DEUTSCH

CUSTOM MARKETING SOLUTIONS

Table of Contents

1.0 Executive Summary 4

2.0 The Financing 9

2.1 Funds Required 9

2.2 Management and Investor Equity 9

2.3 Exit Strategies 9

3.0 Operations 10

4.0 Overview of the Organization 11

4.1 Registered Name 11

4.2 Commencement of Operations 11

4.3 Mission Statement 11

4.4 Vision Statement 11

4.5 Organizational Objectives 11

5.0 Market and Industry Analysis 12

5.1 External Environmental Analysis 12

5.2 Industry Analysis 12

5.3 Customer Profile 12

5.4 Competitive Analysis 13

6.0 Key Strategic Issues 13

6.1 Sustainable Operations 14

6.2 Basis of Growth 14

7.0 Marketing Plan 15

7.1 Marketing Objectives 15

7.2 Revenue Forecasts 15

7.3 Revenue Assumptions 15

7.4 Marketing Strategies 16

8.0 Organizational Plan 17

8.1 Organizational Hierarchy 17

8.2 Personnel Costs 18

9.0 Financial Plan 19

9.1 Underlying Assumptions 19
9.2 Financial Highlights 19
9.3 Sensitivity Analysis 19
9.4 Source of Funds 19
9.5 Financial Proformas 20
A) Profit and Loss Statement 20
B) Common Size Income Statement 21
C) Cash Flow Analysis 22
D) Balance Sheet 23
9.6 Breakeven Analysis 24
9.7 Business Ratios 24
Appendix A – SWOT Analysis 25
Appendix B – Critical Risks 26
Appendix C – Expanded Profit and Loss Statements 27
Appendix D – Expanded Cash Flow Analysis 33

1.0 Executive Summary

Deutsch Custom Marketing Solutions LLC ("the Company") will render a wide range of both traditional and digitally driven marketing services for small to medium size businesses throughout the United States. The Company was founded this year by Matthew Deutsch. Full scale revenue generating operations are expected to commence in the second quarter of next year. At this time, the Founder is seeking a $150,000 line of credit in order to commence operations. The Company is based in Tampa, Florida. The business will initially commence operations within the greater Tampa metropolitan area prior to scaling to a national level.

Operations

By operating in both a traditional marketing as well as digital marketing capacity, Deutsch Custom Marketing Solutions will be able to offer end-to-end solutions for a client's brand visibility needs. A significant portion of the company's operations will focus on managing digital marketing campaigns spanning pay-per-click as well as search engine optimization. As it relates to traditional marketing methods, the Company will be able to design and place print advertisements specific for the needs of each client.

Most importantly, Deutsch Custom Marketing Solutions will enjoy a wide mix of revenue that will include large upfront fees for the development of marketing campaigns as well as recurring income from ongoing management. The Company will be able to provide services to any client within any industry.

The third section of this document will further discuss the operations of the marketing firm.

The Financing

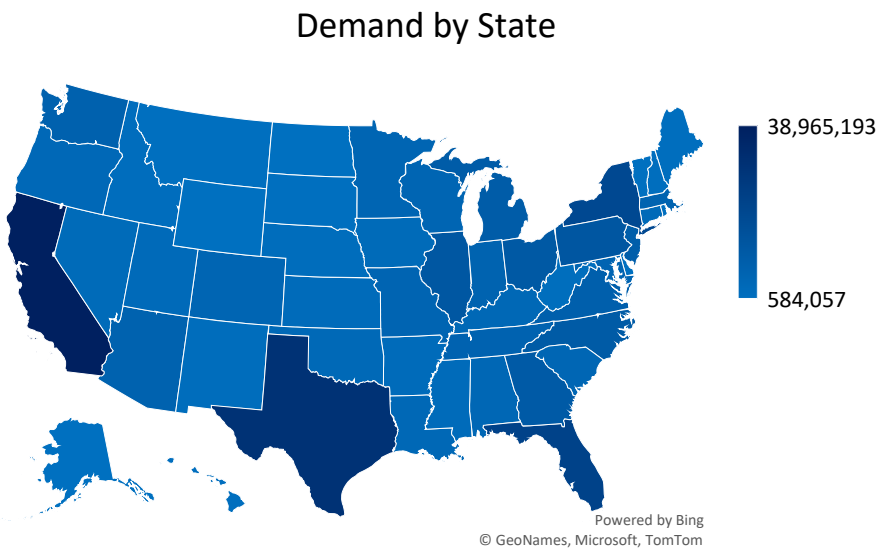
As noted above, the Company is currently seeking a $150,000 revolving credit facility in order to start full scale operations. Rather than using a business loan, a working capital line of credit is being sought in order to ensure that the business can draw down its funding on an as-needed basis. Matthew Deutsch will contribute $25,000 towards the business.

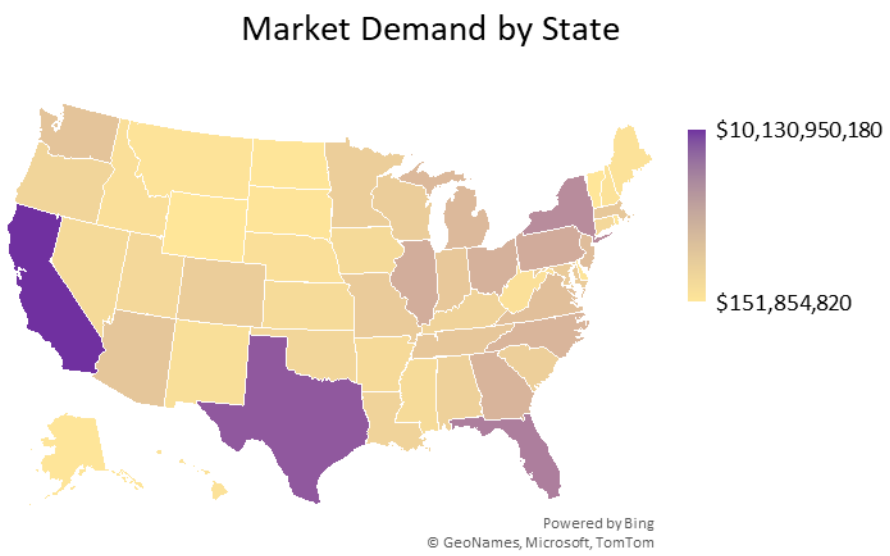
As the Company expands operations, Management may seek to have its credit line expanded so that the business can retain additional marketing experts will also engaging in a wider degree of proprietary marketing in order to increase visibility.

The Future

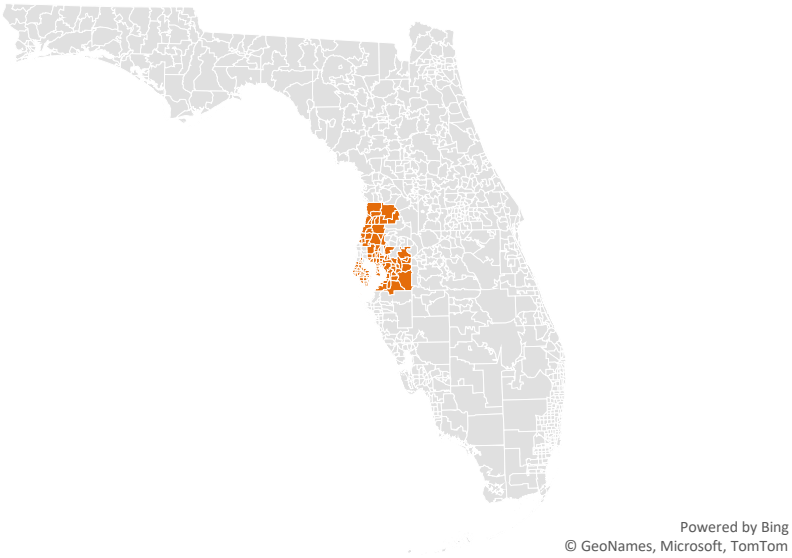
Through his extensive experience in this field, Matthew Deutsch is positioning Deutsch Custom Marketing Solutions to become a widely respected and well-known marketing firm that encompasses both traditional and digital marketing services. The company will continue to hire graphic designers, SEO experts, PPC experts, and other individuals that can contribute to the ongoing growth for the business.

Market Overview

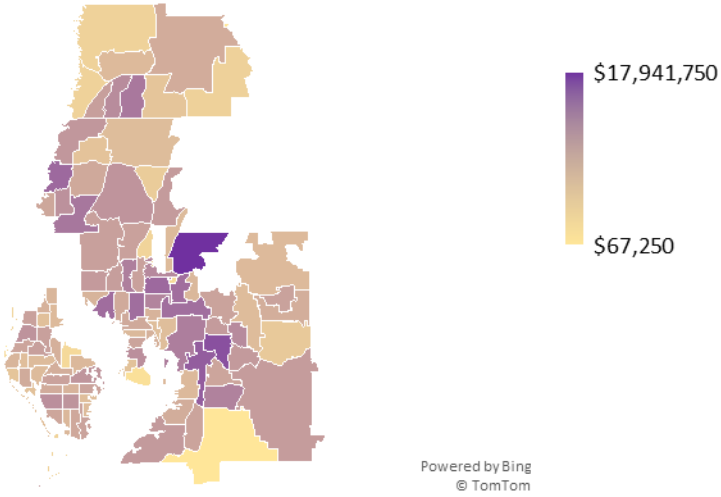




Regional Target Market Area

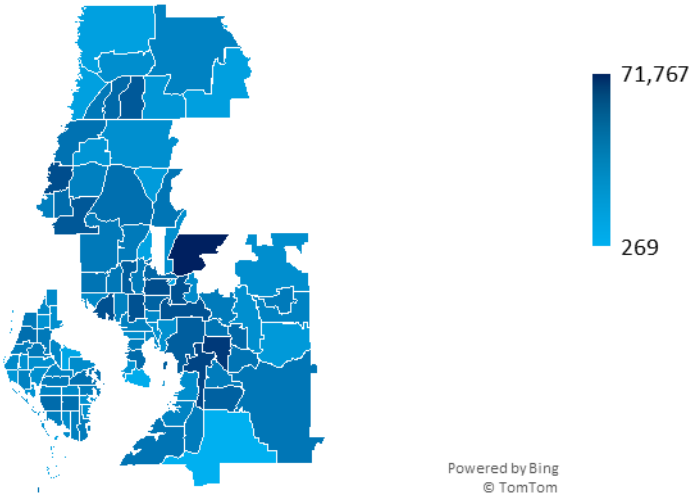


Regional Market Demand

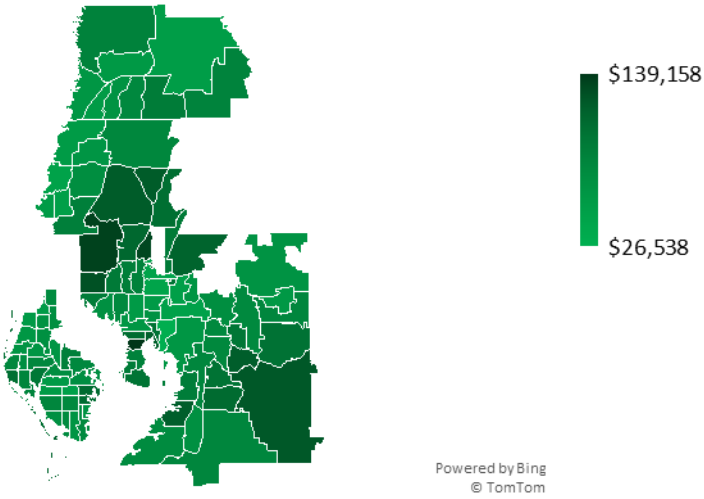


$676 million

Regional Target Market Population

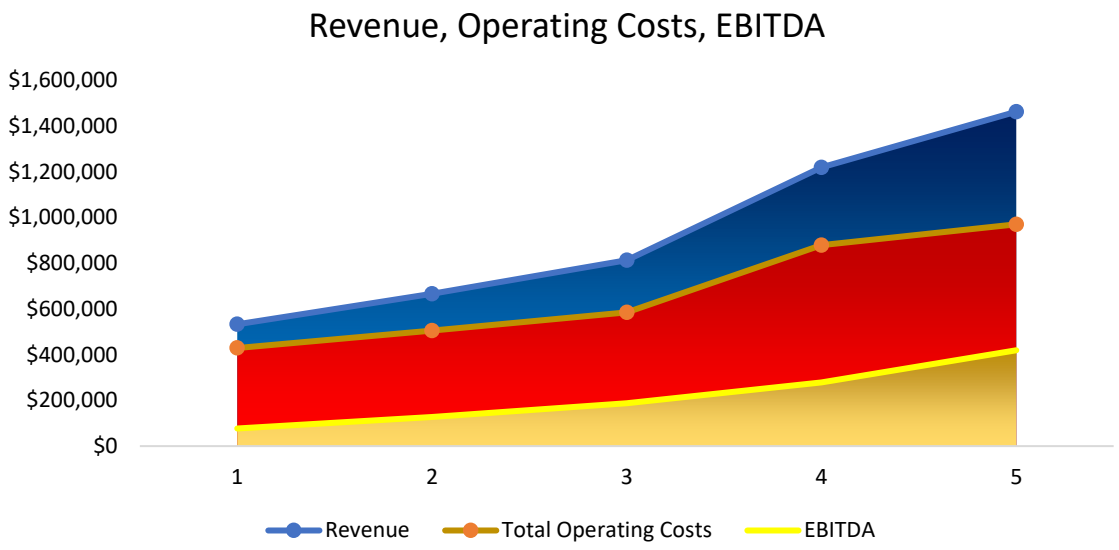


Regional Target Market Income



Revenue Forecasts

Proforma Profit and Loss					
Year	1	2	3	4	5
Revenue	$532,800	$666,000	$812,520	$1,218,780	$1,462,536
Cost of Revenue	$26,640	$33,300	$40,626	$60,939	$73,127
Gross Profit	$506,160	$632,700	$771,894	$1,157,841	$1,389,409
Total Operating Costs	$429,030	$505,833	$584,950	$879,104	$970,184
EBITDA	**$77,130**	**$126,867**	**$186,944**	**$278,737**	**$419,225**

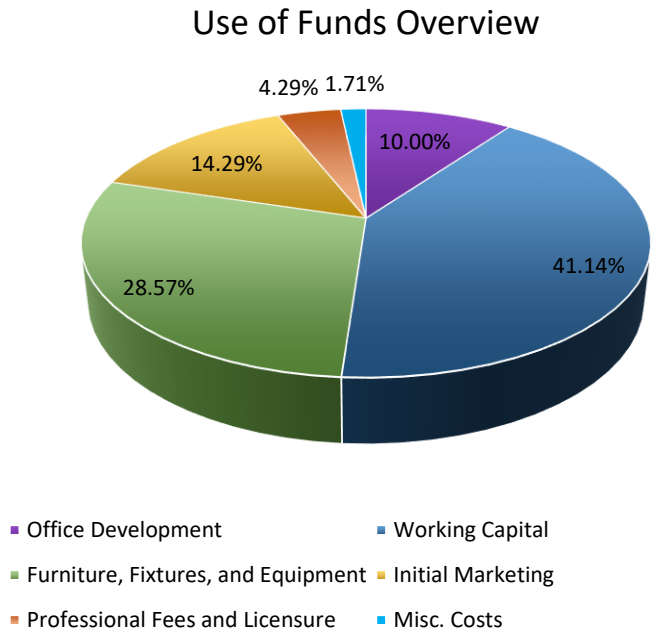


2.0 The Financing

2.1 Funds Required

The funding discussed the executive summary will be used for the following:

Use of Funds	
Office Development	$17,500
Working Capital	$72,000
Furniture, Fixtures, and Equipment	$50,000
Initial Marketing	$25,000
Professional Fees and Licensure	$7,500
Misc. Costs	$3,000
Total	$175,000



2.2 Management and Investor Equity

Matthew Deutsch is the 100% owner of Deutsch Custom Marketing Solutions LLC.

2.3 Exit Strategies

Both digital and traditionally faced marketing firms can command a substantial price to earnings multiple once they are established. Historically, these businesses typically sell for three times to five times the prior year's EBITDA. Based on this and the financials shown in this document, the Company could have a value of $1.5 million by the fifth year of operation. If Mr. Deutsch wishes to retire, in all likeliness, the business would be sold through a buyout agreement with its staff. If this is not feasible than a qualified business broker would be hired to market the operations of the business to existing firm that would absorb the operations.

3.0 Operations

As noted in the executive summary, Deutsch Custom Marketing Solutions will be actively involved with providing a wide range of service services specifically that needs to each client. In regards to digital marketing, this will make up the bulk of the Company's revenue. The scope of these services will include paper click marketing management, search engine optimization, brand visibility, strategies, and social media management.

The Company will typically charge upfront fees at $5,000 to $25,000 in order to develop a wide-ranging marketing plan that will be implemented through these channels. From there, the Company will charge $1,000 to $10,000 per month for their ongoing implementation and management.

As it relates a digital traditional marketing, the Company will produce half page and full-page advertisements that can be placed in magazines, newspapers, and trade journals specifically for the client's industry. The Company will directly employ graphic designers that can create stunning brand assets for these operations. For the development of this type of campaign, the company will typically charge $25,000 to $75,000 depending on the needs of each client.

The highly recurring streams of revenue from ongoing marketing management will substantially contribute to the ongoing economic stability of Deutsch Custom Marketing Solutions.

4.0 Overview of the Organization

4.1 Registered Name

Deutsch Custom Marketing Solutions LLC. The business is registered as a limited liability company in the State of Florida.

4.2 Commencement of Operations

The Company will launch its operations in the second quarter of next year.

4.3 Mission Statement

To provide comprehensive marketing solutions at a cost-effective basis for small business to medium size business owners.

4.4 Vision Statement

To become a nationally recognized firm that provides exceptional and high impact marketing campaigns.

4.5 Organizational Objectives

- Conduct extensive direct outreach with a number of small and medium sized business owners to onboard them as clients.

- Continue to implement best practices, especially as it relates to search engine optimization and digital media marketing.

- Higher, outstanding graphic designers and marketing professionals that will contribute to the success of Deutsch Custom Marketing Solutions in the coming years.

- Maintain ongoing relationships with third-party advertising firms in regards to rapid placement of ads that have been created by the business.

- Implement extensive fiscal control policies so the business remains profitable and any economic climate.

- Established ongoing relationships with companies that are involved with economically stable industries in order to ensure that the business remains profitable.

5.0 Market and Industry Analysis

5.1 External Environmental Analysis

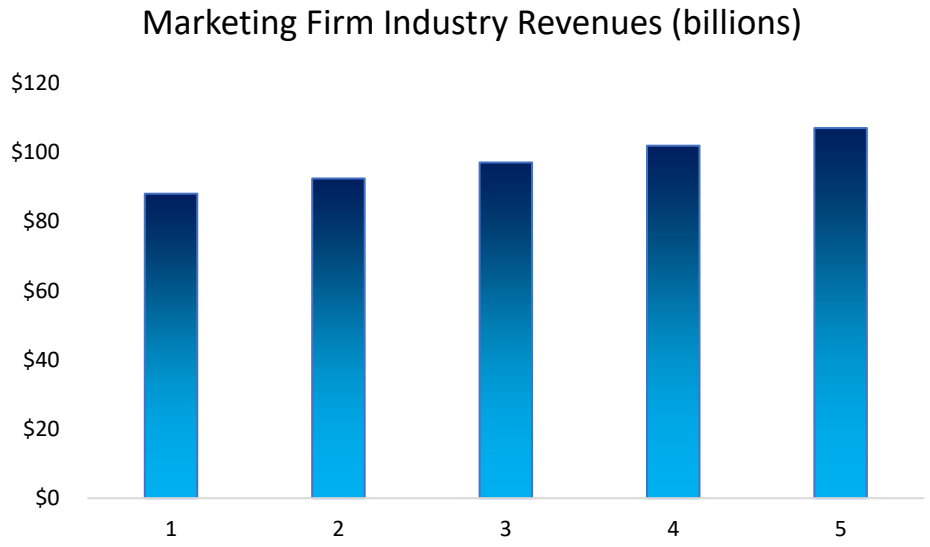
This section of the marketing firm business plan will focus on the industry, the competition, the demographic profile, and the current economic climate.

At this time, the economic climate within the United States is moderate. Issues with the economy have principally occurred as a result of changing trade policies. At this time, inflation is higher than expected. However, the Federal Reserve is taking appropriate measures to address the inflationary issues.

Despite this, Deutsch Custom Marketing Solutions will be able to remain profitable on boarding numerous clients across a broad range of industries. A significant focus of the Company's operations will be to provide services specific for the needs of entities that are not swayed during challenging business climates. Furthermore, all entities typically will seek to expand the scope of their marketing during economic recession in order to acquire new customers.

5.2 Industry Analysis

There are 300,000 companies involved with traditional marketing in digital marketing with the United States. Annually, these companies produced $90 billion a year of revenue. The industry employees 550,000 people.



This is a mature industry and its future growth rate will be similar to that of the economy is a whole. One of the fastest growing segments of the industry is specific for digital marketing. By operating in a dual traditional and digital capacity, Deutsch Custom

Marketing Solutions will be able to effectively capitalize on the trend of providing end to end solutions for small to medium sized enterprises.

5.3 Customer Profile

Among corporate clients, the following profile will be used:

- Revenues of $500,000 to $10 million+
- Will spend $10,000 to $100,0000 per annum
- For Tampa clients, operations within 50 of the Deutsch Custom Marketing Solutions location

5.4 Competitive Analysis

This digital marketing firm will use a number of strategies in order to create a competitive advantage. As noted above, there are 300,000 companies that are actively involved in providing these services. Most importantly, the dual capacity that has been discussed through this document will provide a major differentiating factor. Additionally, the Company has extensive expertise as it relates to digital marketing disciplines such as per-per-click advertising, social media management, and search engine optimization.

6.0 Key Strategic Issues

6.1 Sustainable Operations

Deutsch Custom Marketing Solutions will have sustainable operations as a result of the following:

- The Company will recognize highly recurring stream of revenue from its digital media marketing operations.
- Retained graphic designers will be able to provide exceptional brand assets, which will provide a major differentiating factor.
- The Company has developed a unique marketing plan that will effectively onboard small to medium sized businesses throughout the United States.
- Given the expertise of the Founder, the Company could easily expand its operations to include international markets.

6.2 Basis of Growth

The Company will expand via the following methods:

- Continued expansion of the types of traditional and digital marketing services offered.
- Continued hiring of graphic designers and marketing experts that will allow the business to increase its billable revenue by yearly basis.
- Potential acquisition of digital marketing firms that are in existence and can be absorbed into the Company's operations.

7.0 Marketing Plan

7.1 Marketing Objectives

- Leverage Mr. Deutsch's existed in notoriety in the field of marketing in order to establish a client based at the onset of operations.

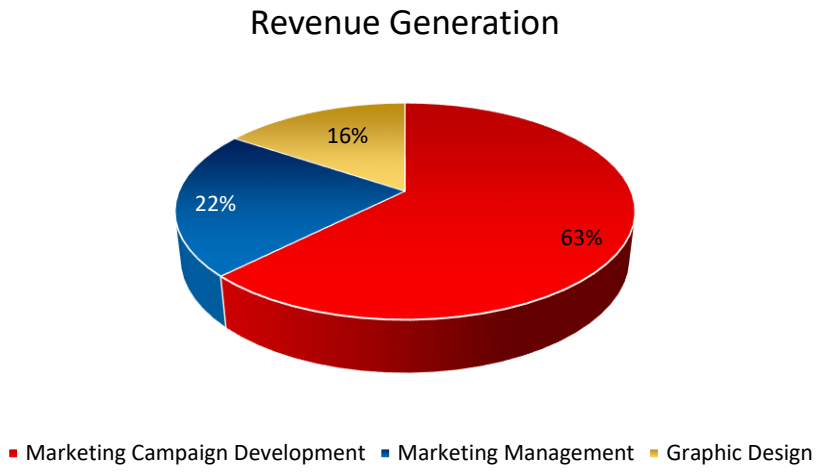
- Engage multiple forms of online advertising in order to drive traffic to the Company's website.

- Advertising in specific trade journals in order to increase brand awareness.

7.2 Revenue Forecasts

Yearly Sales Forecast					
Year	**1**	**2**	**3**	**4**	**5**
Marketing Campaign Development	$333,000	$416,250	$507,825	$761,738	$914,085
Marketing Management	$116,550	$145,688	$177,739	$266,608	$319,930
Graphic Design	$83,250	$104,063	$126,956	$190,434	$228,521
Total	**$532,800**	**$666,000**	**$812,520**	**$1,218,780**	**$1,462,536**

Gross Profit					
Year	1	2	3	4	5
Total	**$506,160**	**$632,700**	**$771,894**	**$1,157,841**	**$1,389,409**



7.3 Revenue Assumptions

Year 1

- The Company will launch its operations in the second quarter of next year.
- Revenue will reach $532,000.

Year 2

- In the second year of operations, the Company will increase its revenue by 25%.
- Management will expand operations outside of Tampa.

Years 3-5

- Deusch Custom Marketing Solutions will produce $1.4 million by the fifth year of operations.
- The business will expand into international markets.

7.4 Marketing Strategies

The Company will engage in a broad-based marketing campaign in order to attract the interest of small to medium sized businesses across a broad spectrum of industries. Very importantly, the Company intends to conduct a significant amount of business with healthcare companies, law firms, accounting firms, as well as other entities that operate in a professional capacity. This is important as these businesses remain in demand even during economic recession. In turn, this will contribute to a greater degree of economic stability for Deutsch Custom Marketing Solutions.

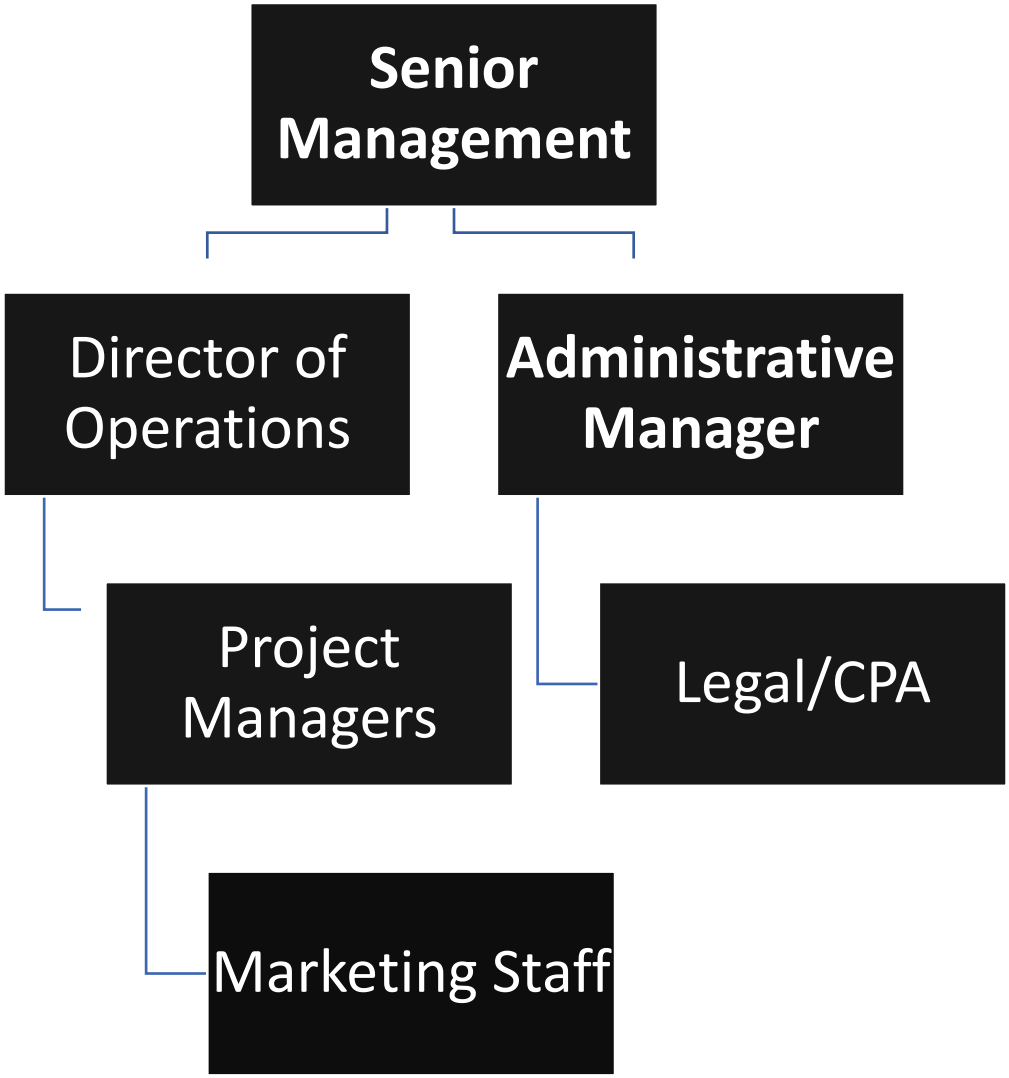
In regards to the Company's website, this platform will showcase the entire portfolio work that has been created by Matthew Deutsch as well as the Company's team. Brand assets, videos, and case studies will be included in order to create immense degree of trust with potential clients. This website will undergo substantial search engine optimization in the coming years.

To complement these operations, the Company will use pay per click marketing with a focus on Google. This will ensure that when searches are done for very specific types of marketing, the website will appear frequently within the search as a sponsored result. The Company will aggressively use multiple tactics in order to ensure that this remains as a cost-effective means of advertising.

The Company will also maintain a significant presence on social media with a focus on LinkedIn. On this platform, the Company will develop numerous pieces of content that specifically deal with issues that are faced by marketing managers that are seeking comprehensive outsourced solutions for their traditional and digital marketing needs.

8.0 Organizational Plan

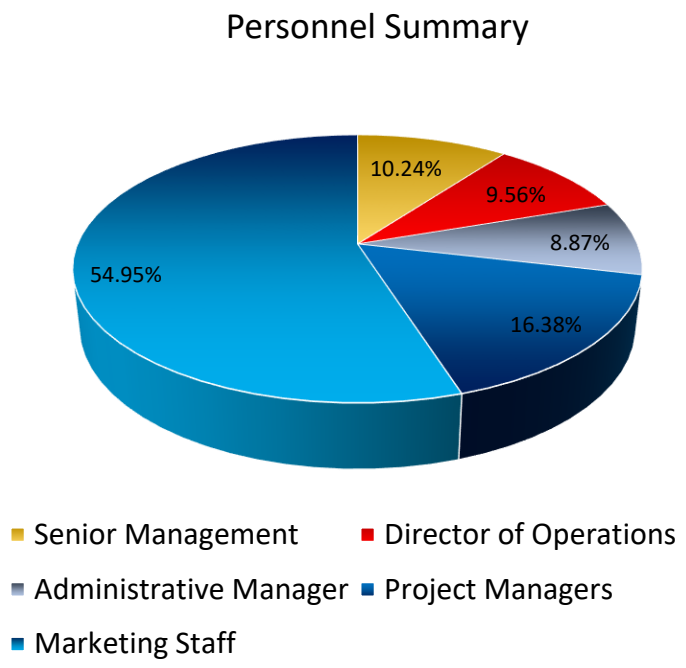
8.1 Organizational Hierarchy



8.2 Personnel Costs

Personnel Plan - Yearly					
Year	1	2	3	4	5
Senior Management	$75,000	$75,750	$76,508	$77,273	$78,045
Director of Operations	$70,000	$70,700	$71,407	$72,121	$72,842
Administrative Manager	$65,000	$65,650	$66,307	$66,970	$67,639
Project Managers	$60,000	$60,600	$61,206	$123,636	$124,872
Marketing Staff	$57,500	$116,150	$175,967	$355,454	$418,843
Total	**$327,500**	**$388,850**	**$451,394**	**$695,453**	**$762,242**

Numbers of Personnel (Year End Headcount)					
Year	1	2	3	4	5
Senior Management	1	1	1	1	1
Director of Operations	1	1	1	1	1
Administrative Manager	1	1	1	1	1
Project Managers	1	1	1	2	2
Marketing Staff	1	2	3	6	7
Total	**5**	**6**	**7**	**11**	**12**



9.0 Financial Plan

9.1 Underlying Assumptions

- The Company will acquire a $150,000 revolving line of credit in order to establish operations.
- Deutsch Custom Marketing Solutions will achieve a compounded annual growth rate of 29%.
- Matthew Deutsch will contribute $25,000 towards the business' establishment.

9.2 Financial Highlights

- Immense profits from the initial development of marketing campaigns and brand assets on specific to client needs.
- Recurring reams of revenue from ongoing search engine optimization, PPC marketing, and social media management.

9.3 Sensitivity Analysis

Deutsch Custom Marketing Solutions' revenue will be relatively stable even during times of economic recession. This is due to the fact that many businesses, especially in challenging business climates, continually seek ways in order to expand their visibility to drive new revenue. By operating in a dual capacity with a focus on both traditional and digital marketing, the Company will be able to provide cost-effective solutions for each client's needs. The recurring income from numerous services before their contribute to economic stability.

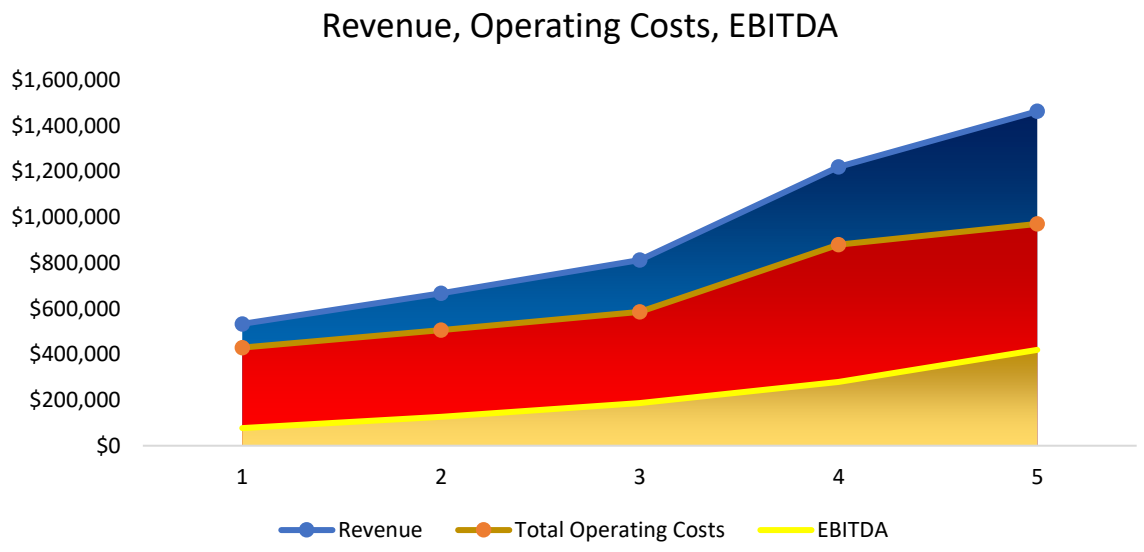
9.4 Source of Funds

Financing	
Equity	
Equity Capitalization	$25,000.00
Total Equity Financing	$25,000.00
Banks and Lenders	
Business Loan	$150,000.00
Total Debt Financing	$150,000.00
Total Financing	**$175,000.00**

9.5 Financial Proformas

A) Profit and Loss Statement

Proforma Profit and Loss (Yearly)					
Year	1	2	3	4	5
Revenue	$532,800	$666,000	$812,520	$1,218,780	$1,462,536
Cost of Revenue	$26,640	$33,300	$40,626	$60,939	$73,127
Gross Margin	95.00%	95.00%	95.00%	95.00%	95.00%
Gross Profit	$506,160	$632,700	$771,894	$1,157,841	$1,389,409
Expenses					
Payroll	$327,500	$388,850	$451,394	$695,453	$762,242
Facility Costs	$20,000	$20,200	$20,402	$20,606	$20,812
General and Administrative	$9,590	$11,988	$14,625	$21,938	$26,326
Professional Fees and Licensure	$3,500	$3,535	$3,570	$3,606	$3,642
Insurance	$4,250	$4,293	$4,335	$4,379	$4,423
Marketing	$26,640	$33,300	$40,626	$60,939	$73,127
Business Development	$8,500	$8,925	$9,371	$9,840	$10,332
Misc. Costs	$3,996	$4,995	$6,094	$9,141	$10,969
Payroll Taxes	$25,054	$29,747	$34,532	$53,202	$58,312
Total Operating Costs	**$429,030**	**$505,833**	**$584,950**	**$879,104**	**$970,184**
EBITDA	**$77,130**	**$126,867**	**$186,944**	**$278,737**	**$419,225**
Federal Income Tax	$14,024	$26,419	$41,400	$64,310	$99,396
State Income Tax	$0	$0	$0	$0	$0
Interest Expense	$12,635	$12,372	$12,084	$11,772	$11,432
Depreciation Expenses	$8,400	$8,820	$9,261	$9,724	$10,210
Net Profit	**$42,071**	**$79,257**	**$124,199**	**$192,931**	**$298,188**
Profit Margin	**7.90%**	**11.90%**	**15.29%**	**15.83%**	**20.39%**

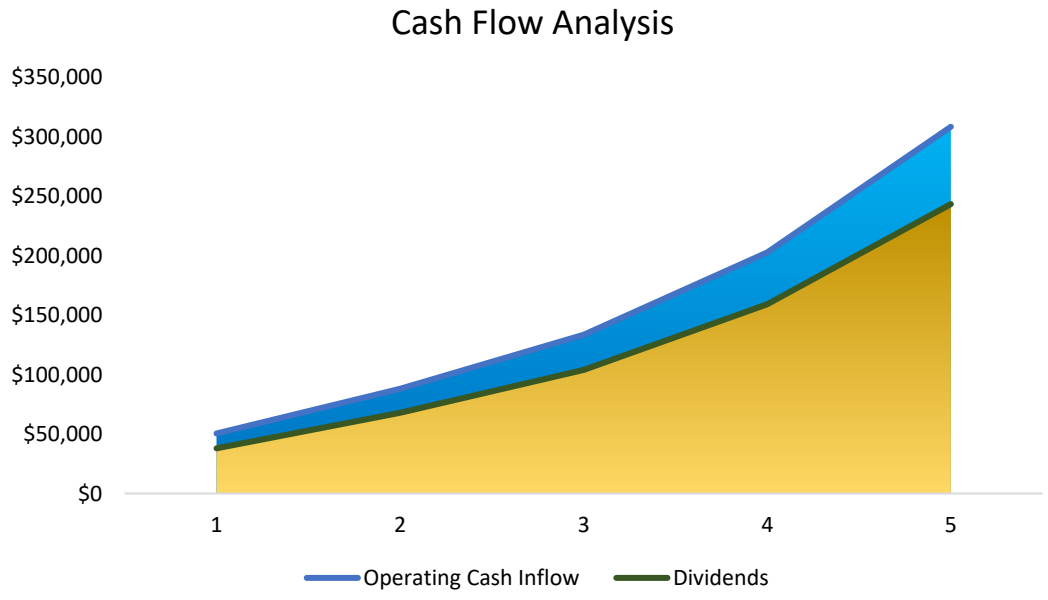


B) Common Size Income Statement

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	61.47%	58.39%	55.55%	57.06%	52.12%
Facility Costs	3.75%	3.03%	2.51%	1.69%	1.42%
General and Administrative	1.80%	1.80%	1.80%	1.80%	1.80%
Professional Fees and Licensure	0.66%	0.53%	0.44%	0.30%	0.25%
Insurance	0.80%	0.64%	0.53%	0.36%	0.30%
Marketing	5.00%	5.00%	5.00%	5.00%	5.00%
Business Development	1.60%	1.34%	1.15%	0.81%	0.71%
Misc. Costs	0.75%	0.75%	0.75%	0.75%	0.75%
Payroll Taxes	4.70%	4.47%	4.25%	4.37%	3.99%
Total Operating Costs	80.52%	75.95%	71.99%	72.13%	66.34%
EBITDA	14.48%	19.05%	23.01%	22.87%	28.66%
Federal Income Tax	2.63%	3.97%	5.10%	5.28%	6.80%
State Income Tax	0.00%	0.00%	0.00%	0.00%	0.00%
Interest Expense	2.37%	1.86%	1.49%	0.97%	0.78%
Depreciation Expenses	1.58%	1.32%	1.14%	0.80%	0.70%
Net Profit	7.90%	11.90%	15.29%	15.83%	20.39%

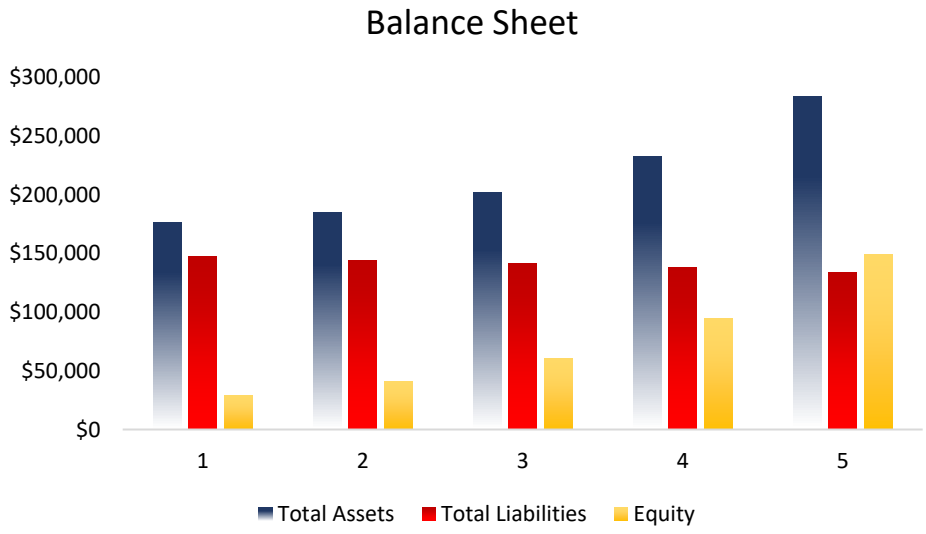
C) Cash Flow Analysis

Proforma Cash Flow Analysis - Yearly					
Year	1	2	3	4	5
Cash From Operations	$50,471	$88,077	$133,460	$202,655	$308,398
Cash From Receivables	$0	$0	$0	$0	$0
Operating Cash Inflow	**$50,471**	**$88,077**	**$133,460**	**$202,655**	**$308,398**
Other Cash Inflows					
Equity Investment	$25,000	$0	$0	$0	$0
Increased Borrowings	$150,000	$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	**$176,000**	**$1,050**	**$1,103**	**$1,158**	**$1,216**
Total Cash Inflow	**$226,471**	**$89,127**	**$134,562**	**$203,813**	**$309,613**
Cash Outflows					
Repayment of Principal	$2,985	$3,249	$3,536	$3,849	$4,189
A/P Decreases	$700	$735	$772	$810	$851
A/R Increases	$0	$0	$0	$0	$0
Asset Purchases	$67,500	$4,404	$6,673	$10,133	$15,420
Dividends	$37,988	$67,862	$103,939	$159,045	$243,367
Preferred Equity Payment	$0	$0	$0	$0	$0
Total Cash Outflows	**$109,174**	**$76,250**	**$114,920**	**$173,837**	**$263,827**
Net Cash Flow	**$117,297**	**$12,877**	**$19,642**	**$29,976**	**$45,786**
Cash Balance	**$117,297**	**$130,174**	**$149,816**	**$179,792**	**$225,578**



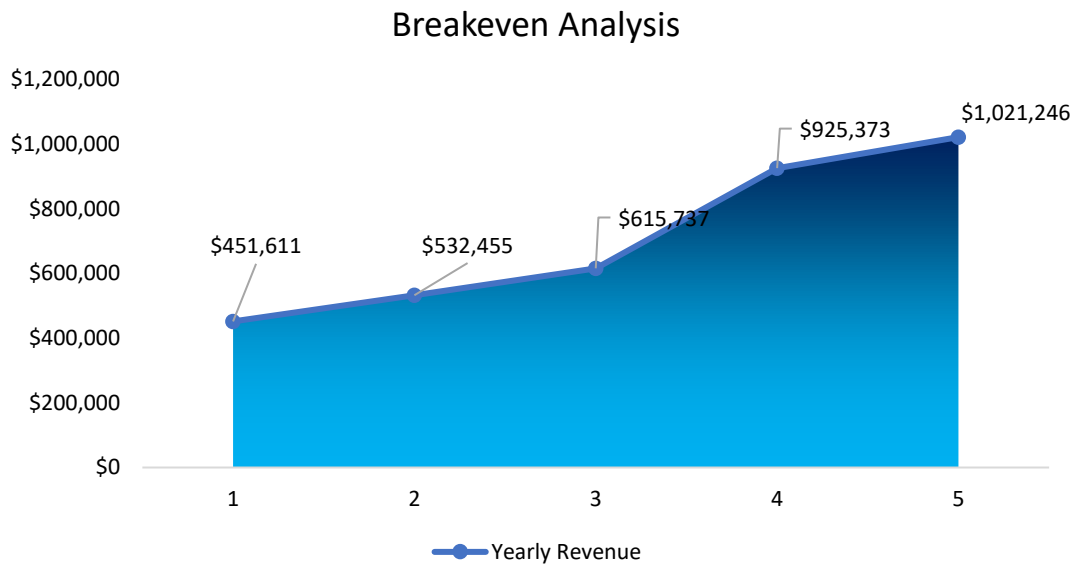
D) Balance Sheet

Proforma Balance Sheet - Yearly					
Year	1	2	3	4	5
Assets					
Cash	$117,297	$130,174	$149,816	$179,792	$225,578
Fixed Assets	$67,500	$71,904	$78,577	$88,710	$104,129
Accumulated Depreciation	($8,400)	($17,220)	($26,481)	($36,205)	($46,415)
Total Assets	**$176,397**	**$184,858**	**$201,912**	**$232,296**	**$283,293**
Liabilities and Equity					
Accounts Payable	$300	$615	$946	$1,293	$1,658
Long Term Liabilities	$147,015	$143,765	$140,229	$136,380	$132,191
Other Liabilities	$0	$0	$0	$0	$0
Total Liabilities	**$147,315**	**$144,380**	**$141,175**	**$137,673**	**$133,848**
Equity	**$29,082**	**$40,477**	**$60,737**	**$94,623**	**$149,444**
Total Liabilities and Equity	**$176,397**	**$184,858**	**$201,912**	**$232,296**	**$283,293**



9.6 Breakeven Analysis

Break Even Analysis					
Year	1	2	3	4	5
Monthly Revenue	$37,634	$44,371	$51,311	$77,114	$85,104
Yearly Revenue	$451,611	$532,455	$615,737	$925,373	$1,021,246



9.7 Business Ratios

Business Ratios - Yearly					
Year	1	2	3	4	5
Revenue					
Sales Growth	0.0%	25.0%	22.0%	50.0%	20.0%
Gross Margin	95.0%	95.0%	95.0%	95.0%	95.0%
Financials					
Profit Margin	7.90%	11.90%	15.29%	15.83%	20.39%
Assets to Liabilities	1.20	1.28	1.43	1.69	2.12
Equity to Liabilities	0.20	0.28	0.43	0.69	1.12
Assets to Equity	6.07	4.57	3.32	2.45	1.90
Liquidity					
Acid Test	0.80	0.90	1.06	1.31	1.69
Cash to Assets	0.66	0.70	0.74	0.77	0.80

Appendix A – SWOT Analysis

Strengths

- The Company has a wide range of expertise that could be applied to any small to medium size enterprises' marketing needs.
- The ability to provide comprehensive digital marketing services in tandem with traditional advertising will provide a major differentiating factor.
- Matthew Deutsch is a highly experienced marketing professional that will be able to address the needs of each client.
- The operations are highly scalable in the Company can enter international markets in the future.

Weaknesses

- The field of digital marketing, as well as traditional advertising is a highly competitive industry.
- High costs related to payroll as the Company intends to onboard exceptional graphic designers and marketing experts.

Opportunities

- Expansion of the Company's graphic design capabilities as this is a high margin revenue center for the business.
- Implementation of new programs that allow the company to produce recurring streams of revenue.
- Potential acquisition of firms operating a similar capacity.

Threats

- An immensely severe economic recession could impact the demand among new businesses that are seeking outsource marketing solutions.
- The ongoing issues with inflation can cause certain underlying operating cost to increase.

Appendix B – Critical Risks

Development Risk – **Low**
The service architecture has been developed. The principal matter that needs to be addressed is securing the revolving credit facility discussed in this document.

Financing Risk – **Low/Moderate**
The $150,000 of capital sought will be used over a period of time. The Company will draw down its credit lines on an as needed basis. Given the comprehensive nature of the services to be offered, the Company will be able to achieve profitability quickly.

Marketing Risk **– Low**
The Company will use many of the same strategies that it offers to its clients in order to develop a client based throughout the United States. This will be principally accomplished through the use of comprehensive of digital marketing strategies coupled with industry specific advertising.

Management Risk – **Low**
Matthew Deutsch is a highly experienced marketing professional that will be able to effectively launch and expand the operations of Deutsch Custom Marketing Solutions. He will be able to leverage his existing relationships within the field of marketing advertising to quickly onboard clients.

Valuation Risk – **Low**
The valuation risk is offset by:

- Deutsch Custom Marketing Solutions will produce both predictable and recurring income.

- The business, once the brand is established, will be able to expand to a national and international level.

- The Company can easily integrate new digitally focused marketing services that will drive greater income on a year-on-year basis.

Exit Risk - **Low**
Given the level of competition in the field of both traditional marketing and digital marketing, there is an immense demand for companies that are profitable within this field. As noted earlier, the primary divestiture strategy would be to work with existing employees through a buyout. There is also the alternative of using a business broker that would market the operations of the business to larger firm seeking to expand through acquisition.

Appendix C – Expanded Profit and Loss Statements

Profit and Loss Statement (First Year)							
Months	1	2	3	4	5	6	7
Revenue	**$40,000**	**$40,800**	**$41,600**	**$42,400**	**$43,200**	**$44,000**	**$44,800**
Cost of Revenue	$2,000	$2,040	$2,080	$2,120	$2,160	$2,200	$2,240
Gross Profit	$38,000	$38,760	$39,520	$40,280	$41,040	$41,800	$42,560
Expenses							
Payroll	$27,292	$27,292	$27,292	$27,292	$27,292	$27,292	$27,292
Facility Costs	$1,667	$1,667	$1,667	$1,667	$1,667	$1,667	$1,667
General and Administrative	$799	$799	$799	$799	$799	$799	$799
Professional Fees and Licensure	$292	$292	$292	$292	$292	$292	$292
Insurance	$354	$354	$354	$354	$354	$354	$354
Marketing	$2,220	$2,220	$2,220	$2,220	$2,220	$2,220	$2,220
Business Development	$708	$708	$708	$708	$708	$708	$708
Misc. Costs	$333	$333	$333	$333	$333	$333	$333
Payroll Taxes	$2,088	$2,088	$2,088	$2,088	$2,088	$2,088	$2,088
Total Operating Costs	$35,753	$35,753	$35,753	$35,753	$35,753	$35,753	$35,753
EBITDA	$2,247	$3,007	$3,767	$4,527	$5,287	$6,047	$6,807
Federal Income Tax	$1,053	$1,074	$1,095	$1,116	$1,137	$1,158	$1,179
State Income Tax	$0	$0	$0	$0	$0	$0	$0
Interest Expense	$1,063	$1,061	$1,059	$1,057	$1,056	$1,054	$1,052
Depreciation Expenses	$700	$700	$700	$700	$700	$700	$700
Net Profit	-$568	$173	$913	$1,654	$2,395	$3,135	$3,876

Profit and Loss Statement (First Year Cont.)						
Month	8	9	10	11	12	Year 1
Revenue	**$45,600**	**$46,400**	**$47,200**	**$48,000**	**$48,800**	**$532,800**
Cost of Revenue	$2,280	$2,320	$2,360	$2,400	$2,440	$26,640
Gross Profit	$43,320	$44,080	$44,840	$45,600	$46,360	$506,160
Expenses						
Payroll	$27,292	$27,292	$27,292	$27,292	$27,292	$327,500
Facility Costs	$1,667	$1,667	$1,667	$1,667	$1,667	$20,000
General and Administrative	$799	$799	$799	$799	$799	$9,590
Professional Fees and Licensure	$292	$292	$292	$292	$292	$3,500
Insurance	$354	$354	$354	$354	$354	$4,250
Marketing	$2,220	$2,220	$2,220	$2,220	$2,220	$26,640
Business Development	$708	$708	$708	$708	$708	$8,500
Misc. Costs	$333	$333	$333	$333	$333	$3,996
Payroll Taxes	$2,088	$2,088	$2,088	$2,088	$2,088	$25,054
Total Operating Costs	$35,753	$35,753	$35,753	$35,753	$35,753	$429,030
EBITDA	$7,567	$8,327	$9,087	$9,847	$10,607	$77,130
Federal Income Tax	$1,200	$1,221	$1,242	$1,263	$1,284	$14,024
State Income Tax	$0	$0	$0	$0	$0	$0
Interest Expense	$1,050	$1,049	$1,047	$1,045	$1,043	$12,635
Depreciation Expenses	$700	$700	$700	$700	$700	$8,400
Net Profit	$4,617	$5,358	$6,098	$6,839	$7,580	$42,071

Profit and Loss Statement (Second Year)					
		Year 2			
Quarter	Q1	Q2	Q3	Q4	Year 2
Revenue	$161,505	$164,835	$168,165	$171,495	$666,000
Cost of Revenue	$8,075	$8,242	$8,408	$8,575	$33,300
Gross Profit	**$153,430**	**$156,593**	**$159,757**	**$162,920**	**$632,700**
Expenses					
Payroll	$97,213	$97,213	$97,213	$97,213	$388,850
Facility Costs	$5,050	$5,050	$5,050	$5,050	$20,200
General and Administrative	$2,907	$2,967	$3,027	$3,087	$11,988
Professional Fees and Licensure	$857	$875	$893	$910	$3,535
Insurance	$1,073	$1,073	$1,073	$1,073	$4,293
Marketing	$8,075	$8,242	$8,408	$8,575	$33,300
Business Development	$2,231	$2,231	$2,231	$2,231	$8,925
Misc. Costs	$1,211	$1,236	$1,261	$1,286	$4,995
Payroll Taxes	$7,214	$7,362	$7,511	$7,660	$29,747
Total Operating Costs	**$125,831**	**$126,249**	**$126,667**	**$127,085**	**$505,833**
EBITDA	**$27,598**	**$30,344**	**$33,090**	**$35,835**	**$126,867**
Federal Income Tax	$6,407	$6,539	$6,671	$6,803	$26,419
State Income Tax	$0	$0	$0	$0	$0
Interest Expense	$3,119	$3,102	$3,084	$3,067	$12,372
Depreciation Expenses	$2,205	$2,205	$2,205	$2,205	$8,820
Net Profit	**$15,868**	**$18,499**	**$21,129**	**$23,761**	**$79,257**

Profit and Loss Statement (Third Year)					
		Year 3			
Quarter	Q1	Q2	Q3	Q4	Year 3
Revenue	$197,036	$201,099	$205,161	$209,224	$812,520
Cost of Revenue	$9,852	$10,055	$10,258	$10,461	$40,626
Gross Profit	**$187,184**	**$191,044**	**$194,903**	**$198,763**	**$771,894**
Expenses					
Payroll	$112,849	$112,849	$112,849	$112,849	$451,394
Facility Costs	$5,101	$5,101	$5,101	$5,101	$20,402
General and Administrative	$3,547	$3,620	$3,693	$3,766	$14,625
Professional Fees and Licensure	$866	$884	$902	$919	$3,570
Insurance	$1,084	$1,084	$1,084	$1,084	$4,335
Marketing	$9,852	$10,055	$10,258	$10,461	$40,626
Business Development	$2,343	$2,343	$2,343	$2,343	$9,371
Misc. Costs	$1,478	$1,508	$1,539	$1,569	$6,094
Payroll Taxes	$8,633	$8,633	$8,633	$8,633	$34,532
Total Operating Costs	**$145,751**	**$146,075**	**$146,400**	**$146,724**	**$584,950**
EBITDA	**$41,434**	**$44,969**	**$48,503**	**$52,038**	**$186,944**
Federal Income Tax	$10,039	$10,246	$10,453	$10,660	$41,400
State Income Tax	$0	$0	$0	$0	$0
Interest Expense	$3,049	$3,031	$3,012	$2,993	$12,084
Depreciation Expenses	$2,315	$2,315	$2,315	$2,315	$9,261
Net Profit	**$26,030**	**$29,376**	**$32,723**	**$36,070**	**$124,199**

Profit and Loss Statement (Fourth Year)					
		Year 4			
Quarter	Q1	Q2	Q3	Q4	Year 4
Revenue	$295,554	$301,648	$307,742	$313,836	$1,218,780
Cost of Revenue	$14,778	$15,082	$15,387	$15,692	$60,939
Gross Profit	**$280,776**	**$286,566**	**$292,355**	**$298,144**	**$1,157,841**
Expenses					
Payroll	$173,863	$173,863	$173,863	$173,863	$695,453
Facility Costs	$5,152	$5,152	$5,152	$5,152	$20,606
General and Administrative	$5,320	$5,430	$5,539	$5,649	$21,938
Professional Fees and Licensure	$874	$892	$911	$929	$3,606
Insurance	$1,095	$1,095	$1,095	$1,095	$4,379
Marketing	$14,778	$15,082	$15,387	$15,692	$60,939
Business Development	$2,460	$2,460	$2,460	$2,460	$9,840
Misc. Costs	$2,217	$2,262	$2,308	$2,354	$9,141
Payroll Taxes	$13,301	$13,301	$13,301	$13,301	$53,202
Total Operating Costs	**$219,059**	**$219,537**	**$220,015**	**$220,493**	**$879,104**
EBITDA	**$61,718**	**$67,029**	**$72,340**	**$77,651**	**$278,737**
Federal Income Tax	$15,595	$15,917	$16,238	$16,560	$64,310
State Income Tax	$0	$0	$0	$0	$0
Interest Expense	$2,973	$2,953	$2,933	$2,912	$11,772
Depreciation Expenses	$2,431	$2,431	$2,431	$2,431	$9,724
Net Profit	**$40,718**	**$45,728**	**$50,737**	**$55,748**	**$192,931**

Profit and Loss Statement (Fifth Year)					
		Year 5			
Quarter	Q1	Q2	Q3	Q4	Year 5
Revenue	$354,665	$361,978	$369,290	$376,603	$1,462,536
Cost of Revenue	$17,733	$18,099	$18,465	$18,830	$73,127
Gross Profit	**$336,932**	**$343,879**	**$350,826**	**$357,773**	**$1,389,409**
Expenses					
Payroll	$190,561	$190,561	$190,561	$190,561	$762,242
Facility Costs	$5,203	$5,203	$5,203	$5,203	$20,812
General and Administrative	$6,384	$6,516	$6,647	$6,779	$26,326
Professional Fees and Licensure	$883	$901	$920	$938	$3,642
Insurance	$1,106	$1,106	$1,106	$1,106	$4,423
Marketing	$17,733	$18,099	$18,465	$18,830	$73,127
Business Development	$2,583	$2,583	$2,583	$2,583	$10,332
Misc. Costs	$2,660	$2,715	$2,770	$2,825	$10,969
Payroll Taxes	$14,578	$14,578	$14,578	$14,578	$58,312
Total Operating Costs	**$241,691**	**$242,261**	**$242,831**	**$243,401**	**$970,184**
EBITDA	**$95,241**	**$101,618**	**$107,995**	**$114,371**	**$419,225**
Federal Income Tax	$24,103	$24,600	$25,097	$25,594	$99,396
State Income Tax	$0	$0	$0	$0	$0
Interest Expense	$2,891	$2,869	$2,847	$2,824	$11,432
Depreciation Expenses	$2,553	$2,553	$2,553	$2,553	$10,210
Net Profit	**$65,694**	**$71,596**	**$77,498**	**$83,400**	**$298,188**

Appendix D – Expanded Cash Flow Analysis

Cash Flow Analysis (First Year)								
Month	1	2	3	4	5	6	7	8
Cash From Operations	$132	$873	$1,613	$2,354	$3,095	$3,835	$4,576	$5,317
Cash From Receivables	$0	$0	$0	$0	$0	$0	$0	$0
Operating Cash Inflow	$132	$873	$1,613	$2,354	$3,095	$3,835	$4,576	$5,317
Other Cash Inflows								
Equity Investment	$25,000	$0	$0	$0	$0	$0	$0	$0
Increased Borrowings	$150,000	$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	**$175,083**	**$83**	**$83**	**$83**	**$83**	**$83**	**$83**	**$83**
Total Cash Inflow	**$175,215**	**$956**	**$1,697**	**$2,437**	**$3,178**	**$3,919**	**$4,660**	**$5,400**
Cash Outflows								
Repayment of Principal	$239	$241	$243	$244	$246	$248	$250	$251
A/P Decreases	$58	$58	$58	$58	$58	$58	$58	$58
A/R Increases	$0	$0	$0	$0	$0	$0	$0	$0
Asset Purchases	$67,500	$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	**$67,798**	**$299**	**$301**	**$303**	**$304**	**$306**	**$308**	**$310**
Net Cash Flow	**$107,418**	**$657**	**$1,396**	**$2,135**	**$2,874**	**$3,613**	**$4,352**	**$5,091**
Cash Balance	**$107,418**	**$108,075**	**$109,471**	**$111,605**	**$114,479**	**$118,092**	**$122,443**	**$127,534**

Cash Flow Analysis (First Year Cont.)					
Month	9	10	11	12	Year 1
Cash From Operations	$6,058	$6,798	$7,539	$8,280	$50,471
Cash From Receivables	$0	$0	$0	$0	$0
Operating Cash Inflow	**$6,058**	**$6,798**	**$7,539**	**$8,280**	**$50,471**
Other Cash Inflows					
Equity Investment	$0	$0	$0	$0	$25,000
Increased Borrowings	$0	$0	$0	$0	$150,000
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	$176,000
Total Cash Inflow	**$6,141**	**$6,882**	**$7,622**	**$8,363**	**$226,471**
Cash Outflows					
Repayment of Principal	$253	$255	$257	$259	$2,985
A/P Decreases	$58	$58	$58	$58	$700
A/R Increases	$0	$0	$0	$0	$0
Asset Purchases	$0	$0	$0	$0	$67,500
Dividends	$0	$0	$0	$37,988	$37,988
Preferred Equity Payment	$0	$0	$0	$0	$0
Total Cash Outflows	**$311**	**$313**	**$315**	**$38,305**	**$109,174**
Net Cash Flow	**$5,829**	**$6,568**	**$7,307**	**-$29,942**	**$117,297**
Cash Balance	**$133,363**	**$139,932**	**$147,239**	**$117,297**	**$117,297**

Cash Flow Analysis (Second Year)					
		Year 2			
Quarter	Q1	Q2	Q3	Q4	Year 2
Cash From Operations	$18,073	$20,704	$23,334	$25,966	$88,077
Cash From Receivables	$0	$0	$0	$0	$0
Operating Cash Inflow	**$18,073**	**$20,704**	**$23,334**	**$25,966**	**$88,077**
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	**$18,328**	**$20,964**	**$23,600**	**$26,236**	**$89,127**
Cash Outflows					
Repayment of Principal	$787	$804	$821	$838	$3,249
A/P Decreases	$178	$182	$186	$189	$735
A/R Increases	$0	$0	$0	$0	$0
Asset Purchases	$4,404	$0	$0	$0	$4,404
Dividends	$0	$0	$0	$67,862	$67,862
Preferred Equity Payment	$0	$0	$0	$0	$0
Total Cash Outflows	**$5,369**	**$985**	**$1,006**	**$68,890**	**$76,250**
Net Cash Flow	**$12,959**	**$19,978**	**$22,593**	**-$42,654**	**$12,877**
Cash Balance	**$130,256**	**$150,234**	**$172,828**	**$130,174**	**$130,174**

Cash Flow Analysis (Third Year)					
		Year 3			
Quarter	Q1	Q2	Q3	Q4	Year 3
Cash From Operations	$28,345	$31,691	$35,038	$38,385	$133,460
Cash From Receivables	$0	$0	$0	$0	$0
Operating Cash Inflow	**$28,345**	**$31,691**	**$35,038**	**$38,385**	**$133,460**
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	**$28,613**	**$31,964**	**$35,316**	**$38,669**	**$134,562**
Cash Outflows					
Repayment of Principal	$856	$875	$893	$912	$3,536
A/P Decreases	$187	$191	$195	$199	$772
A/R Increases	$0	$0	$0	$0	$0
Asset Purchases	$6,673	$0	$0	$0	$6,673
Dividends	$0	$0	$0	$103,939	$103,939
Preferred Equity Payment	$0	$0	$0	$0	$0
Total Cash Outflows	**$7,716**	**$1,066**	**$1,088**	**$105,050**	**$114,920**
Net Cash Flow	**$20,896**	**$30,899**	**$34,228**	**-$66,381**	**$19,642**
Cash Balance	**$151,070**	**$181,969**	**$216,197**	**$149,816**	**$149,816**

Cash Flow Analysis (Fourth Year)					
		Year 4			
Quarter	Q1	Q2	Q3	Q4	Year 4
Cash From Operations	$43,149	$48,159	$53,168	$58,179	$202,655
Cash From Receivables	$0	$0	$0	$0	$0
Operating Cash Inflow	**$43,149**	**$48,159**	**$53,168**	**$58,179**	**$202,655**
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	**$43,430**	**$48,445**	**$53,461**	**$58,477**	**$203,813**
Cash Outflows					
Repayment of Principal	$932	$952	$972	$993	$3,849
A/P Decreases	$197	$201	$205	$209	$810
A/R Increases	$0	$0	$0	$0	$0
Asset Purchases	$10,133	$0	$0	$0	$10,133
Dividends	$0	$0	$0	$159,045	$159,045
Preferred Equity Payment	$0	$0	$0	$0	$0
Total Cash Outflows	**$11,261**	**$1,152**	**$1,177**	**$160,246**	**$173,837**
Net Cash Flow	**$32,169**	**$47,293**	**$52,284**	**-$101,770**	**$29,976**
Cash Balance	**$181,985**	**$229,278**	**$281,562**	**$179,792**	**$179,792**

Cash Flow Analysis (Fifth Year)					
	Year 5				
Quarter	Q1	Q2	Q3	Q4	Year 5
Cash From Operations	$68,247	$74,148	$80,050	$85,953	$308,398
Cash From Receivables	$0	$0	$0	$0	$0
Operating Cash Inflow	**$68,247**	**$74,148**	**$80,050**	**$85,953**	**$308,398**
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	**$68,542**	**$74,449**	**$80,357**	**$86,266**	**$309,613**
Cash Outflows					
Repayment of Principal	$1,014	$1,036	$1,058	$1,081	$4,189
A/P Decreases	$206	$211	$215	$219	$851
A/R Increases	$0	$0	$0	$0	$0
Asset Purchases	$15,420	$0	$0	$0	$15,420
Dividends	$0	$0	$0	$243,367	$243,367
Preferred Equity Payment	$0	$0	$0	$0	$0
Total Cash Outflows	**$16,641**	**$1,247**	**$1,273**	**$244,667**	**$263,827**
Net Cash Flow	**$51,901**	**$73,203**	**$79,084**	**-$158,401**	**$45,786**
Cash Balance	**$231,693**	**$304,896**	**$383,980**	**$225,578**	**$225,578**