

DEUTSCH
— ✦ JEWELRY DESIGN ✦ —



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1.0 Executive Summary

Deutsch Jewelry Design LLC (“the Company”) is a business dedicated to providing exceptionally designed gold and silver jewelry encompassing necklaces, rings, pendants, tennis bracelets, and other unique pieces. The Company’s operations will be based in Fort Myers, Florida. The business was founded by Matthew Deutsch and full-scale revenue generating operations are expected to commence in the third quarter of next year. At this time, the Company is seeking a \$200,000 private investment in order to establish operations.

All jewelry products produced by the business will be designed by Matthew Deutsch, a noted jeweler. The Company will use premium metals within the course of its operations with a focus on silver and gold. At the request of a client, the Company can also use platinum as well as palladium.

The production of jewelry will also occur on site at the Company’s facilities in Fort Myers. This will allow for full control over each aspect of the production process, which will ultimately lead to a higher quality product for the end user. In regards to revenue generation, each piece will have a pricing point of \$200 to \$5,000 depending on the type of product, the metal used, and its weight.

The third section of the business plan will further discuss the operations of business.

The Financing

The \$200,000 of capital sought in this document will allow the business to properly establish its design and production studio. The funds will be principally used for the following:

- Studio development in Fort Myers
- Precious metal inventories
- Molding and tooling
- Working capital

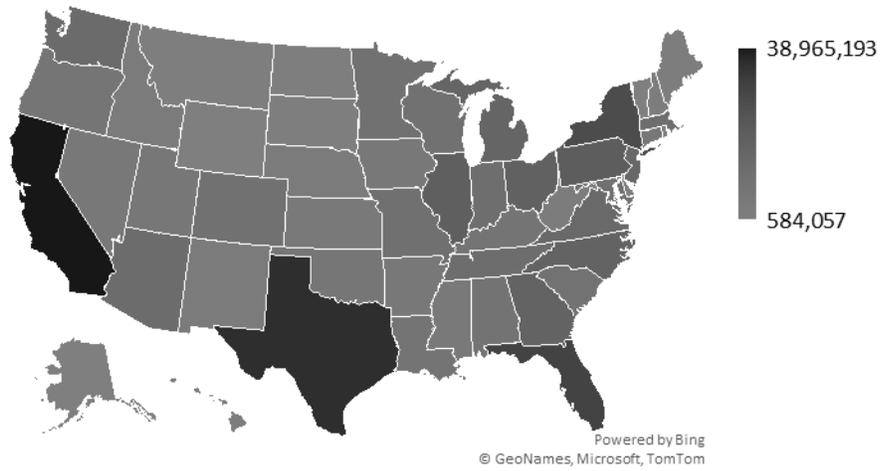
As this business deals in precious metals, the Company could easily secure additional capital including a revolving credit facility that will allow the business to properly finance its underlying inventories. The Company could also secure a business loan if additional production locations are to be established.

The Future

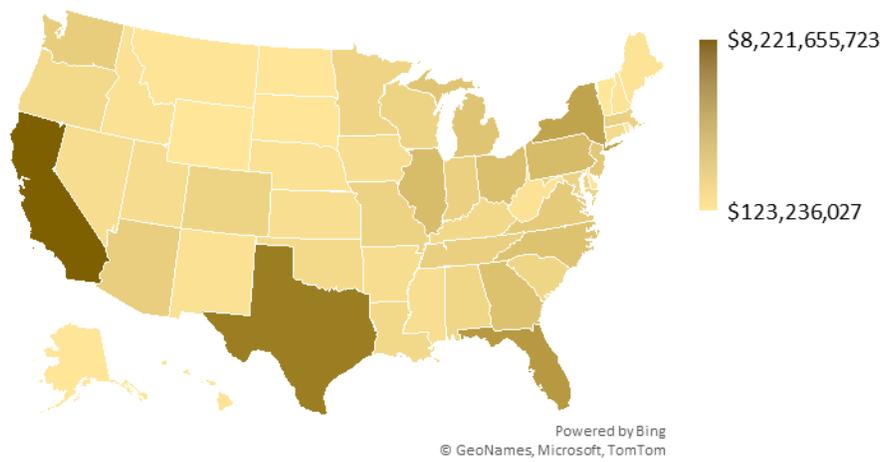
Of utmost importance to the Company’s growth will be the continued expansion of the business’ marketing operations. The Company will use multiple forms of online marketing as well as direct distribution with third-party jewelry stores that will carry the Company’s products within their locations. To that end, the Company intends to establish a significant sales apparatus for fostering these relationships in the coming years.

Market Overview

Demand by State



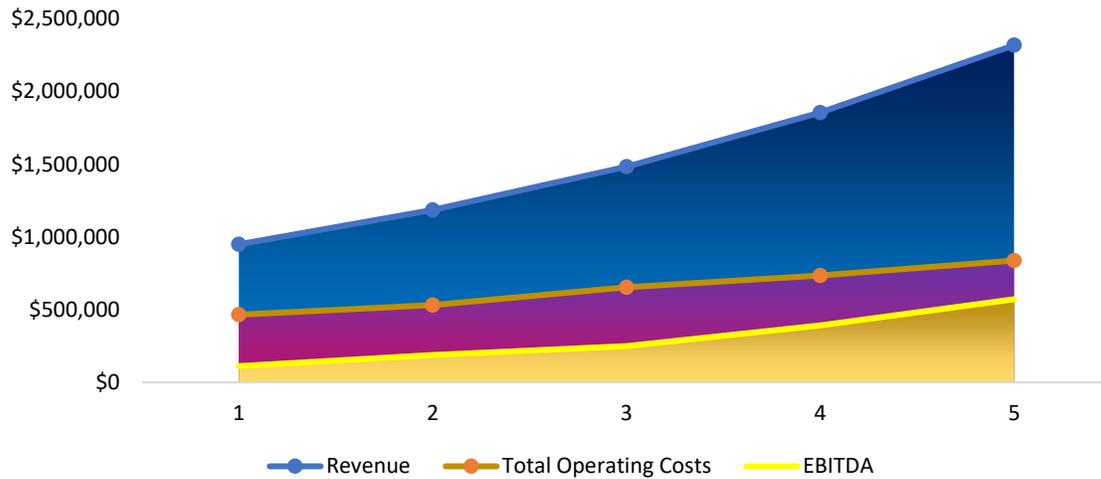
Market Value by State



Revenue Forecasts

Proforma Profit and Loss					
Year	1	2	3	4	5
Revenue	\$949,050	\$1,186,313	\$1,482,891	\$1,853,613	\$2,317,017
Cost of Revenue	\$371,925	\$464,906	\$581,133	\$726,416	\$908,020
Gross Profit	\$577,125	\$721,406	\$901,758	\$1,127,197	\$1,408,997
Total Operating Costs	\$465,317	\$532,227	\$652,827	\$735,807	\$837,725
EBITDA	\$111,808	\$189,180	\$248,931	\$391,391	\$571,271

Revenue, Operating Costs, EBITDA



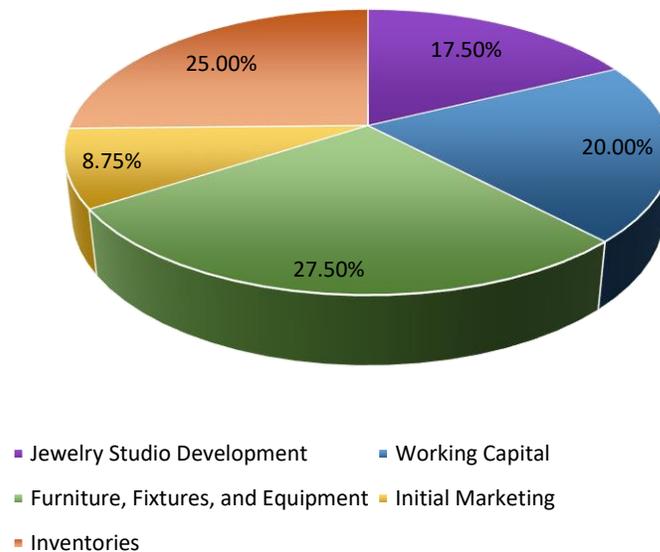
2.0 The Financing

2.1 Funds Required

The \$200,000 of capital sought in this document will be principally used for the following:

Use of Funds	
Jewelry Studio Development	\$35,000
Working Capital	\$40,000
Furniture, Fixtures, and Equipment	\$55,000
Initial Marketing	\$17,500
Inventories	\$50,000
Misc. Costs	\$2,500
Total	\$200,000

Use of Funds Overview



2.2 Management and Investor Equity

Management intends to sell a 40% ownership interest in the business in exchange for the capital discussed in this document.

2.3 Exit Strategies

There is a significant demand for jewelry enterprises that provide their products on a proprietary basis. Matthew Deutsch intends to operate this business for a significant period of time. However, in the event of a business sale, a business broker as well as a business valuation firm will be retained in order to properly manage the divestiture of Deutsch Jewelry Design to a third-party. This is not expected to occur for a minimum of ten years.

3.0 Operations

Through the highly unique designs developed by Mr. Deutsch, the business will find an immense audience of buyers that are seeking premium rings, earrings, pendants, bracelets, and other jewelry that uses silver and gold as the base metal. The Company will have the ability for provide customization services, including the use of precious gems within each unique design. Customization options are an incredibly important part of positioning Deutsch Jewelry Design as a premium jewelry brand.

In regards to distribution, the best majority of the Company's revenue will come from the direct sale of its jewelry through multiple online platforms. As will be noted later in this document, the business will maintain an expensive e-commerce ecosystem that will allow for rapid sale of jewelry that has been produced.

In regards to wholesale operations, the Company will initially establish ongoing relationships of jewelry stores within the Southwestern Florida market before expanding to a national basis. By taking a step-by-step approach to wholesale distribution, the Company will be able to refine its methods while also understanding which products are the most popular among targeted demographics.

4.0 Overview of the Organization

4.1 Registered Name

Deutsch Jewelry Design LLC. The business is registered as a limited liability company in the State of Florida.

4.2 Commencement of Operations

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

4.3 Mission Statement

To provide exceptional jewelry that will be treasured for a lifetime.

4.4 Vision Statement

To become a widely recognized jewelry design studio and production firm that is valued for the quality of its workmanship.

4.5 Organizational Objectives

- Source input inventories from a number of vendors in order to receive preferential pricing that is in line with market rates.
- Use numerous third-party platforms where Deutsch Jewelry Design jewelry can be sold in order to increase revenue while concurrently increasing brand visibility.
- Continue to onboard highly qualified jewelry design experts that will produce proprietary designs for Deutsch Jewelry Design.
- Established endorsements with highly recognized personalities that will promote the brand.
- Properly provide jewelry customization services as this will be a highly sought after component of Deutsch Jewelry Design's operations.
- Implement proper and responsible fiscal programs to ensure that the business is able to remain profitable in all economic climate.
- Conduct extensive direct outreach with jewelry stores that will carry the Company's inventories on a wholesale basis.

5.0 Market and Industry Analysis

5.1 External Environmental Analysis

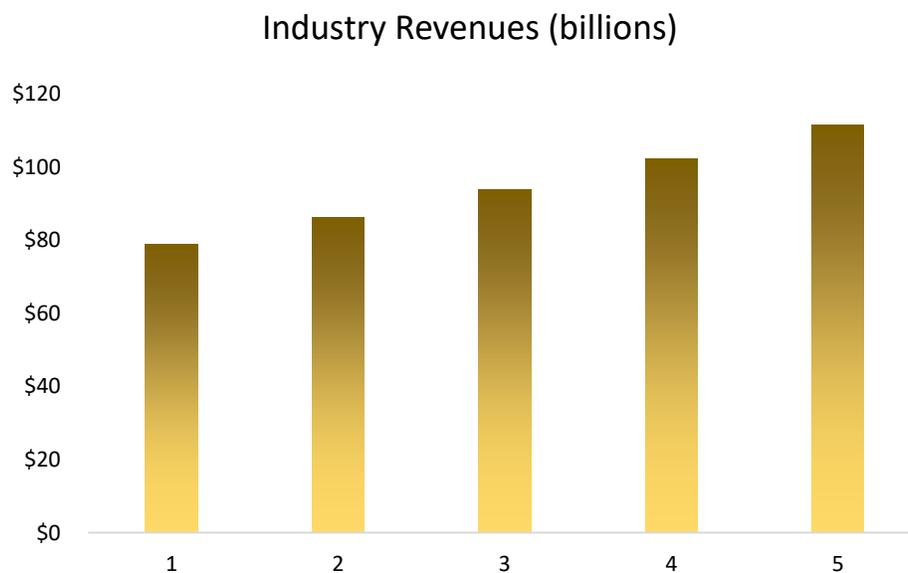
This section of the jewelry business plan will discuss the industry, the current economic climate, demographic profile, and competitive issues.

As a result of adjustments to global trade policy, the prices of precious metals have increased significantly over the past twelve months. This has been primarily due to the fact that inflation has increased at a rate that is more rapid than expected. However, major central banks are taking the appropriate measures to keep inflation in check.

The Company will remedy this issue by automatically increase in the cost of a jewelry based on increases in the underlying cost of precious metals. This will ensure that the business is able to continue to provide its products on an affordable basis.

5.2 Industry Analysis

There are 82,000 companies that are actively involved in the production and distribution of jewelry within the United States. Aggregately, these firms generate \$79 billion of revenue per year or providing jobs for 226,000 people.



This industry is mature and stable. The ongoing growth of the industry is expected to remain in line with that the economy as a whole. The predicted compounded annual growth rate for the industry is expected to remain near 4.2% in the coming years.

5.3 Customer Profile

Management has developed the following demographic profile:

- Household income of \$50,000 to \$150,000
- Will spend \$1,000 per piece (on average)
- Will primarily purchase jewelry as a gift.

5.4 Competitive Analysis

Deutsch Jewelry Design will face ongoing competition from highly established jewelry brands, domestically and internationally. The business will maintain a significant differentiating factor given the highly unique designs that have been developed by Matthew Deutsch. The business will leverage his notoriety at the onset of operations.

6.0 Key Strategic Issues

6.1 Sustainable Operations

Deutsch Jewelry Design will have sustainable operations as a result of the following:

- By operating in both a design and production capacity, Deutsch Jewelry Design will be able to control every aspect of its production operations.
- The Company will work with numerous vendors in order to source underlying precious metal inventory on a cost-effective basis.
- The use of multiple sales platforms will ensure that the business is able to quickly divest inventories across numerous domestic markets.
- A Founder in CEO, Matthew Deutsch, that is well recognized within the field of jewelry design.

6.2 Basis of Growth

The Company will expand via the following methods:

- Continued expansion of the number of platforms where Deutsch Jewelry Design's products are sold.
- Established relationship with celebrities that will promote Deutsch Jewelry Design.
- Expansion of operations to include different types of jewelry, using other types of precious metals.

7.0 Marketing Plan

7.1 Marketing Objectives

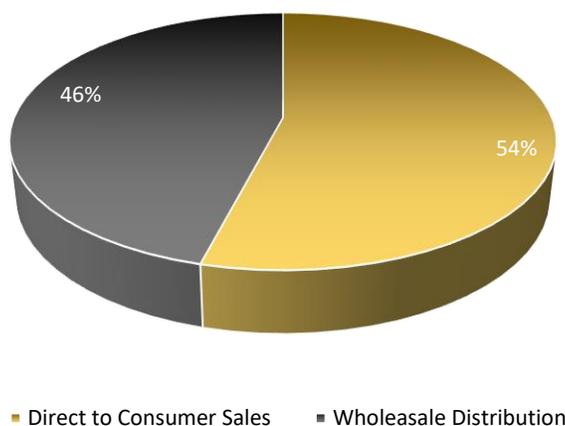
- Maintain an immense online presence through multiple platforms, including a proprietary website.
- Seek celebrity endorsement for the company's product lines.
- Establish ongoing wholesale relationships with jewelry stores throughout Southwestern Florida before expanding these operations to a nationwide level.

7.2 Revenue Forecasts

Yearly Sales Forecast					
Year	1	2	3	4	5
Direct to Consumer Sales	\$513,000	\$641,250	\$801,563	\$1,001,953	\$1,252,441
Wholesale Distribution	\$436,050	\$545,063	\$681,328	\$851,660	\$1,064,575
Total	\$949,050	\$1,186,313	\$1,482,891	\$1,853,613	\$2,317,017

Gross Profit					
Year	1	2	3	4	5
Total	\$577,125	\$721,406	\$901,758	\$1,127,197	\$1,408,997

Revenue Generation



7.3 Revenue Assumptions

Year 1

- Deutsch Jewelry Design will generate \$949,000 within its first year of operation.
- Gross profits will reach \$577,000.

Year 2

- The business will expand its wholesale distribution operations.
- Revenue will reach \$1.1 million.

Years 3-5

- In Year 5, the Company's revenue will reach \$2.3 million.
- The Company will continue to expand the scope of its marketing operations.

7.4 Marketing Strategies

As the field of jewelry production is an extremely competitive market, Management will implement numerous marketing strategies that will properly position Deutsch Jewelry Design products as luxury items. To that end, the Company intends to work with a third-party marketing firm that will properly develop brand messages that can be incorporated into the Company's marketing operations.

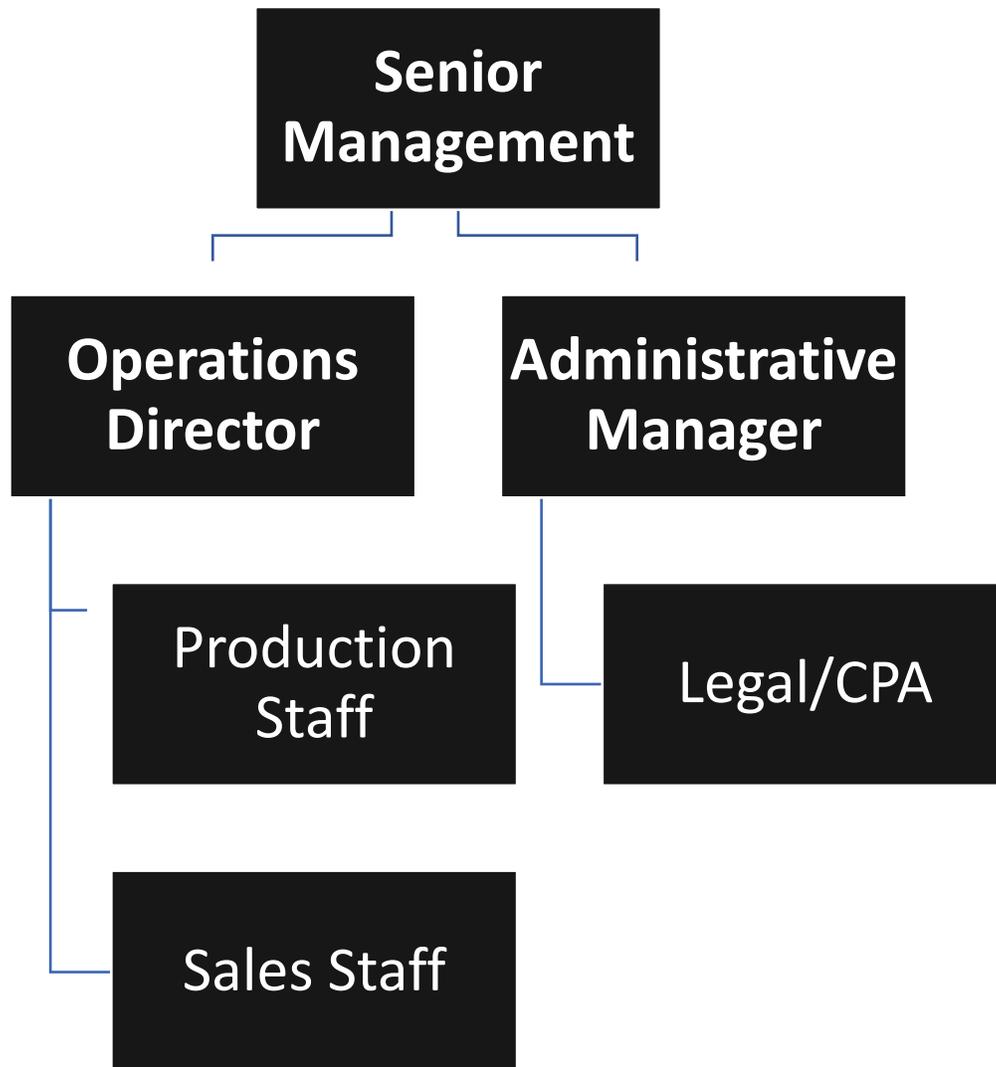
The Company's website will be an immersive platform that showcases all jewelry offered from every angle and imaginable. Interactive functionality will be integrated into the platform in order to keep users engaged with the website. Numerous images will be distributed to third parties that will ultimately link back to Deutsch Jewelry Design's website. This will contribute to the effectiveness of the company search engine optimization campaigns.

The Company will also use targeted advertisements among all major social media platforms, especially during major holiday seasons. The Company will coordinate with a social media advertising firm that will manage this aspect of operations on behalf of the business. This will ensure that only the properly targeted demographics are seeing advertisements from Deutsch Jewelry Design.

As the Company grows, Management will seek celebrity endorsement in order to drive brand visibility. The Company will coordinate these efforts with a firm that specializes in pairing personalities and celebrities with lifestyle brands. Once this is achieved, this will immensely elevate the visibility of the brand in the coming years.

8.0 Organizational Plan

8.1 Organizational Hierarchy

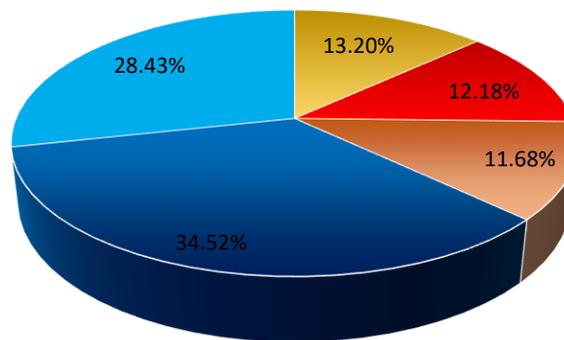


8.2 Personnel Costs

Personnel Plan - Yearly					
Year	1	2	3	4	5
Senior Management	\$65,000	\$65,650	\$66,307	\$66,970	\$67,639
Operations Director	\$60,000	\$60,600	\$61,206	\$61,818	\$62,436
Administrative Director	\$57,500	\$58,075	\$58,656	\$59,242	\$59,835
Production Staff	\$85,000	\$85,850	\$130,063	\$131,363	\$176,903
Sales Staff	\$35,000	\$70,700	\$107,111	\$144,242	\$145,685
Total	\$302,500	\$340,875	\$423,342	\$463,635	\$512,497

Numbers of Personnel (Year End Headcount)					
Year	1	2	3	4	5
Senior Management	1	1	1	1	1
Operations Director	1	1	1	1	1
Administrative Director	1	1	1	1	1
Production Staff	2	2	3	3	4
Sales Staff	1	2	3	4	4
Total	6	7	9	10	11

Personnel Summary



- Senior Management
- Operations Director
- Administrative Director
- Production Staff
- Sales Staff

9.0 Financial Plan

9.1 Underlying Assumptions

- The Company will acquire \$200,000 of investment capital.
- Deutsch Jewelry Design will have a year-on-year growth rate of 25%.
- Approximately 75% of the Company's equity will be invested in equipment and inventory.

9.2 Financial Highlights

- The Company will enjoy a mix of revenue from direct sales as well as wholesale distribution.
- The business will automatically markup its underlying inventories based on the rate of inflation and increases in precious metal pricing.

9.3 Sensitivity Analysis

In the event of a severe economic recession, the demand for jewelry may decline. However, Deutsch Jewelry Design is taking a global approach to its distribution operations. The business will operate across several online platforms walk on currently engaging in extensive wholesale distribution. The Company will generate significant profits on each piece sold, especially as it relates to custom pieces. This will ensure the economic viability of the business.

9.4 Source of Funds

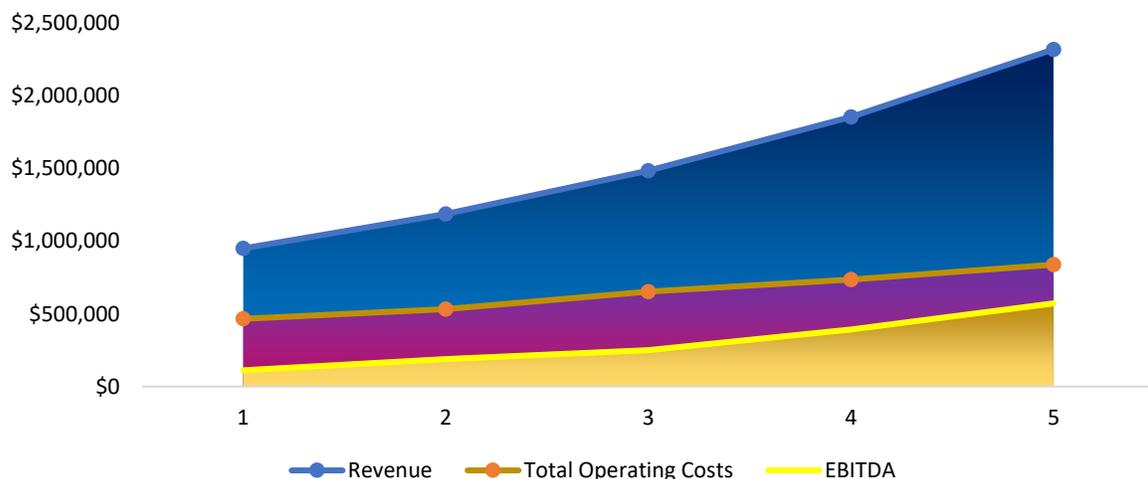
Financing	
Equity	
Equity Capitalization	\$200,000.00
Total Equity Financing	\$200,000.00
Banks and Lenders	
Total Debt Financing	\$0.00
Total Financing	\$200,000.00

9.5 Financial Proformas

A) Profit and Loss Statement

Proforma Profit and Loss					
Year	1	2	3	4	5
Revenue	\$949,050	\$1,186,313	\$1,482,891	\$1,853,613	\$2,317,017
Cost of Revenue	\$371,925	\$464,906	\$581,133	\$726,416	\$908,020
Gross Margin	60.81%	60.81%	60.81%	60.81%	60.81%
Gross Profit	\$577,125	\$721,406	\$901,758	\$1,127,197	\$1,408,997
Expenses					
Payroll	\$302,500	\$340,875	\$423,342	\$463,635	\$512,497
Facility Costs	\$19,000	\$19,190	\$19,382	\$19,576	\$19,771
General and Administrative	\$20,879	\$26,099	\$32,624	\$40,779	\$50,974
Professional Fees and Licensure	\$6,500	\$6,565	\$6,631	\$6,697	\$6,764
Insurance	\$5,000	\$5,050	\$5,101	\$5,152	\$5,203
Marketing	\$71,179	\$88,973	\$111,217	\$139,021	\$173,776
Travel	\$10,000	\$10,500	\$11,025	\$11,576	\$12,155
Misc. Costs	\$7,118	\$8,897	\$11,122	\$13,902	\$17,378
Payroll Taxes	\$23,141	\$26,077	\$32,386	\$35,468	\$39,206
Total Operating Costs	\$465,317	\$532,227	\$652,827	\$735,807	\$837,725
EBITDA	\$111,808	\$189,180	\$248,931	\$391,391	\$571,271
Federal Income Tax	\$25,827	\$45,064	\$59,890	\$95,388	\$140,235
State Income Tax	\$0	\$0	\$0	\$0	\$0
Interest Expense	\$0	\$0	\$0	\$0	\$0
Depreciation Expenses	\$8,500	\$8,925	\$9,371	\$9,840	\$10,332
Net Profit	\$77,481	\$135,191	\$179,669	\$286,163	\$420,705
Profit Margin	8.16%	11.40%	12.12%	15.44%	18.16%

Revenue, Operating Costs, EBITDA



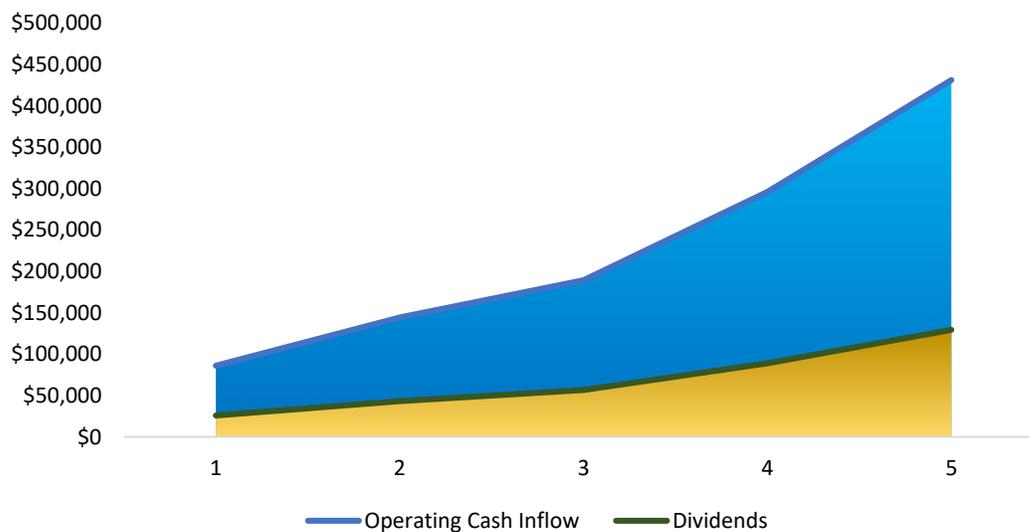
B) Common Size Income Statement

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	39.19%	39.19%	39.19%	39.19%	39.19%
Gross Profit	60.81%	60.81%	60.81%	60.81%	60.81%
Expenses					
Payroll	31.87%	28.73%	28.55%	25.01%	22.12%
Facility Costs	2.00%	1.62%	1.31%	1.06%	0.85%
General and Administrative	2.20%	2.20%	2.20%	2.20%	2.20%
Professional Fees and Licensure	0.68%	0.55%	0.45%	0.36%	0.29%
Insurance	0.53%	0.43%	0.34%	0.28%	0.22%
Marketing	7.50%	7.50%	7.50%	7.50%	7.50%
Travel	1.05%	0.89%	0.74%	0.62%	0.52%
Misc. Costs	0.75%	0.75%	0.75%	0.75%	0.75%
Payroll Taxes	2.44%	2.20%	2.18%	1.91%	1.69%
Total Operating Costs	49.03%	44.86%	44.02%	39.70%	36.16%
EBITDA	11.78%	15.95%	16.79%	21.12%	24.66%
Federal Income Tax	2.72%	3.80%	4.04%	5.15%	6.05%
State Income Tax	0.00%	0.00%	0.00%	0.00%	0.00%
Interest Expense	0.00%	0.00%	0.00%	0.00%	0.00%
Depreciation Expenses	0.90%	0.75%	0.63%	0.53%	0.45%
Net Profit	8.16%	11.40%	12.12%	15.44%	18.16%

C) Cash Flow Analysis

Proforma Cash Flow Analysis - Yearly					
Year	1	2	3	4	5
Cash From Operations	\$85,981	\$144,116	\$189,041	\$296,003	\$431,036
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$85,981	\$144,116	\$189,041	\$296,003	\$431,036
Other Cash Inflows					
Equity Investment	\$200,000	\$0	\$0	\$0	\$0
Increased Borrowings	\$0	\$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	\$201,000	\$1,050	\$1,103	\$1,158	\$1,216
Total Cash Inflow	\$286,981	\$145,166	\$190,143	\$297,161	\$432,252
Cash Outflows					
Repayment of Principal	\$0	\$0	\$0	\$0	\$0
A/P Decreases	\$700	\$735	\$772	\$810	\$851
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$140,000	\$50,441	\$66,164	\$103,601	\$150,863
Dividends	\$25,794	\$43,235	\$56,712	\$88,801	\$129,311
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
Total Cash Outflows	\$166,494	\$94,410	\$123,648	\$193,212	\$281,025
Net Cash Flow	\$120,487	\$50,756	\$66,495	\$103,948	\$151,227
Cash Balance	\$120,487	\$171,242	\$237,737	\$341,686	\$492,913

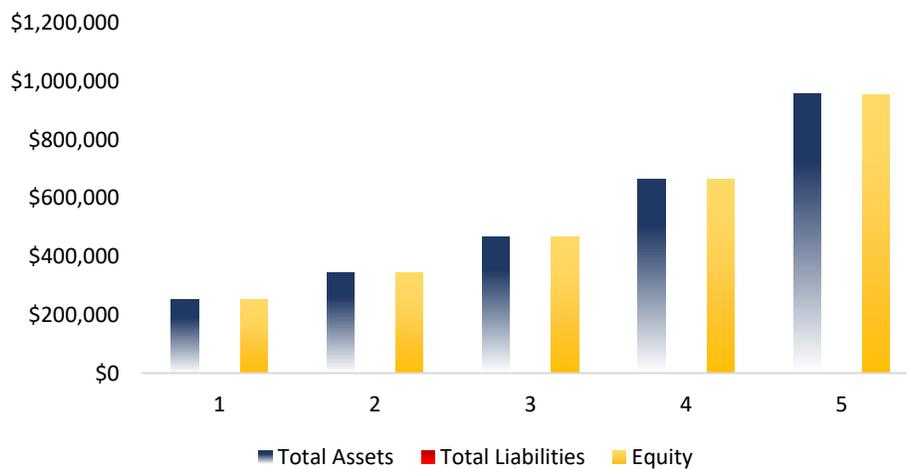
Cash Flow Analysis



D) Balance Sheet

Proforma Balance Sheet - Yearly					
Year	1	2	3	4	5
Assets					
Cash	\$120,487	\$171,242	\$237,737	\$341,686	\$492,913
Fixed Assets	\$140,000	\$190,441	\$256,605	\$360,206	\$511,069
Accumulated Depreciation	(\$8,500)	(\$17,425)	(\$26,796)	(\$36,636)	(\$46,968)
Total Assets	\$251,987	\$344,258	\$467,546	\$665,255	\$957,014
Liabilities and Equity					
Accounts Payable	\$300	\$615	\$946	\$1,293	\$1,658
Long Term Liabilities	\$0	\$0	\$0	\$0	\$0
Other Liabilities	\$0	\$0	\$0	\$0	\$0
Total Liabilities	\$300	\$615	\$946	\$1,293	\$1,658
Equity	\$251,687	\$343,643	\$466,600	\$663,962	\$955,356
Total Liabilities and Equity	\$251,987	\$344,258	\$467,546	\$665,255	\$957,014

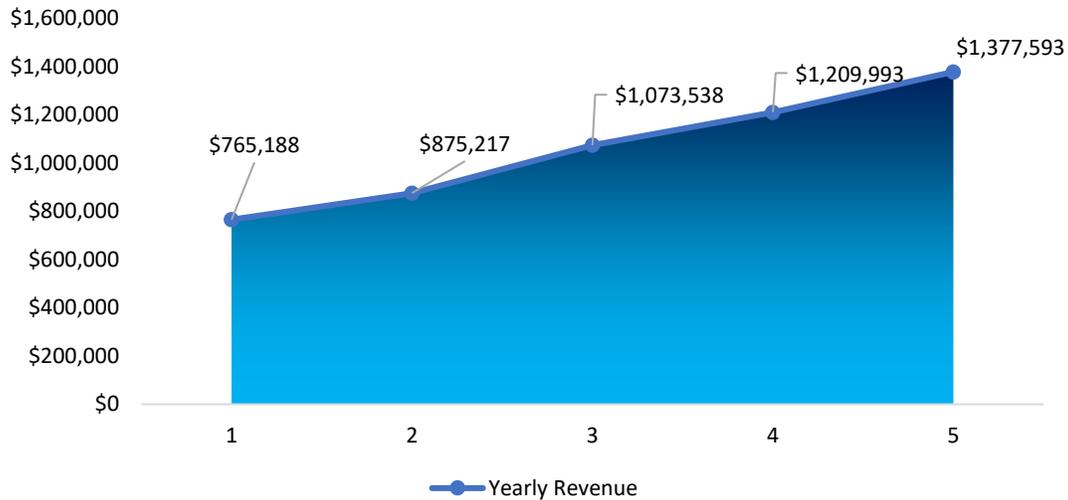
Balance Sheet



9.6 Breakeven Analysis

Break Even Analysis					
Year	1	2	3	4	5
Monthly Revenue	\$63,766	\$72,935	\$89,462	\$100,833	\$114,799
Yearly Revenue	\$765,188	\$875,217	\$1,073,538	\$1,209,993	\$1,377,593

Breakeven Analysis



9.7 Business Ratios

Business Ratios - Yearly					
Year	1	2	3	4	5
Revenue					
Sales Growth	0.0%	25.0%	25.0%	25.0%	25.0%
Gross Margin	60.8%	60.8%	60.8%	60.8%	60.8%
Financials					
Profit Margin	8.16%	11.40%	12.12%	15.44%	18.16%
Assets to Liabilities	839.96	559.77	494.37	514.49	577.32
Equity to Liabilities	838.96	558.77	493.37	513.49	576.32
Assets to Equity	1.00	1.00	1.00	1.00	1.00
Liquidity					
Acid Test	401.62	278.44	251.37	264.25	297.35
Cash to Assets	0.48	0.50	0.51	0.51	0.52

Appendix A – SWOT Analysis

Strengths

- The ability to provide comprehensive jewelry customization services will contribute to the unique service proposition.
- The business has highly divestible inventories and most holdings will consist of gold and silver.
- A highly recognized Founder, Matthew Deutsch, who has extensive notoriety in the field of jewelry development and production.
- The Company can easily seek celebrity endorsement, which will naturally elevate the brand to a global level.

Weaknesses

- Input inventories are subject to market pricing, and unexpected swings could impact the Company's profitability.
- Jewelry is a highly competitive industry.

Opportunities

- Continued integration of new designs that will find an amends audience of buyers within the United States and selected international markets.
- Expansion of operations to include a greater number of jewelry pieces that are produced with platinum.

Threats

- Ongoing uncertainty regarding trade could impact the gross profits of the business.
- The Company may need to pivot its designs based on evolving trends.

Appendix B – Critical Risks

Development Risk – **Low**

Matthew Deutsch has already produced the initial fifty designs that will be used during the course of production operations. At this time, the primary matter that needs to be addressed to securing the capital discussed in this document.

Financing Risk – **Low/Moderate**

The \$200,000 of investment capital required to launch Deutsch Jewelry Design will be principally used for the acquisition of precious metals, as well as furniture, fixtures, and equipment. The business will operate on a global scale from the onset of operations.

Marketing Risk – **Low**

As has been one of the themes throughout this document, jewelry is a highly competitive industry. However, Matthew Deutsch will be able to leverage his existing notoriety while engaging in numerous online marketing strategies to create a highly visible brand.

Management Risk – **Low**

Matthew Deutsch is a highly experienced jewelry professional. He has extensive experience developing and marketing proprietary jewelry. Mr. Deutsch will be able to properly develop and expand the operations of the business.

Valuation Risk – **Low**

The valuation risk is offset by:

- A significant portion of the Company's equity will be invested in divestible precious metal inventories.
- The Company will divest its inventories on direct-to-consumer and wholesale basis.
- The business can acquire ongoing capital as needed to expand operations.

Exit Risk - **Low**

Once a business establishes a recognized brand name, there would be an immense demand among third-party jewelry companies to acquire the business. As noted earlier, the Company will onboard numerous finance and accounting professionals that will ensure a seamless transition to a third-party ownership.

Appendix C – Expanded Profit and Loss Statements

Profit and Loss Statement (First Year)							
Months	1	2	3	4	5	6	7
Revenue	\$74,000	\$74,925	\$75,850	\$76,775	\$77,700	\$78,625	\$79,550
Cost of Revenue	\$29,000	\$29,363	\$29,725	\$30,088	\$30,450	\$30,813	\$31,175
Gross Profit	\$45,000	\$45,563	\$46,125	\$46,688	\$47,250	\$47,813	\$48,375
Expenses							
Payroll	\$25,208	\$25,208	\$25,208	\$25,208	\$25,208	\$25,208	\$25,208
Facility Costs	\$1,583	\$1,583	\$1,583	\$1,583	\$1,583	\$1,583	\$1,583
General and Administrative	\$1,740	\$1,740	\$1,740	\$1,740	\$1,740	\$1,740	\$1,740
Professional Fees and Licensure	\$542	\$542	\$542	\$542	\$542	\$542	\$542
Insurance	\$417	\$417	\$417	\$417	\$417	\$417	\$417
Marketing	\$5,932	\$5,932	\$5,932	\$5,932	\$5,932	\$5,932	\$5,932
Travel	\$833	\$833	\$833	\$833	\$833	\$833	\$833
Misc. Costs	\$593	\$593	\$593	\$593	\$593	\$593	\$593
Payroll Taxes	\$1,928	\$1,928	\$1,928	\$1,928	\$1,928	\$1,928	\$1,928
Total Operating Costs	\$38,776						
EBITDA	\$6,224	\$6,786	\$7,349	\$7,911	\$8,474	\$9,036	\$9,599
Federal Income Tax	\$2,014	\$2,039	\$2,064	\$2,089	\$2,114	\$2,140	\$2,165
State Income Tax	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Depreciation Expenses	\$708	\$708	\$708	\$708	\$708	\$708	\$708
Net Profit	\$3,501	\$4,039	\$4,576	\$5,113	\$5,651	\$6,188	\$6,725

Profit and Loss Statement (First Year Cont.)

Month	8	9	10	11	12	Year 1
Revenue	\$80,475	\$81,400	\$82,325	\$83,250	\$84,175	\$949,050
Cost of Revenue	\$31,538	\$31,900	\$32,263	\$32,625	\$32,988	\$371,925
Gross Profit	\$48,938	\$49,500	\$50,063	\$50,625	\$51,188	\$577,125
Expenses						
Payroll	\$25,208	\$25,208	\$25,208	\$25,208	\$25,208	\$302,500
Facility Costs	\$1,583	\$1,583	\$1,583	\$1,583	\$1,583	\$19,000
General and Administrative	\$1,740	\$1,740	\$1,740	\$1,740	\$1,740	\$20,879
Professional Fees and Licensure	\$542	\$542	\$542	\$542	\$542	\$6,500
Insurance	\$417	\$417	\$417	\$417	\$417	\$5,000
Marketing	\$5,932	\$5,932	\$5,932	\$5,932	\$5,932	\$71,179
Travel	\$833	\$833	\$833	\$833	\$833	\$10,000
Misc. Costs	\$593	\$593	\$593	\$593	\$593	\$7,118
Payroll Taxes	\$1,928	\$1,928	\$1,928	\$1,928	\$1,928	\$23,141
Total Operating Costs	\$38,776	\$38,776	\$38,776	\$38,776	\$38,776	\$465,317
EBITDA	\$10,161	\$10,724	\$11,286	\$11,849	\$12,411	\$111,808
Federal Income Tax	\$2,190	\$2,215	\$2,240	\$2,266	\$2,291	\$25,827
State Income Tax	\$0	\$0	\$0	\$0	\$0	\$0
Interest Expense	\$0	\$0	\$0	\$0	\$0	\$0
Depreciation Expenses	\$708	\$708	\$708	\$708	\$708	\$8,500
Net Profit	\$7,263	\$7,800	\$8,337	\$8,875	\$9,412	\$77,481

Profit and Loss Statement (Second Year)					
Quarter	Year 2				
	Q1	Q2	Q3	Q4	Year 2
Revenue	\$287,681	\$293,612	\$299,544	\$305,475	\$1,186,313
Cost of Revenue	\$112,740	\$115,064	\$117,389	\$119,713	\$464,906
Gross Profit	\$174,941	\$178,548	\$182,155	\$185,762	\$721,406
Expenses					
Payroll	\$85,219	\$85,219	\$85,219	\$85,219	\$340,875
Facility Costs	\$4,798	\$4,798	\$4,798	\$4,798	\$19,190
General and Administrative	\$6,329	\$6,459	\$6,590	\$6,720	\$26,099
Professional Fees and Licensure	\$1,592	\$1,625	\$1,658	\$1,690	\$6,565
Insurance	\$1,263	\$1,263	\$1,263	\$1,263	\$5,050
Marketing	\$21,576	\$22,021	\$22,466	\$22,911	\$88,973
Travel	\$2,625	\$2,625	\$2,625	\$2,625	\$10,500
Misc. Costs	\$2,158	\$2,202	\$2,247	\$2,291	\$8,897
Payroll Taxes	\$6,324	\$6,454	\$6,584	\$6,715	\$26,077
Total Operating Costs	\$131,882	\$132,665	\$133,448	\$134,231	\$532,227
EBITDA	\$43,059	\$45,883	\$48,707	\$51,531	\$189,180
Federal Income Tax	\$10,928	\$11,153	\$11,379	\$11,604	\$45,064
State Income Tax	\$0	\$0	\$0	\$0	\$0
Interest Expense	\$0	\$0	\$0	\$0	\$0
Depreciation Expenses	\$2,231	\$2,231	\$2,231	\$2,231	\$8,925
Net Profit	\$29,900	\$32,498	\$35,097	\$37,696	\$135,191

Profit and Loss Statement (Third Year)					
Quarter	Year 3				
	Q1	Q2	Q3	Q4	Year 3
Revenue	\$359,601	\$367,015	\$374,430	\$381,844	\$1,482,891
Cost of Revenue	\$140,925	\$143,830	\$146,736	\$149,642	\$581,133
Gross Profit	\$218,676	\$223,185	\$227,694	\$232,203	\$901,758
Expenses					
Payroll	\$105,835	\$105,835	\$105,835	\$105,835	\$423,342
Facility Costs	\$4,845	\$4,845	\$4,845	\$4,845	\$19,382
General and Administrative	\$7,911	\$8,074	\$8,237	\$8,401	\$32,624
Professional Fees and Licensure	\$1,608	\$1,641	\$1,674	\$1,707	\$6,631
Insurance	\$1,275	\$1,275	\$1,275	\$1,275	\$5,101
Marketing	\$26,970	\$27,526	\$28,082	\$28,638	\$111,217
Travel	\$2,756	\$2,756	\$2,756	\$2,756	\$11,025
Misc. Costs	\$2,697	\$2,753	\$2,808	\$2,864	\$11,122
Payroll Taxes	\$8,096	\$8,096	\$8,096	\$8,096	\$32,386
Total Operating Costs	\$161,995	\$162,803	\$163,611	\$164,419	\$652,827
EBITDA	\$56,681	\$60,382	\$64,083	\$67,784	\$248,931
Federal Income Tax	\$14,523	\$14,823	\$15,122	\$15,422	\$59,890
State Income Tax	\$0	\$0	\$0	\$0	\$0
Interest Expense	\$0	\$0	\$0	\$0	\$0
Depreciation Expenses	\$2,343	\$2,343	\$2,343	\$2,343	\$9,371
Net Profit	\$39,815	\$43,217	\$46,618	\$50,019	\$179,669

Profit and Loss Statement (Fourth Year)					
Quarter	Year 4				
	Q1	Q2	Q3	Q4	Year 4
Revenue	\$449,501	\$458,769	\$468,037	\$477,305	\$1,853,613
Cost of Revenue	\$176,156	\$179,788	\$183,420	\$187,052	\$726,416
Gross Profit	\$273,345	\$278,981	\$284,617	\$290,253	\$1,127,197
Expenses					
Payroll	\$115,909	\$115,909	\$115,909	\$115,909	\$463,635
Facility Costs	\$4,894	\$4,894	\$4,894	\$4,894	\$19,576
General and Administrative	\$9,889	\$10,093	\$10,297	\$10,501	\$40,779
Professional Fees and Licensure	\$1,624	\$1,657	\$1,691	\$1,724	\$6,697
Insurance	\$1,288	\$1,288	\$1,288	\$1,288	\$5,152
Marketing	\$33,713	\$34,408	\$35,103	\$35,798	\$139,021
Travel	\$2,894	\$2,894	\$2,894	\$2,894	\$11,576
Misc. Costs	\$3,371	\$3,441	\$3,510	\$3,580	\$13,902
Payroll Taxes	\$8,867	\$8,867	\$8,867	\$8,867	\$35,468
Total Operating Costs	\$182,449	\$183,451	\$184,453	\$185,455	\$735,807
EBITDA	\$90,897	\$95,531	\$100,165	\$104,799	\$391,391
Federal Income Tax	\$23,132	\$23,608	\$24,085	\$24,562	\$95,388
State Income Tax	\$0	\$0	\$0	\$0	\$0
Interest Expense	\$0	\$0	\$0	\$0	\$0
Depreciation Expenses	\$2,460	\$2,460	\$2,460	\$2,460	\$9,840
Net Profit	\$65,305	\$69,462	\$73,619	\$77,776	\$286,163

Profit and Loss Statement (Fifth Year)

Quarter	Year 5				
	Q1	Q2	Q3	Q4	Year 5
Revenue	\$561,877	\$573,462	\$585,047	\$596,632	\$2,317,017
Cost of Revenue	\$220,195	\$224,735	\$229,275	\$233,815	\$908,020
Gross Profit	\$341,682	\$348,727	\$355,772	\$362,817	\$1,408,997
Expenses					
Payroll	\$128,124	\$128,124	\$128,124	\$128,124	\$512,497
Facility Costs	\$4,943	\$4,943	\$4,943	\$4,943	\$19,771
General and Administrative	\$12,361	\$12,616	\$12,871	\$13,126	\$50,974
Professional Fees and Licensure	\$1,640	\$1,674	\$1,708	\$1,742	\$6,764
Insurance	\$1,301	\$1,301	\$1,301	\$1,301	\$5,203
Marketing	\$42,141	\$43,010	\$43,879	\$44,747	\$173,776
Travel	\$3,039	\$3,039	\$3,039	\$3,039	\$12,155
Misc. Costs	\$4,214	\$4,301	\$4,388	\$4,475	\$17,378
Payroll Taxes	\$9,802	\$9,802	\$9,802	\$9,802	\$39,206
Total Operating Costs	\$207,565	\$208,809	\$210,054	\$211,298	\$837,725
EBITDA	\$134,117	\$139,918	\$145,718	\$151,519	\$571,271
Federal Income Tax	\$34,007	\$34,708	\$35,409	\$36,110	\$140,235
State Income Tax	\$0	\$0	\$0	\$0	\$0
Interest Expense	\$0	\$0	\$0	\$0	\$0
Depreciation Expenses	\$2,583	\$2,583	\$2,583	\$2,583	\$10,332
Net Profit	\$97,527	\$102,626	\$107,726	\$112,825	\$420,705

Appendix D – Expanded Cash Flow Analysis

Cash Flow Analysis (First Year)								
Month	1	2	3	4	5	6	7	8
Cash From Operations	\$4,210	\$4,747	\$5,284	\$5,822	\$6,359	\$6,896	\$7,434	\$7,971
Cash From Receivables	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$4,210	\$4,747	\$5,284	\$5,822	\$6,359	\$6,896	\$7,434	\$7,971
Other Cash Inflows								
Equity Investment	\$200,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Increased Borrowings	\$0	\$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	\$200,083	\$83	\$83	\$83	\$83	\$83	\$83	\$83
Total Cash Inflow	\$204,293	\$4,830	\$5,368	\$5,905	\$6,442	\$6,980	\$7,517	\$8,054
Cash Outflows								
Repayment of Principal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
A/P Decreases	\$58	\$58	\$58	\$58	\$58	\$58	\$58	\$58
A/R Increases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$140,000	\$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	\$140,058	\$58	\$58	\$58	\$58	\$58	\$58	\$58
Net Cash Flow	\$64,235	\$4,772	\$5,309	\$5,847	\$6,384	\$6,921	\$7,459	\$7,996
Cash Balance	\$64,235	\$69,007	\$74,316	\$80,163	\$86,547	\$93,469	\$100,927	\$108,923

Cash Flow Analysis (First Year Cont.)					
Month	9	10	11	12	Year 1
Cash From Operations	\$8,508	\$9,046	\$9,583	\$10,120	\$85,981
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$8,508	\$9,046	\$9,583	\$10,120	\$85,981
Other Cash Inflows					
Equity Investment	\$0	\$0	\$0	\$0	\$200,000
Increased Borrowings	\$0	\$0	\$0	\$0	\$0
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	\$201,000
Total Cash Inflow	\$8,592	\$9,129	\$9,666	\$10,204	\$286,981
Cash Outflows					
Repayment of Principal	\$0	\$0	\$0	\$0	\$0
A/P Decreases	\$58	\$58	\$58	\$58	\$700
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$0	\$0	\$0	\$0	\$140,000
Dividends	\$0	\$0	\$0	\$25,794	\$25,794
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
Total Cash Outflows	\$58	\$58	\$58	\$25,853	\$166,494
Net Cash Flow	\$8,533	\$9,071	\$9,608	-\$15,649	\$120,487
Cash Balance	\$117,457	\$126,528	\$136,136	\$120,487	\$120,487

Cash Flow Analysis (Second Year)

Quarter	Year 2				
	Q1	Q2	Q3	Q4	Year 2
Cash From Operations	\$32,131	\$34,730	\$37,328	\$39,927	\$144,116
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$32,131	\$34,730	\$37,328	\$39,927	\$144,116
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	\$32,386	\$34,990	\$37,593	\$40,197	\$145,166
Cash Outflows					
Repayment of Principal	\$0	\$0	\$0	\$0	\$0
A/P Decreases	\$178	\$182	\$186	\$189	\$735
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$50,441	\$0	\$0	\$0	\$50,441
Dividends	\$0	\$0	\$0	\$43,235	\$43,235
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
Total Cash Outflows	\$50,619	\$182	\$186	\$43,424	\$94,410
Net Cash Flow	-\$18,233	\$34,808	\$37,408	-\$3,227	\$50,756
Cash Balance	\$102,254	\$137,061	\$174,469	\$171,242	\$171,242

Cash Flow Analysis (Third Year)					
Quarter	Year 3				
	Q1	Q2	Q3	Q4	Year 3
Cash From Operations	\$42,158	\$45,559	\$48,961	\$52,362	\$189,041
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$42,158	\$45,559	\$48,961	\$52,362	\$189,041
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	\$42,425	\$45,832	\$49,239	\$52,646	\$190,143
Cash Outflows					
Repayment of Principal	\$0	\$0	\$0	\$0	\$0
A/P Decreases	\$187	\$191	\$195	\$199	\$772
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$66,164	\$0	\$0	\$0	\$66,164
Dividends	\$0	\$0	\$0	\$56,712	\$56,712
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
Total Cash Outflows	\$66,351	\$191	\$195	\$56,911	\$123,648
Net Cash Flow	-\$23,926	\$45,641	\$49,044	-\$4,265	\$66,495
Cash Balance	\$147,316	\$192,958	\$242,002	\$237,737	\$237,737

Cash Flow Analysis (Fourth Year)					
Quarter	Year 4				
	Q1	Q2	Q3	Q4	Year 4
Cash From Operations	\$67,765	\$71,922	\$76,079	\$80,236	\$296,003
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$67,765	\$71,922	\$76,079	\$80,236	\$296,003
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	\$68,046	\$72,209	\$76,372	\$80,534	\$297,161
Cash Outflows					
Repayment of Principal	\$0	\$0	\$0	\$0	\$0
A/P Decreases	\$197	\$201	\$205	\$209	\$810
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$103,601	\$0	\$0	\$0	\$103,601
Dividends	\$0	\$0	\$0	\$88,801	\$88,801
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
Total Cash Outflows	\$103,798	\$201	\$205	\$89,010	\$193,212
Net Cash Flow	-\$35,752	\$72,008	\$76,167	-\$8,475	\$103,948
Cash Balance	\$201,986	\$273,994	\$350,161	\$341,686	\$341,686

Cash Flow Analysis (Fifth Year)					
Quarter	Year 5				
	Q1	Q2	Q3	Q4	Year 5
Cash From Operations	\$100,110	\$105,209	\$110,309	\$115,408	\$431,036
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$100,110	\$105,209	\$110,309	\$115,408	\$431,036
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	\$100,405	\$105,510	\$110,616	\$115,721	\$432,252
Cash Outflows					
Repayment of Principal	\$0	\$0	\$0	\$0	\$0
A/P Decreases	\$206	\$211	\$215	\$219	\$851
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$150,863	\$0	\$0	\$0	\$150,863
Dividends	\$0	\$0	\$0	\$129,311	\$129,311
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
Total Cash Outflows	\$151,069	\$211	\$215	\$129,530	\$281,025
Net Cash Flow	-\$50,664	\$105,300	\$110,401	-\$13,809	\$151,227
Cash Balance	\$291,021	\$396,321	\$506,722	\$492,913	\$492,913