presence through its proprietary website. This platform will showcase the end-to-end freight transportation solutions offered to its clients. The website will undergo search engine optimization specific for Providence, the State of Rhode Island, and the Northeastern United States. This will allow for greater visibility of the website.

In addition to these operations, the company will also maintain a presence among all social media platforms. Although the business will not use targeted advertisements on these platforms – they are useful assist in expanding brand new visibility for Deutsch Northeast Logistics Group.

The Company will also take out print advertisements in trade journals are specific for the freight brokerage industry as well as for freight transportation providers. This will elevate the Company's profile within the industry which will lead to a greater degree of on boarding as well as receiving referrals among entities that have ongoing freight transportation needs.

8.0 Organizational Plan

8.1 Organizational Hierarchy

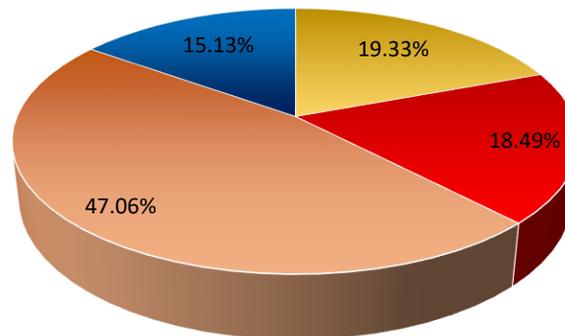


8.2 Personnel Costs

Personnel Plan - Yearly					
Year	1	2	3	4	5
Senior Management	\$57,500	\$58,075	\$58,656	\$59,242	\$59,835
Logistics Manager	\$55,000	\$55,550	\$56,106	\$56,667	\$57,233
Staff Agents	\$35,000	\$70,700	\$71,407	\$108,182	\$145,685
Administrative Manager	\$45,000	\$45,450	\$45,905	\$46,364	\$46,827
Total	\$192,500	\$229,775	\$232,073	\$270,454	\$309,580

Numbers of Personnel (Year End Headcount)					
Year	1	2	3	4	5
Senior Management	1	1	1	1	1
Logistics Manager	1	1	1	1	1
Staff Agents	1	2	2	3	4
Administrative Manager	1	1	1	1	1
Total	4	5	5	6	7

Personnel Summary



- Senior Management
- Logistics Manager
- Staff Agents
- Administrative Manager

9.0 Financial Plan

9.1 Underlying Assumptions

- The company will secure \$100,000 revolving line of credit to launch operations.
- Matthew Deutsch will contribute \$25,000 towards the venture.
- This freight brokerage will achieve a compounded annual growth rate of 21%.

9.2 Financial Highlights

- A business can easily scale its operations by hiring staff agents that will increase revenues.
- By operating in an end-to-end capacity, including for international freight transportation, the business will be able to rapidly onboard clients.
- The business will use the latest in my brokerage technology in order to keep cost controllable.

9.3 Sensitivity Analysis

In the event of severe economic recession, Deutsch Northeast Logistics Group may have some downward pressure on his revenues. However, the Company intends to work with numerous industries, including healthcare focused entities, that will allow the Company to receive orders regardless of challenging business climate. The substantial contribution margins from each placed for transportation order were full for further ensure the profitability of business.

9.4 Source of Funds

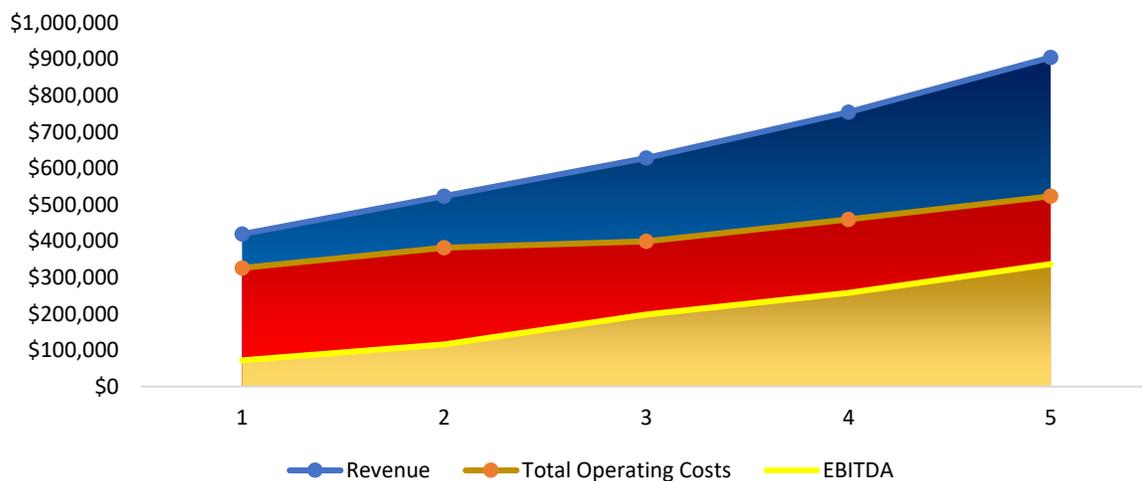
Financing	
Equity	
Equity Capitalization	\$25,000.00
Total Equity Financing	\$25,000.00
Banks and Lenders	
Business Loan	\$100,000.00
Total Debt Financing	\$100,000.00
Total Financing	\$125,000.00

9.5 Financial Proformas

A) Profit and Loss Statement

Proforma Profit and Loss					
Year	1	2	3	4	5
Revenue	\$418,950	\$523,688	\$628,425	\$754,110	\$904,932
Cost of Revenue	\$20,948	\$26,184	\$31,421	\$37,706	\$45,247
Gross Margin	95.00%	95.00%	95.00%	95.00%	95.00%
Gross Profit	\$398,003	\$497,503	\$597,004	\$716,405	\$859,685
Expenses					
Payroll	\$192,500	\$229,775	\$232,073	\$270,454	\$309,580
Facility Costs	\$9,600	\$9,696	\$9,793	\$9,891	\$9,990
General and Administrative	\$7,332	\$9,165	\$10,997	\$13,197	\$15,836
Professional Fees and Licensure	\$50,000	\$50,500	\$51,005	\$51,515	\$52,030
Insurance	\$6,787	\$8,484	\$10,180	\$12,217	\$14,660
Marketing	\$4,190	\$5,237	\$6,284	\$7,541	\$9,049
Commissions	\$37,706	\$47,132	\$56,558	\$67,870	\$81,444
Misc. Costs	\$3,142	\$3,928	\$4,713	\$5,656	\$6,787
Payroll Taxes	\$14,726	\$17,578	\$17,754	\$20,690	\$23,683
Total Operating Costs	\$325,982	\$381,493	\$399,358	\$459,030	\$523,059
EBITDA	\$72,021	\$116,010	\$197,646	\$257,374	\$336,626
Federal Income Tax	\$15,492	\$26,555	\$47,042	\$62,090	\$82,007
State Income Tax	\$3,098	\$5,311	\$9,408	\$12,418	\$16,401
Interest Expense	\$7,754	\$7,189	\$6,578	\$5,915	\$5,198
Depreciation Expenses	\$2,300	\$2,600	\$2,900	\$3,100	\$3,400
Net Profit	\$43,377	\$74,354	\$131,718	\$173,852	\$229,620
Profit Margin	10.35%	14.20%	20.96%	23.05%	25.37%

Revenue, Operating Costs, EBITDA



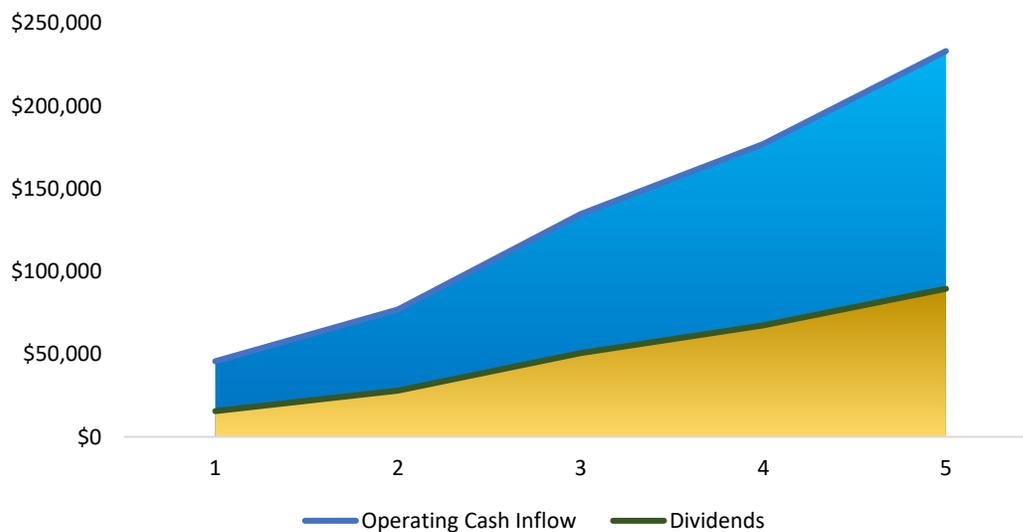
B) Common Size Income Statement

Proforma Profit and Loss (Common Size)					
Year	1	2	3	4	5
Revenue	100.00%	100.00%	100.00%	100.00%	100.00%
Cost of Revenue	5.00%	5.00%	5.00%	5.00%	5.00%
Gross Profit	95.00%	95.00%	95.00%	95.00%	95.00%
Expenses					
Payroll	45.95%	43.88%	36.93%	35.86%	34.21%
Facility Costs	2.29%	1.85%	1.56%	1.31%	1.10%
General and Administrative	1.75%	1.75%	1.75%	1.75%	1.75%
Professional Fees and Licensure	11.93%	9.64%	8.12%	6.83%	5.75%
Insurance	1.62%	1.62%	1.62%	1.62%	1.62%
Marketing	1.00%	1.00%	1.00%	1.00%	1.00%
Commissions	9.00%	9.00%	9.00%	9.00%	9.00%
Misc. Costs	0.75%	0.75%	0.75%	0.75%	0.75%
Payroll Taxes	3.52%	3.36%	2.83%	2.74%	2.62%
Total Operating Costs	77.81%	72.85%	63.55%	60.87%	57.80%
EBITDA	17.19%	22.15%	31.45%	34.13%	37.20%
Federal Income Tax	3.70%	5.07%	7.49%	8.23%	9.06%
State Income Tax	0.74%	1.01%	1.50%	1.65%	1.81%
Interest Expense	1.85%	1.37%	1.05%	0.78%	0.57%
Depreciation Expenses	0.55%	0.50%	0.46%	0.41%	0.38%
Net Profit	10.35%	14.20%	20.96%	23.05%	25.37%

C) Cash Flow Analysis

Proforma Cash Flow Analysis - Yearly					
Year	1	2	3	4	5
Cash From Operations	\$45,677	\$76,954	\$134,618	\$176,952	\$233,020
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$45,677	\$76,954	\$134,618	\$176,952	\$233,020
Other Cash Inflows					
Equity Investment	\$25,000	\$0	\$0	\$0	\$0
Increased Borrowings	\$100,000	\$0	\$0	\$0	\$0
Sales of Business Assets	\$0	\$0	\$0	\$0	\$0
A/P Increases	\$1,000	\$1,050	\$1,103	\$1,158	\$1,216
Total Other Cash Inflows	\$126,000	\$1,050	\$1,103	\$1,158	\$1,216
Total Cash Inflow	\$171,677	\$78,004	\$135,720	\$178,109	\$234,236
Cash Outflows					
Repayment of Principal	\$6,805	\$7,370	\$7,982	\$8,644	\$9,362
A/P Decreases	\$700	\$735	\$772	\$810	\$851
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$35,000	\$6,156	\$6,218	\$6,280	\$6,343
Dividends	\$15,549	\$27,834	\$50,654	\$67,323	\$89,463
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
Total Cash Outflows	\$58,054	\$42,095	\$65,626	\$83,058	\$106,019
Net Cash Flow	\$113,623	\$35,909	\$70,094	\$95,052	\$128,217
Cash Balance	\$113,623	\$149,532	\$219,626	\$314,678	\$442,895

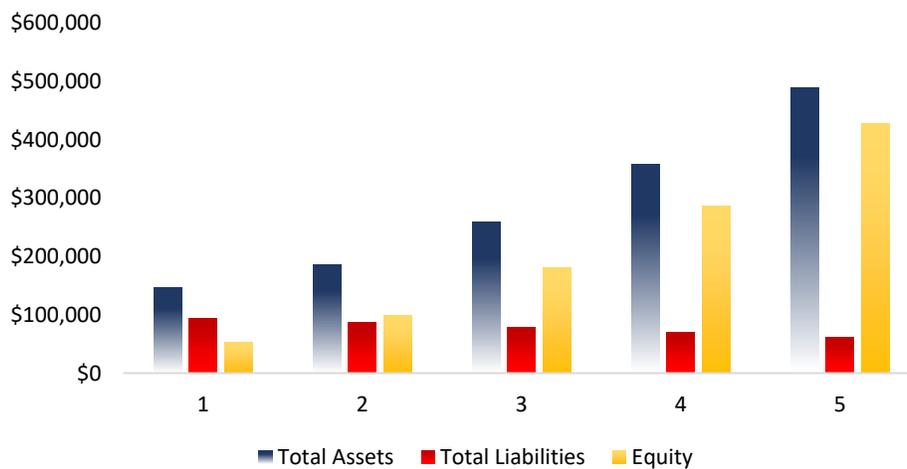
Cash Flow Analysis



D) Balance Sheet

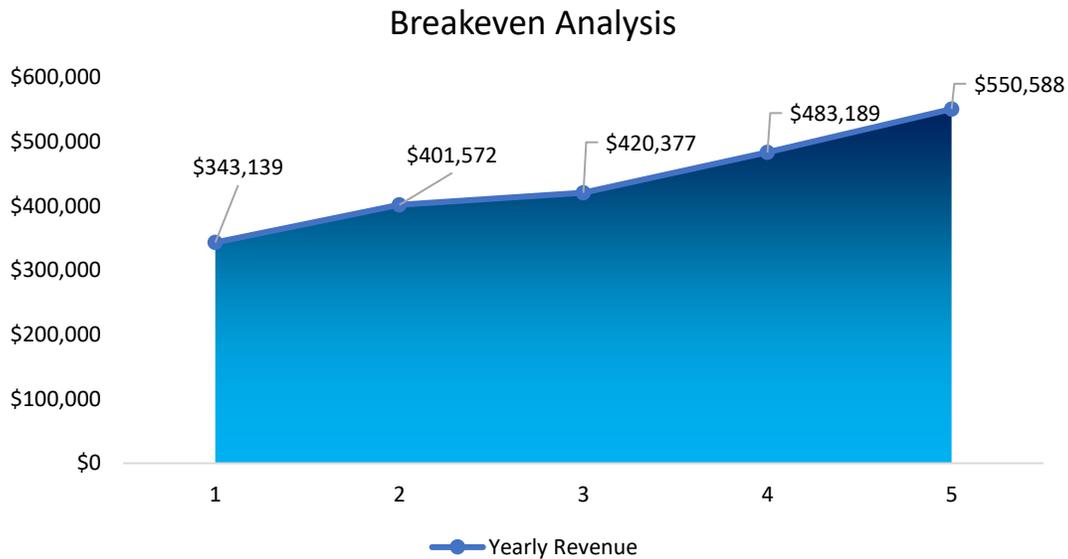
Proforma Balance Sheet - Yearly					
Year	1	2	3	4	5
Assets					
Cash	\$113,623	\$149,532	\$219,626	\$314,678	\$442,895
Fixed Assets	\$35,000	\$41,156	\$47,374	\$53,654	\$59,997
Accumulated Depreciation	(\$2,300)	(\$4,900)	(\$7,800)	(\$10,900)	(\$14,300)
Total Assets	\$146,323	\$185,788	\$259,201	\$357,432	\$488,592
Liabilities and Equity					
Accounts Payable	\$300	\$615	\$946	\$1,293	\$1,658
Long Term Liabilities	\$93,195	\$85,825	\$77,843	\$69,199	\$59,837
Other Liabilities	\$0	\$0	\$0	\$0	\$0
Total Liabilities	\$93,495	\$86,440	\$78,789	\$70,492	\$61,495
Equity	\$52,828	\$99,349	\$180,412	\$286,941	\$427,098
Total Liabilities and Equity	\$146,323	\$185,788	\$259,201	\$357,432	\$488,592

Balance Sheet



9.6 Breakeven Analysis

Break Even Analysis					
Year	1	2	3	4	5
Monthly Revenue	\$28,595	\$33,464	\$35,031	\$40,266	\$45,882
Yearly Revenue	\$343,139	\$401,572	\$420,377	\$483,189	\$550,588



9.7 Business Ratios

Business Ratios - Yearly					
Year	1	2	3	4	5
Revenue					
Sales Growth	0.0%	25.0%	20.0%	20.0%	20.0%
Gross Margin	95.0%	95.0%	95.0%	95.0%	95.0%
Financials					
Profit Margin	10.35%	14.20%	20.96%	23.05%	25.37%
Assets to Liabilities	1.57	2.15	3.29	5.07	7.95
Equity to Liabilities	0.57	1.15	2.29	4.07	6.95
Assets to Equity	2.77	1.87	1.44	1.25	1.14
Liquidity					
Acid Test	1.22	1.73	2.79	4.46	7.20
Cash to Assets	0.78	0.80	0.85	0.88	0.91

Appendix A – SWOT Analysis

Strengths

- Substantial demand on a regional basis for freight brokerages that provide comprehensive solutions
- An experienced owner, Matthew Deutsch, that has extensive experience in the logistics industry.
- The Company is able to provide ground-based freight, air freight, and ocean freight arrangements.
- The Company can scale into other logistic services seamlessly.

Weaknesses

- Changes in energy pricing can impact the commissions that are generated by the business.
- This is a highly competitive industry with many operators that have been in the business for several decades.

Opportunities

- Continued to expansion of the number of staff agents that work for the business.
- Expansion to include other types of freight that have complex handling and transportation needs.
- Integration of additional services, such as dispatching, that can increase revenues.

Threats

- A severe economic recession could impact the operations of the business.
- Ongoing issues with inflation could cause the underlying operating cost of business to increase, especially as it relates to marketing.

Appendix B – Critical Risks

Development Risk – **Low**

The service architecture that will be used within the course of Deutsch Northeast Logistics Group's operations has been developed. The primary matter that needs to be addressed is Management securing of the revolving credit facility discussed this document.

Financing Risk – **Low/Moderate**

The \$100,000 of working capital will be principally used to support the early operations of the business as it establishes its client base. The business will generate highly predictable streams of revenue from freight brokering engagements.

Marketing Risk – **Low**

Management intends to use the direct outreach initiatives discussed in earlier in this document in order to drive client engagement. Matthew Deutsch is well noted with this industry and he will be able to leverage his existing contacts from the onset of operations.

Management Risk – **Low**

The Founder has more than ten years of experience indirect logistics management operations. He will be able to quickly establish a wide-ranging client based for Deutsch Northeast Logistics Group.

Valuation Risk – **Low**

The valuation risk is offset by:

- The Company will offer its services on a nationwide basis.
- Limited financial risks as the Company only operates in a brokerage capacity.
- The business can scale its operations by retaining staff agents.
- New services can be integrated at a very low cost.
- The business can further scale its operations by offering a greater degree of international freight brokering services.

Exit Risk - **Low**

Although it is not expected to happen for a minimum of ten years, this business could be sold for a substantial profit to a third-party. In this event, a formal valuation regarding the value of this brokerage would be conducted prior to marketing the business for sale.

Appendix C – Expanded Profit and Loss Statements

Profit and Loss Statement (First Year)							
Months	1	2	3	4	5	6	7
Revenue	\$26,250	\$27,825	\$29,400	\$30,975	\$32,550	\$34,125	\$35,700
Cost of Revenue	\$1,313	\$1,391	\$1,470	\$1,549	\$1,628	\$1,706	\$1,785
Gross Profit	\$24,938	\$26,434	\$27,930	\$29,426	\$30,923	\$32,419	\$33,915
Expenses							
Payroll	\$16,042	\$16,042	\$16,042	\$16,042	\$16,042	\$16,042	\$16,042
Facility Costs	\$800	\$800	\$800	\$800	\$800	\$800	\$800
General and Administrative	\$611	\$611	\$611	\$611	\$611	\$611	\$611
Professional Fees and Licensure	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167
Insurance	\$566	\$566	\$566	\$566	\$566	\$566	\$566
Marketing	\$349	\$349	\$349	\$349	\$349	\$349	\$349
Commissions	\$3,142	\$3,142	\$3,142	\$3,142	\$3,142	\$3,142	\$3,142
Misc. Costs	\$262	\$262	\$262	\$262	\$262	\$262	\$262
Payroll Taxes	\$1,227	\$1,227	\$1,227	\$1,227	\$1,227	\$1,227	\$1,227
Total Operating Costs	\$27,165						
EBITDA	-\$2,228	-\$731	\$765	\$2,261	\$3,757	\$5,254	\$6,750
Federal Income Tax	\$971	\$1,029	\$1,087	\$1,145	\$1,204	\$1,262	\$1,320
State Income Tax	\$194	\$206	\$217	\$229	\$241	\$252	\$264
Interest Expense	\$667	\$663	\$659	\$656	\$652	\$648	\$644
Depreciation Expenses	\$192	\$192	\$192	\$192	\$192	\$192	\$192
Net Profit	-\$4,251	-\$2,821	-\$1,391	\$39	\$1,469	\$2,899	\$4,330

Profit and Loss Statement (First Year Cont.)

Month	8	9	10	11	12	Year 1
Revenue	\$37,275	\$38,850	\$40,425	\$42,000	\$43,575	\$418,950
Cost of Revenue	\$1,864	\$1,943	\$2,021	\$2,100	\$2,179	\$20,948
Gross Profit	\$35,411	\$36,908	\$38,404	\$39,900	\$41,396	\$398,003
Expenses						
Payroll	\$16,042	\$16,042	\$16,042	\$16,042	\$16,042	\$192,500
Facility Costs	\$800	\$800	\$800	\$800	\$800	\$9,600
General and Administrative	\$611	\$611	\$611	\$611	\$611	\$7,332
Professional Fees and Licensure	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$50,000
Insurance	\$566	\$566	\$566	\$566	\$566	\$6,787
Marketing	\$349	\$349	\$349	\$349	\$349	\$4,190
Commissions	\$3,142	\$3,142	\$3,142	\$3,142	\$3,142	\$37,706
Misc. Costs	\$262	\$262	\$262	\$262	\$262	\$3,142
Payroll Taxes	\$1,227	\$1,227	\$1,227	\$1,227	\$1,227	\$14,726
Total Operating Costs	\$27,165	\$27,165	\$27,165	\$27,165	\$27,165	\$325,982
EBITDA	\$8,246	\$9,742	\$11,239	\$12,735	\$14,231	\$72,021
Federal Income Tax	\$1,378	\$1,437	\$1,495	\$1,553	\$1,611	\$15,492
State Income Tax	\$276	\$287	\$299	\$311	\$322	\$3,098
Interest Expense	\$641	\$637	\$633	\$629	\$625	\$7,754
Depreciation Expenses	\$192	\$192	\$192	\$192	\$192	\$2,300
Net Profit	\$5,760	\$7,190	\$8,620	\$10,050	\$11,481	\$43,377

Profit and Loss Statement (Second Year)

Quarter	Year 2				
	Q1	Q2	Q3	Q4	Year 2
Revenue	\$126,994	\$129,613	\$132,231	\$134,850	\$523,688
Cost of Revenue	\$6,350	\$6,481	\$6,612	\$6,742	\$26,184
Gross Profit	\$120,645	\$123,132	\$125,620	\$128,107	\$497,503
Expenses					
Payroll	\$57,444	\$57,444	\$57,444	\$57,444	\$229,775
Facility Costs	\$2,424	\$2,424	\$2,424	\$2,424	\$9,696
General and Administrative	\$2,222	\$2,268	\$2,314	\$2,360	\$9,165
Professional Fees and Licensure	\$12,246	\$12,499	\$12,751	\$13,004	\$50,500
Insurance	\$2,121	\$2,121	\$2,121	\$2,121	\$8,484
Marketing	\$1,270	\$1,296	\$1,322	\$1,348	\$5,237
Commissions	\$11,783	\$11,783	\$11,783	\$11,783	\$47,132
Misc. Costs	\$952	\$972	\$992	\$1,011	\$3,928
Payroll Taxes	\$4,263	\$4,351	\$4,438	\$4,526	\$17,578
Total Operating Costs	\$94,725	\$95,157	\$95,589	\$96,021	\$381,493
EBITDA	\$25,919	\$27,975	\$30,030	\$32,086	\$116,010
Federal Income Tax	\$6,440	\$6,572	\$6,705	\$6,838	\$26,555
State Income Tax	\$1,288	\$1,314	\$1,341	\$1,368	\$5,311
Interest Expense	\$1,852	\$1,816	\$1,779	\$1,742	\$7,189
Depreciation Expenses	\$650	\$650	\$650	\$650	\$2,600
Net Profit	\$15,690	\$17,622	\$19,555	\$21,488	\$74,354

Profit and Loss Statement (Third Year)

Quarter	Year 3				
	Q1	Q2	Q3	Q4	Year 3
Revenue	\$152,393	\$155,535	\$158,677	\$161,819	\$628,425
Cost of Revenue	\$7,620	\$7,777	\$7,934	\$8,091	\$31,421
Gross Profit	\$144,773	\$147,758	\$150,743	\$153,728	\$597,004
Expenses					
Payroll	\$58,018	\$58,018	\$58,018	\$58,018	\$232,073
Facility Costs	\$2,448	\$2,448	\$2,448	\$2,448	\$9,793
General and Administrative	\$2,667	\$2,722	\$2,777	\$2,832	\$10,997
Professional Fees and Licensure	\$12,369	\$12,624	\$12,879	\$13,134	\$51,005
Insurance	\$2,545	\$2,545	\$2,545	\$2,545	\$10,180
Marketing	\$1,524	\$1,555	\$1,587	\$1,618	\$6,284
Commissions	\$14,140	\$14,140	\$14,140	\$14,140	\$56,558
Misc. Costs	\$1,143	\$1,167	\$1,190	\$1,214	\$4,713
Payroll Taxes	\$4,438	\$4,438	\$4,438	\$4,438	\$17,754
Total Operating Costs	\$99,292	\$99,657	\$100,022	\$100,387	\$399,358
EBITDA	\$45,481	\$48,101	\$50,721	\$53,341	\$197,646
Federal Income Tax	\$11,408	\$11,643	\$11,878	\$12,113	\$47,042
State Income Tax	\$2,282	\$2,329	\$2,376	\$2,423	\$9,408
Interest Expense	\$1,704	\$1,665	\$1,625	\$1,584	\$6,578
Depreciation Expenses	\$725	\$725	\$725	\$725	\$2,900
Net Profit	\$29,364	\$31,740	\$34,118	\$36,496	\$131,718

Profit and Loss Statement (Fourth Year)

Quarter	Year 4				
	Q1	Q2	Q3	Q4	Year 4
Revenue	\$182,872	\$186,642	\$190,413	\$194,183	\$754,110
Cost of Revenue	\$9,144	\$9,332	\$9,521	\$9,709	\$37,706
Gross Profit	\$173,728	\$177,310	\$180,892	\$184,474	\$716,405
Expenses					
Payroll	\$67,614	\$67,614	\$67,614	\$67,614	\$270,454
Facility Costs	\$2,473	\$2,473	\$2,473	\$2,473	\$9,891
General and Administrative	\$3,200	\$3,266	\$3,332	\$3,398	\$13,197
Professional Fees and Licensure	\$12,492	\$12,750	\$13,008	\$13,265	\$51,515
Insurance	\$3,054	\$3,054	\$3,054	\$3,054	\$12,217
Marketing	\$1,829	\$1,866	\$1,904	\$1,942	\$7,541
Commissions	\$16,967	\$16,967	\$16,967	\$16,967	\$67,870
Misc. Costs	\$1,372	\$1,400	\$1,428	\$1,456	\$5,656
Payroll Taxes	\$5,172	\$5,172	\$5,172	\$5,172	\$20,690
Total Operating Costs	\$114,173	\$114,563	\$114,952	\$115,342	\$459,030
EBITDA	\$59,555	\$62,747	\$65,940	\$69,132	\$257,374
Federal Income Tax	\$15,057	\$15,367	\$15,678	\$15,988	\$62,090
State Income Tax	\$3,011	\$3,073	\$3,136	\$3,198	\$12,418
Interest Expense	\$1,543	\$1,501	\$1,458	\$1,414	\$5,915
Depreciation Expenses	\$775	\$775	\$775	\$775	\$3,100
Net Profit	\$39,169	\$42,031	\$44,894	\$47,758	\$173,852

Profit and Loss Statement (Fifth Year)

Quarter	Year 5				
	Q1	Q2	Q3	Q4	Year 5
Revenue	\$219,446	\$223,971	\$228,495	\$233,020	\$904,932
Cost of Revenue	\$10,972	\$11,199	\$11,425	\$11,651	\$45,247
Gross Profit	\$208,474	\$212,772	\$217,071	\$221,369	\$859,685
Expenses					
Payroll	\$77,395	\$77,395	\$77,395	\$77,395	\$309,580
Facility Costs	\$2,497	\$2,497	\$2,497	\$2,497	\$9,990
General and Administrative	\$3,840	\$3,919	\$3,999	\$4,078	\$15,836
Professional Fees and Licensure	\$12,617	\$12,877	\$13,138	\$13,398	\$52,030
Insurance	\$3,665	\$3,665	\$3,665	\$3,665	\$14,660
Marketing	\$2,194	\$2,240	\$2,285	\$2,330	\$9,049
Commissions	\$20,361	\$20,361	\$20,361	\$20,361	\$81,444
Misc. Costs	\$1,646	\$1,680	\$1,714	\$1,748	\$6,787
Payroll Taxes	\$5,921	\$5,921	\$5,921	\$5,921	\$23,683
Total Operating Costs	\$130,137	\$130,555	\$130,974	\$131,393	\$523,059
EBITDA	\$78,337	\$82,217	\$86,097	\$89,976	\$336,626
Federal Income Tax	\$19,887	\$20,297	\$20,707	\$21,117	\$82,007
State Income Tax	\$3,977	\$4,059	\$4,141	\$4,223	\$16,401
Interest Expense	\$1,369	\$1,323	\$1,277	\$1,229	\$5,198
Depreciation Expenses	\$850	\$850	\$850	\$850	\$3,400
Net Profit	\$52,254	\$55,687	\$59,122	\$62,557	\$229,620

Appendix D – Expanded Cash Flow Analysis

Cash Flow Analysis (First Year)								
Month	1	2	3	4	5	6	7	8
Cash From Operations	-\$4,059	-\$2,629	-\$1,199	\$231	\$1,661	\$3,091	\$4,521	\$5,951
Cash From Receivables	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	-\$4,059	-\$2,629	-\$1,199	\$231	\$1,661	\$3,091	\$4,521	\$5,951
Other Cash Inflows								
Equity Investment	\$25,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Increased Borrowings	\$100,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales of Business Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
A/P Increases	\$83	\$83	\$83	\$83	\$83	\$83	\$83	\$83
Total Other Cash Inflows	\$125,083	\$83						
Total Cash Inflow	\$121,024	-\$2,546	-\$1,116	\$314	\$1,744	\$3,174	\$4,605	\$6,035
Cash Outflows								
Repayment of Principal	\$547	\$550	\$554	\$558	\$561	\$565	\$569	\$573
A/P Decreases	\$58	\$58	\$58	\$58	\$58	\$58	\$58	\$58
A/R Increases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$35,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Dividends	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cash Outflows	\$35,605	\$609	\$612	\$616	\$620	\$623	\$627	\$631
Net Cash Flow	\$85,419	-\$3,154	-\$1,728	-\$302	\$1,125	\$2,551	\$3,977	\$5,404
Cash Balance	\$85,419	\$82,265	\$80,537	\$80,235	\$81,360	\$83,911	\$87,889	\$93,292

Cash Flow Analysis (First Year Cont.)					
Month	9	10	11	12	Year 1
Cash From Operations	\$7,382	\$8,812	\$10,242	\$11,672	\$45,677
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$7,382	\$8,812	\$10,242	\$11,672	\$45,677
Other Cash Inflows					
Equity Investment	\$0	\$0	\$0	\$0	\$25,000
Increased Borrowings	\$0	\$0	\$0	\$0	\$100,000
Sales of Business Assets	\$0	\$0	\$0	\$0	\$0
A/P Increases	\$83	\$83	\$83	\$83	\$1,000
Total Other Cash Inflows	\$83	\$83	\$83	\$83	\$126,000
Total Cash Inflow	\$7,465	\$8,895	\$10,325	\$11,756	\$171,677
Cash Outflows					
Repayment of Principal	\$576	\$580	\$584	\$588	\$6,805
A/P Decreases	\$58	\$58	\$58	\$58	\$700
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$0	\$0	\$0	\$0	\$35,000
Dividends	\$0	\$0	\$0	\$15,549	\$15,549
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
Total Cash Outflows	\$635	\$639	\$642	\$16,195	\$58,054
Net Cash Flow	\$6,830	\$8,257	\$9,683	-\$4,439	\$113,623
Cash Balance	\$100,123	\$108,379	\$118,062	\$113,623	\$113,623

Cash Flow Analysis (Second Year)					
Quarter	Year 2				
	Q1	Q2	Q3	Q4	Year 2
Cash From Operations	\$16,340	\$18,272	\$20,205	\$22,138	\$76,954
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$16,340	\$18,272	\$20,205	\$22,138	\$76,954
Other Cash Inflows					
Equity Investment	\$0	\$0	\$0	\$0	\$0
Increased Borrowings	\$0	\$0	\$0	\$0	\$0
Sales of Business Assets	\$0	\$0	\$0	\$0	\$0
A/P Increases	\$255	\$260	\$265	\$270	\$1,050
Total Other Cash Inflows	\$255	\$260	\$265	\$270	\$1,050
Total Cash Inflow	\$16,594	\$18,532	\$20,470	\$22,409	\$78,004
Cash Outflows					
Repayment of Principal	\$1,788	\$1,824	\$1,861	\$1,898	\$7,370
A/P Decreases	\$178	\$182	\$186	\$189	\$735
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$6,156	\$0	\$0	\$0	\$6,156
Dividends	\$0	\$0	\$0	\$27,834	\$27,834
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
Total Cash Outflows	\$8,122	\$2,006	\$2,046	\$29,921	\$42,095
Net Cash Flow	\$8,472	\$16,526	\$18,424	-\$7,512	\$35,909
Cash Balance	\$122,095	\$138,621	\$157,044	\$149,532	\$149,532

Cash Flow Analysis (Third Year)					
Quarter	Year 3				
	Q1	Q2	Q3	Q4	Year 3
Cash From Operations	\$30,089	\$32,465	\$34,843	\$37,221	\$134,618
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$30,089	\$32,465	\$34,843	\$37,221	\$134,618
Other Cash Inflows					
Equity Investment	\$0	\$0	\$0	\$0	\$0
Increased Borrowings	\$0	\$0	\$0	\$0	\$0
Sales of Business Assets	\$0	\$0	\$0	\$0	\$0
A/P Increases	\$267	\$273	\$278	\$284	\$1,103
Total Other Cash Inflows	\$267	\$273	\$278	\$284	\$1,103
Total Cash Inflow	\$30,356	\$32,738	\$35,121	\$37,505	\$135,720
Cash Outflows					
Repayment of Principal	\$1,936	\$1,975	\$2,015	\$2,056	\$7,982
A/P Decreases	\$187	\$191	\$195	\$199	\$772
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$6,218	\$0	\$0	\$0	\$6,218
Dividends	\$0	\$0	\$0	\$50,654	\$50,654
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
Total Cash Outflows	\$8,341	\$2,166	\$2,210	\$52,909	\$65,626
Net Cash Flow	\$22,015	\$30,572	\$32,911	-\$15,404	\$70,094
Cash Balance	\$171,547	\$202,119	\$235,030	\$219,626	\$219,626

Cash Flow Analysis (Fourth Year)					
Quarter	Year 4				
	Q1	Q2	Q3	Q4	Year 4
Cash From Operations	\$39,944	\$42,806	\$45,669	\$48,533	\$176,952
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$39,944	\$42,806	\$45,669	\$48,533	\$176,952
Other Cash Inflows					
Equity Investment	\$0	\$0	\$0	\$0	\$0
Increased Borrowings	\$0	\$0	\$0	\$0	\$0
Sales of Business Assets	\$0	\$0	\$0	\$0	\$0
A/P Increases	\$281	\$287	\$292	\$298	\$1,158
Total Other Cash Inflows	\$281	\$287	\$292	\$298	\$1,158
Total Cash Inflow	\$40,225	\$43,092	\$45,961	\$48,831	\$178,109
Cash Outflows					
Repayment of Principal	\$2,097	\$2,139	\$2,182	\$2,226	\$8,644
A/P Decreases	\$197	\$201	\$205	\$209	\$810
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$6,280	\$0	\$0	\$0	\$6,280
Dividends	\$0	\$0	\$0	\$67,323	\$67,323
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
Total Cash Outflows	\$8,573	\$2,340	\$2,387	\$69,758	\$83,058
Net Cash Flow	\$31,651	\$40,753	\$43,574	-\$20,927	\$95,052
Cash Balance	\$251,277	\$292,030	\$335,605	\$314,678	\$314,678

Cash Flow Analysis (Fifth Year)					
	Year 5				
Quarter	Q1	Q2	Q3	Q4	Year 5
Cash From Operations	\$53,104	\$56,537	\$59,972	\$63,407	\$233,020
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$53,104	\$56,537	\$59,972	\$63,407	\$233,020
Other Cash Inflows					
Equity Investment	\$0	\$0	\$0	\$0	\$0
Increased Borrowings	\$0	\$0	\$0	\$0	\$0
Sales of Business Assets	\$0	\$0	\$0	\$0	\$0
A/P Increases	\$295	\$301	\$307	\$313	\$1,216
Total Other Cash Inflows	\$295	\$301	\$307	\$313	\$1,216
Total Cash Inflow	\$53,399	\$56,838	\$60,279	\$63,720	\$234,236
Cash Outflows					
Repayment of Principal	\$2,271	\$2,317	\$2,363	\$2,411	\$9,362
A/P Decreases	\$206	\$211	\$215	\$219	\$851
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$6,343	\$0	\$0	\$0	\$6,343
Dividends	\$0	\$0	\$0	\$89,463	\$89,463
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
Total Cash Outflows	\$8,820	\$2,527	\$2,578	\$92,093	\$106,019
Net Cash Flow	\$44,578	\$54,311	\$57,701	-\$28,373	\$128,217
Cash Balance	\$359,256	\$413,567	\$471,268	\$442,895	\$442,895