

A person is operating a screen printing machine. The screen shows a blue and yellow logo with the word 'PHYR' and some smaller text. The person's hands are visible, holding the frame of the screen. The background is a workshop setting with various tools and equipment. The image is overlaid with a dark, geometric pattern of triangles and circles.

RETAIL – EMBROIDERY AND SCREEN PRINTING

#1.) INTRODUCTION

I am initiating a PLAN to find the funding for me to open an Embroidery and Screen-Printing business.

- A) I am 42 years old. I work in an office in the Insurance Industry. I live in the northeast area of Philadelphia PA. I have a wife and 2 children. I Plan on continuing to work at my insurance job until revenues permit me to leave and work full-time at this new business. My name is Ron Thompson.
- B) My **38-year-old brother, Johnny, is the expert** in this Embroidery and Screen-Printing business. He's worked in a few different shops in the Philadelphia and surrounding areas for about 12 years. He's a draftsman, by trade. He really likes the embroidery and screen-printing business. He's a **PROFESSIONAL in this type of business; he takes pride in his work.**
- C) With the help of the Main Street Market Exchange, I've put together this Fully Developed, Comprehensive-PLAN (my PLAN) to show interested, serious, and visionary INVESTORS...how they can **infuse money (INVEST) into an Embroidery and Screen-Printing business....**and prosper with me.
- D) Johnny is a good man and a great worker. He's very-under-paid and under-appreciated with his present employer. On his present employer's 3-person work floor, **he does 90% of the work, and manages the other 2 guys.** The owner sells well but knows virtually nothing about actually doing the embroidery and screen-printing work. Also, the owner of his present shop does not know how to encourage workers and is basically an idiot a lot of the times towards his workers.



- E) The **focus of this PLAN** is to show how I can get my Embroidery and Screen-Printing business up and running...and to show how an **INVESTOR** can work with me... to make this happen.
- F) If someone were to ask what the **MAJOR difference** will be with my new Embroidery and Screen-Printing business that I am going to open, I would have to say clearly – it is the **CRAFTSMANSHIP** and the **PROFESSIONALLY-FINISHED PRODUCT**.
- G) With the PT help of Johnny's young son, Johnny can be responsive and pro-active to **TARGET** the profitable **TARGET MARKET** in the greater Philadelphia market that Johnny has worked with for over 12 years.
- H) Johnny, with the help of his son, and a new AA/Telephone Operator, and my assistance – as well as our retired Father – will need to be very particular about what clients we pursue. Johnny can be twice as responsive and pro-active as our competitors. We just need to be selective and not allow timewasters to jam up our processes.
- I) I've identified multiple locations for our newly proposed shop. More importantly, I've identified a number of ways to target our new (more affluent) clients, as well as **NEW** and differentiating services for these clients...that will keep them loyal and coming back for all their Embroidery and Screen-printing needs.
- J) From an Investment (Investor) standpoint, I'm looking for a **Capital Infusion of \$33,000**.



#2.) EXPERIENCE AND TIME MANAGEMENT

- A.) As stated, I have been in Insurance work for 17 years. More importantly, Johnny, has worked in the Embroidery and Screen-Printing business for over 12 years. He has a great Customer Satisfaction rating – because he does what he says he’s going to do – and because he doesn’t try to mess with folks, or mislead folks, or present things that are not true. Johnny understands virtually every aspect of the business.
- B.) I am initiating this PLAN to get our Embroidery and Screen-Printing business and to show interested Investors how they can prosper with me...by investing in my PLAN. I’d like to utilize all the INVESTMENT proceeds from an Investor to make my shop the PREMIER Embroidery and Screen-Printing shop in the greater Philadelphia area.
- C.) I plan to work at this **PT-TIME, from DAY #1**. Johnny and his son will work at it **FT from DAY #1**. Our Dad will work PT, in Sales.
- D.) I’m looking for an Initial Investment, from an Investor – to implement my PLAN – of **\$33,000**.



The specific use of the **\$33,000** is as follows:

• First 6/month’s rent on new location (\$800/mth)	\$4,800
• (3) new sets of various Screen-Printing tools	\$900
• (2) used Medium-sized (small runs) Embroidery machines	\$1,750
• (1) ‘Super Computerized Embroidery Machine	\$7,500
• New Copier	\$250
• 1,000 printed 5x8 index (mailer) cards	\$175
• Tables, Props, Shirts, Initial Supplies	\$5,500
• Admin Asst (AA)/Phone Operator (\$400/mth) –6mths	\$2,400
• New iPhone for AA/Telephone Operator	\$ 500
• New iPhone for Dad	\$ 500
• New iPad mini for Office	\$ 500
• (2) New laptops for office and AA/Telephone Operator	\$ 1,500
• (2) New desk phones for office and AA/Tele Operator	\$250
• New AC/desk/chair/office supplies for AA	\$500
• (2) Plantronics wireless headsets for office and AA	\$ 250
• New Signs for location, and printed materials	\$1,500
• Initial Supply of various shirts and test/promo clothes	\$2,500
• Miscellaneous and other office supplies & equipment	\$ 500
• Petty-Cash, Working Capital, Buy Parts each day drawer	\$1,225
Total	\$33,000



The specific types of issues for Ron (and Johnny) are:

- **Manager-Coordinator – Johnny and his Dad, Phil**, will be the main points of contact for this business. The Investor can speak with either Johnny or Phil (or Ron) at most any time regarding any issue.
- As the **Manager-Coordinator, Johnny's** experience, and proven success in Embroidery work and Screen-Printing business, is the key aspect of this business. He is in good health and physically capable to run this business.
- Effectively, as the **Manager-Coordinator**, Johnny is the key communication person for this new business. His ability and energetic approach everyday will make this a success. Ron's extensive contacts in the business industry will also be very important. Phil (Dad) was in sales in the trading area for his entire career. It's a good team.
- **As the Manager-Coordinator** Johnny will pay himself \$1,700 a month (after 90 days) for the first year. Johnny's wife is employed FT. Johnny's son lives at home and will take a draw of \$1,000/month after 90 days. Phil will work on straight commission.
- The Investor will also be paid **\$550 per month (\$33,000/60 payments)**, until the \$33,000 initial infusion is paid in full.
- The Investor will also be paid **\$193 per month (Dividend)** until the initial \$33,000 infusion is paid in full.
- Ron will pay himself \$1,000 a month.
- Thereafter, the **Investor will be paid \$400 per month**, until he/she receives **\$55,000 in total payback funds**. If the Investor chooses to Invest Additional Capital (in an amount in excess of his initial \$33,000 infusion) Ron and the Investor will continue the same initial payment structure. If the Investor chooses not to invest more Capital, Ron reserves the right to **buyout the Investor** – after the Investor has received \$55,000 in total payback funds for **\$3,300 (10% of initial Infusion)**.
- Ron's main concern is that this business does not effectively Target a profitable clientele. Ron's and Johnny's **focus must be on profitability** This is the main reason why they are **TARGETING** a more affluent clientele and moving to a location that caters to them. Johnny could keep busy from **DAY #1** servicing anyone. It's essential that he **TARGETS** the profitable clientele (i.e. high schools, universities, medium-sized business, banks, insurance companies, hospitals, etc...).





- The new AA/Secretary/Telephone operator is VITAL. She will handle 90% of all incoming calls...screening them to free-up Johnny. She will do all billing. She will make all pro-active: calls for supplies, appointments, and customer related issues. Surely, Johnny and Phil can intercede and speak with anyone at any time. But the new AA/phone Operator will help Johnny immeasurably.
- Johnny's son will also work with his dad, Full Time. A few other PT guys can come in to work for larger runs, as needed.
- Johnny and Rona are only interested (Target Market) in developing a clientele that can pay well (not penny-pincher) labor rates. They (Ron/Johnny/Phil) are not interested in 'shoppers' who are looking to save \$100, compared to the competitors down the street.
- From DAY #1, Johnny will advertise: 1.) Complete Embroidery and Screen-Printing work, 2.) Total 1-stop work 3.) Premier Craftsmanship, 4.) Twice as fast turnaround time/delivery, 5.) Family-Owned business.
- The \$33,000 Investment allows Ron & Johnny the funds they need to make this new Embroidery and Screen-Printing business a reality.

The New Company Name and Information:

- **Company Name:** Philadelphia Embroidery and Screen-Printing
 - **Ownership %:** 100% - Ron Thompson**
**Investor Contractually owns payback
 - **Office Location:** Northeast Philadelphia, PA
 - **Bank:** Keystone Savings Banks
- A.) Pricing, Margins and Charges - TBD by Ron & Johnny
- B.) Ron is 42 years old. Johnny is 38 and has 12 years of Embroidery and Screen-Printing experience. This represents a unique opportunity for Ron and Johnny to make some real good money due to their vast experience and for Johnny's son, their dad, Phil, and the AA to work with them, to make a good living, and for an Investor to make a sizeable profit from a relatively small initial cash infusion.

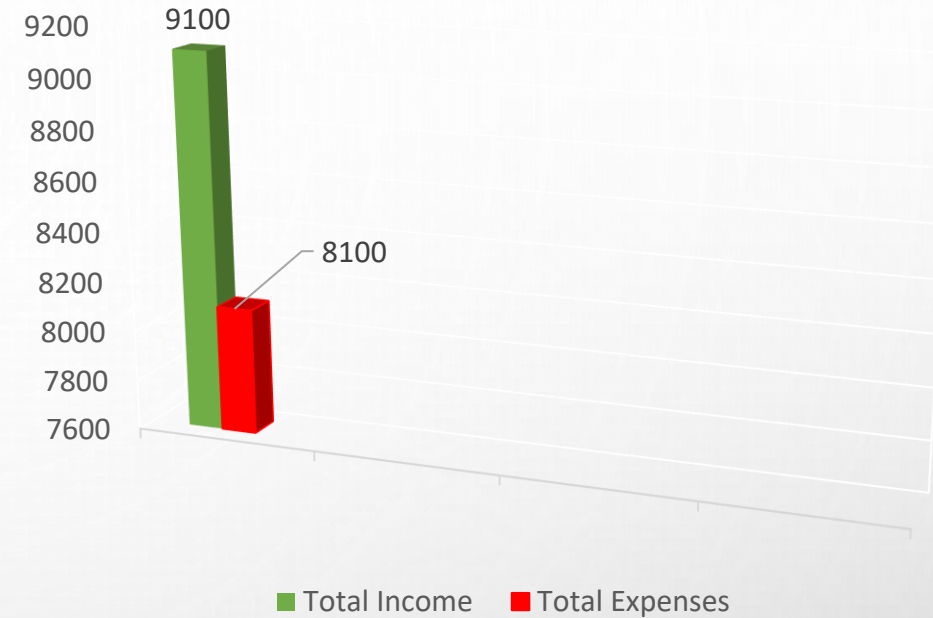


#3.) CASH FLOW

Involves the **inflows and outflows** of cash... and that is the focus of this Section. Some aspects of cash flow involve the use of the initial cash investment. Some expenses may be missing from the first year's cash flow and accompanying graphs...We should view the cash flow in this light.

- A.) This cash flow analysis involves the cash flow for the new Embroidery and Screen Printing (**Ron's PLAN**), servicing the Philadelphia market.
- B.) Accordingly, a very succinct Monthly 1st year's cash flow is as follows:

Monthly Cash Inflows (Income) After 3 Months		Monthly Cash Outflows (Expenses) After 3 Months	
Projected \$350 Sales/profit) a day for 26 days in a month. 26 days x \$150 = \$9,100	\$9,100	(1) Johnny's son, 26 days = \$1,040	\$1,000
		Phil (deferred)	\$ 500
		Johnny monthly salary	\$1,700
		Ron draw/mth	\$1,000
		Payback: \$33,000/60 = \$550	\$ 550
		Rent	\$800
		Electric	\$ 325
		Salary-AA/operator	\$ 400
		Internet	\$ 30
		Advertising and Solicitation	\$ 275
		Accounting	\$ 50
		Miscellaneous	\$ 750
		Dividend (7%) - \$33,000 x 7% = \$2,310 /12 months =	\$ 193
		Trash/Office costs/Misc	\$550
Total Monthly Income	\$9,100	Total Monthly Expenses	\$8,100



SUMMARY OF PROJECTION#1: A rough Summary of the monthly Cash Flow is Cash Inflows (Income) of \$9,100 – Cash Outflows (Expenses) of \$8,100 = **\$1,000 Positive Monthly Cash Inflow.**

#4.) CONSTANT STREAM OF CUSTOMERS

Much of this plan needs to focus on how to obtain a **Constant Stream of Customers**. Here is a list of pro-active prospecting activities that we will need to implement to ensure that we have a **Constant Stream of Customers**.

- a) 15 proactive calls by the AA/Telephone Operator each day.
- b) Networking by Ron & Johnny: 3 in-person calls a month to Small Business fleets.
- c) 100 new postcards mailed out each week.
- d) Start a 5 x 8 index card system; transfer daily results into Microsoft data base each day. Managed by Ron's wife.

There are **5 specifics things** that Johnny is accountable for each day:

What will he do (specifically)?

- 1) Direct and monitor the AA/Telephone Operator to make and receive phone calls.
- 2) Keep score; monitor the pro-active and prospecting calls.
- 3) Solve any problems or concerns ASAP...do not let issues fester.
- 4) Perform all duties related to the company.
- 5) Fill-out his daily Executive Book. Keep track of all expenses and income.
- 6) Be the Chief Communication Officer of the company.

When will he do it?

- 1) Johnny's hours are set when he's working as a FT Owner/Operator; Johnny is generally always 'on'. He's an entrepreneur.
- 2) He will support the AA/phone Operator and workers at the end of the day.
- 3) He is responsible for communicating with the Investor as much is needed.



How will this prospecting work?

- 1) Telephonically, pick up the phone. Keep AA/phone Operator/Secretary honest.
- 2) Focus on serious inquiries only. Delegate to AA to screen Calls.
- 3) Focus on managing the process.
- 4) Focus on targeting those folks who respond to him.
- 5) Focus on creating his 'BRAND' as a Premier Embroidery & Screen-Printing business in the greater Philadelphia area.

Why do it at all?

- 1) Prospecting works.
- 2) Need to keep score. Wishing is not a way to do business
- 3) Other advertising will follow in 6-9 months.
- 4) Johnny and Ron are the business; its success depends on their initiative and execution.

How much should Telephone Operator call?

- 1) As much is stipulated...can be adjusted. Filing her nails is not part of the job description.
- 2) Johnny will serve as the communication-hub of the new business.
- 3) It's not a matter of how much Johnny or the new AA should call, but rather developing a system and follow-up process to ensure that Johnny has a full pipeline of clients/prospects scheduled each day.



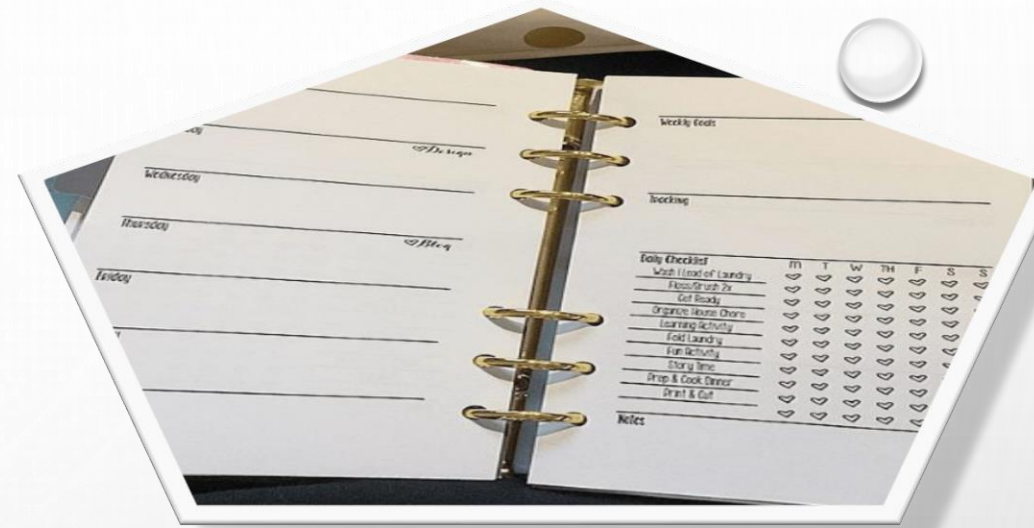
#5.) DAILY PLAN

A.) Daily Plan for Workflow

- 1) An **Executive Notebook**, which describes a Daily Plan of Action, will be completed daily by Johnny and Ron... specifically for this Business.
- 2) Daily Plan is not optional.
- 3) Ron and Johnny will share with AA/phone Operator the **KEY activities (jobs) of the day**. Telephone Operator will be updated daily/weekly by Ron and Johnny, using a calendar.
- 4) Reality: AA/Telephone Operator/Secretary must be constantly available for Ron and Johnny and Phil.
- 5) Ron must make a concerted effort to constantly look for **new marketing strategies**.
- 6) The **5x7 index card system** – which everyone will perform – will be automated after 60 days. The 5x7 index card system will continuously be used.

B.) Daily Plan for Ron

- 1) Develop communication processes (i.e. Billing, E-mail, Communication with Clients, Communication with the AA/phone Operator and Phil (Use of Book-Keeping Software, etc..)) **must be communicated effectively**.
- 2) Review appropriate information with AA/phone Operator and workers on a daily basis.
- 3) **Keep Executive Book** with you at all times.
- 4) COOPERATE with Johnny, Phil, and workers, and sub-contractors, and clients.
- 5) Write things down, don't forget things.

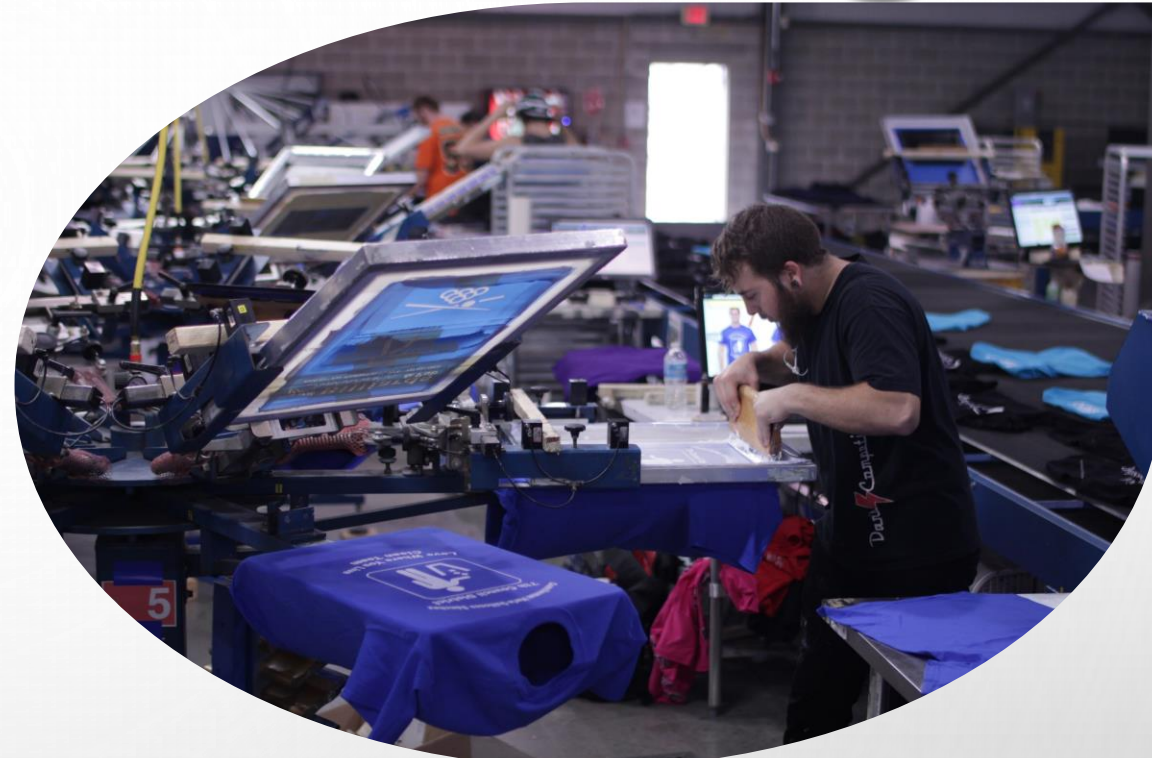


C) **Daily Plan for AA/Telephone Operator**

- 1) Develop communication processes (i.e. Billing, E-mail, Communication with Clients, Communication with the Mechanics, Auto parts store, the Use of Book-Keeping Software, etc...).
- 2) Review appropriate information with Ron and Johnny, the workers, Phil, and the Investor, as much as needed, and in Johnny's absence...keep the processes going.
- 3) Keep your own Executive Book with you at all times. Fill it out.
- 4) COOPERATE with Ron, Johnny, Phil, and Clients, and workers, as needed.
- 5) Keep Score of everything (post cards handed out, number of calls made each day, client request, Follow-ups on pending work, etc...). Encourage Johnny. Encourage workers.
- 6) Make Johnny's work-life easier.

D) **Daily Plan for the Johnny**

- 1) Incorporate Daily Plan from Ron with their (the worker's) schedule.
- 2) Communicate quickly and consistently with everyone each day.
- 3) Act on all **hot leads** immediately...analyze with Ron and Phil.
- 4) Perform tasks confidently and with initiative. Be empowered. Don't be lazy and stupid on purpose.
- 5) Develop a **Follow-Up folder**, which supports your own personal Executive Book, and aids Ron and the staff to get things done effectively.



#6.) ORGANIZATION

Organization is 1 of the 10 Components of creating a Fully Developed Plan. When you are organized, you are serious about your work. When you are disorganized, you have little chance of succeeding.

A.) Organize your Target Market

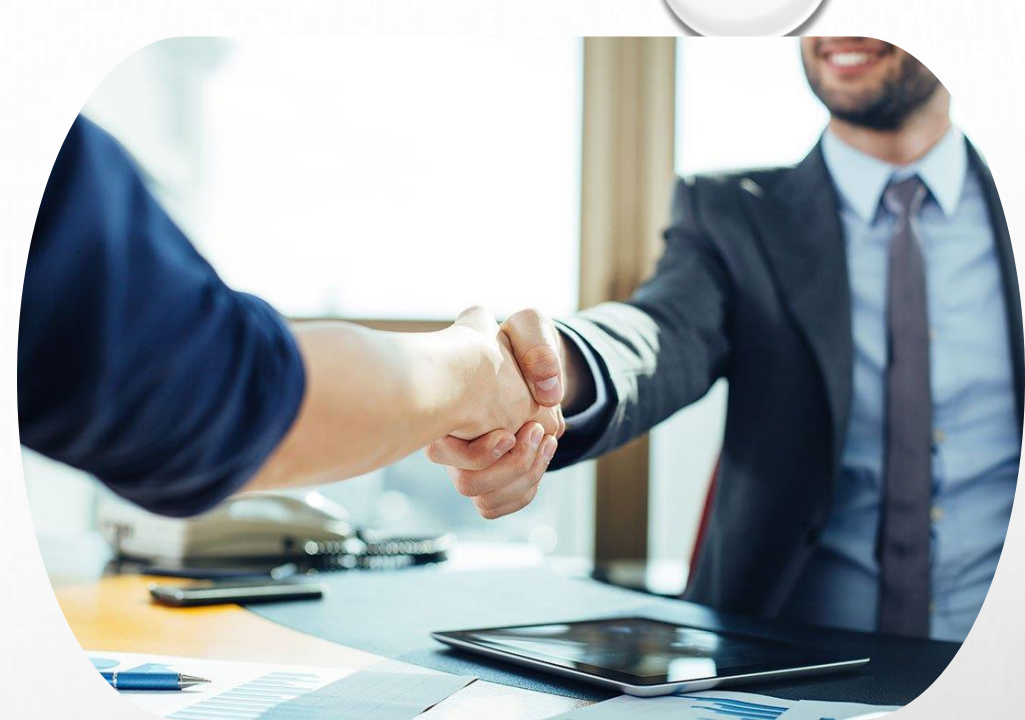
- 1) Target pre-determined Philadelphia market. Target business owners.
- 2) Targeted 'SPECIALS' (spring team specials, etc....) in an organized manner.
- 3) Target (extra) those who respond to your initial prospecting.

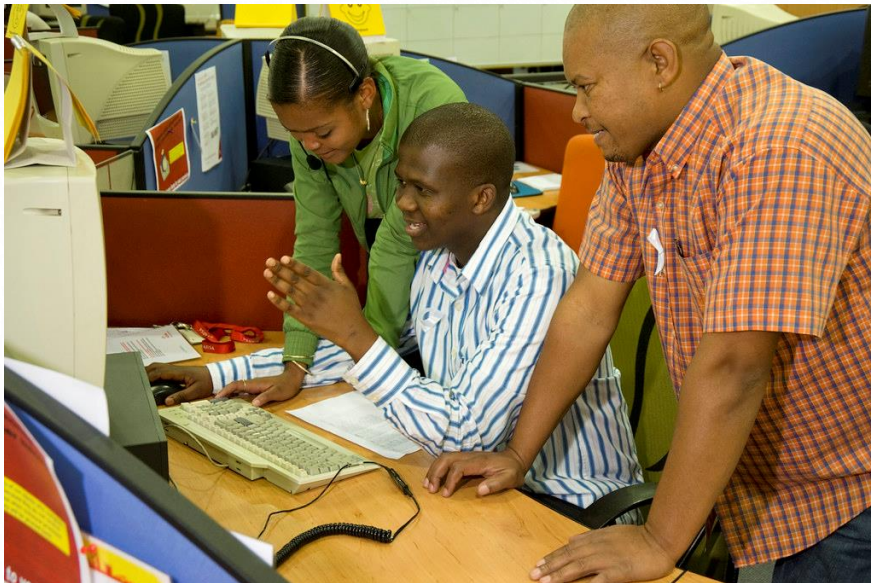
B.) Organize your Prospects/Clients

- 1) Understand - the 80-20 Rule.
- 2) Identify - those who respond to you. Know the particular stories and perceived concern (league colors, jacket needs, etc....).
- 3) Categorize/Segregate - don't waste your time on timewasters.

C.) Organize your Work Desk

- 1) Johnny needs to keep AA/Telephone Operator's desk organized. Fill out Executive Book Daily. Not optional.
- 2) Ron's wife can also handle certain tasks. For example, all BILLING (80% of the billings should be electronically). Clarify and determine.
- 3) Daily Action Plan needs to be written down each day by Johnny and AA/Telephone Operator and communicated to everyone each day.





#7.) PERSONAL PREPAREDNESS

A.) Are you ready to do this?

- 1) Johnny, and his son, and his dad (Phil), and the AA/Telephone Operator, need to speak to each other to evaluate the next day's activities and plan for the next day's needs.
- 2) Johnny has sufficient energy to entertain this business.
- 3) Johnny will make this his FT business. He and Ron want to make this their retirement income.
- 4) This business will be very profitable for Ron and an Investor.

B.) Personal Assessment

- 1) Ron is 42 years old. Johnny is 38. Their physical and mental health are excellent.
- 2) Ron and Johnny are excited to add be able to own their own shop.
- 3) Ron and Johnny's family are elated at this new opportunity.
- 4) There are no personal, business, or other obligations in Johnny's life that will impede him from doing this new business.

C.) Compelling Reasons

There are **3 primary things** that Ron wants from this business.

- 1) To own his own Embroidery and Screen-Printing shop with his brother.
- 2) To operate the Premier Embroidery and Screen-Printing Business in the Philadelphia trading area.
- 3) To allow his brother, Dad, son, and other folks to work with him each day...and to offer an Investor a profitable business investment opportunity.

#8.) PROJECTIONS

- I'll present 3 different Projections Scenarios - which are Projections. The 1st Projection is copied from the #3 CASH FLOW Section of this presentation. The last 2 Projections are changes to the amount of projected business generated ... or jobs completed.

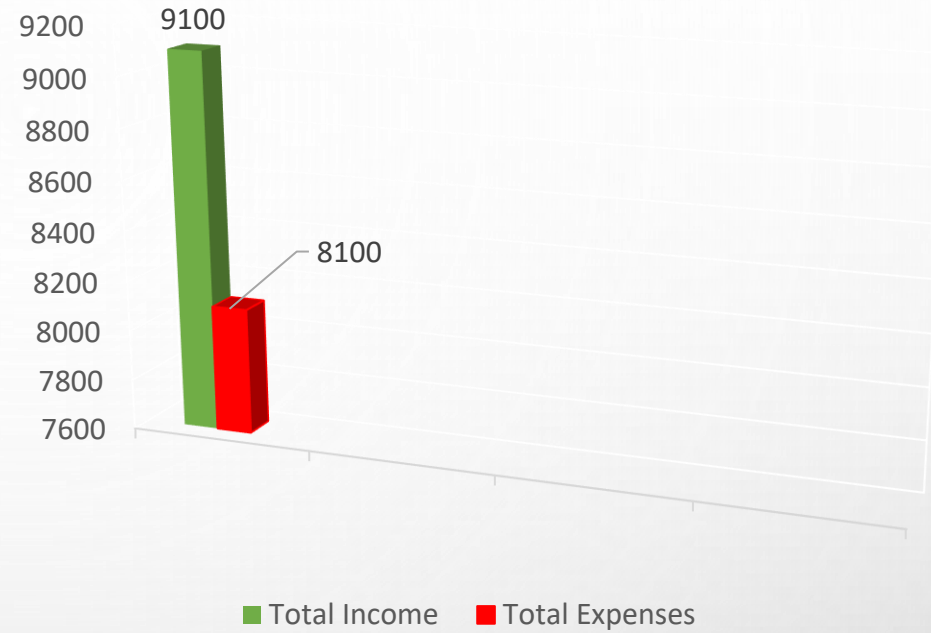
These Projections are simply meant to illustrate the projected revenue from activities. Four additional things to consider:

- 1.) These Projections have nothing to do with Ron's present income.
- 2.) These Projections can be altered and reconfigured at any time.
- 3.) These Projections involve a 1-time Capital Infusion of \$33,000.
- 4.) These Projections should be reviewed with Ron and the Investor – against actual revenues – to determine actual expectations, going forward.



PROJECTION: SCENARIO#1:

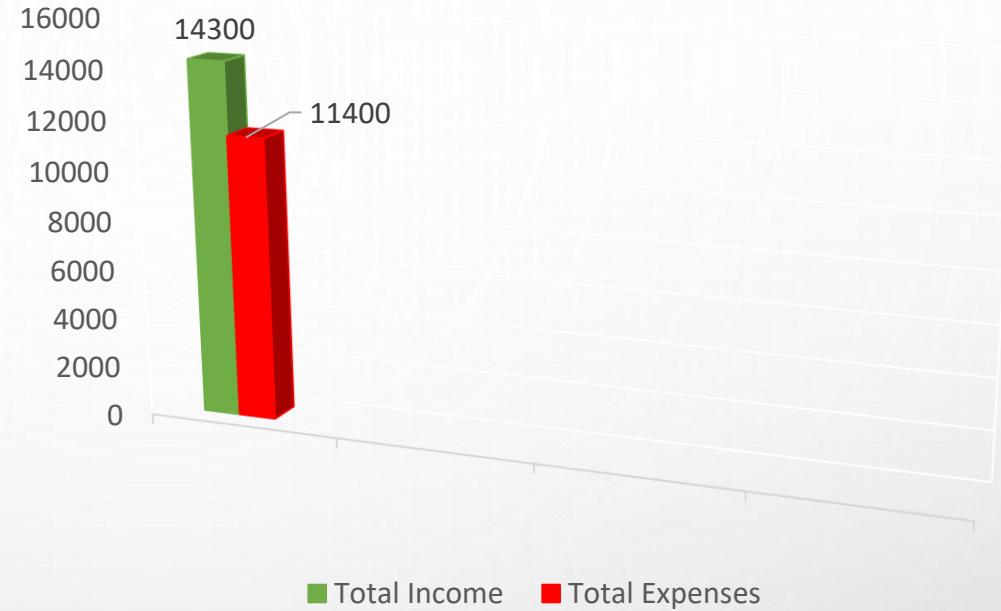
Monthly Cash Inflows (Income) After 3 Months		Monthly Cash Outflows (Expenses) After 3 Months	
Projected \$350 Sales/profit) a day for 26 days in a month. 26 days x \$150 = \$9,100	\$9,100	(1) Johnny's son, 26 days = \$1,040	\$1,000
		Phil (deferred)	\$ 500
		Johnny monthly salary	\$1,700
		Ron draw/mth	\$1,000
		Payback: \$33,000/60 = \$550	\$ 550
		Rent	\$800
		Electric	\$ 325
		Salary-AA/operator	\$ 400
		Internet	\$ 30
		Advertising and Solicitation	\$ 275
		Accounting	\$ 50
		Miscellaneous	\$ 750
		Dividend (7%) - \$33,000 x 7% = \$2,310 /12 months =	\$ 193
	Trash/Office costs/Misc	\$550	
Total Monthly Income	\$9,100	Total Monthly Expenses	\$8,100



SUMMARY OF PROJECTION#1: A rough Summary of the monthly Cash Flow is Cash Inflows (Income) of \$9,100 – Cash Outflows (Expenses) of \$8,100 = **\$1,000 Positive Monthly Cash Inflow.**

PROJECTION: SCENARIO #2:

Monthly Cash Inflows (Income) After 3 Months		Monthly Cash Outflows (Expenses) After 3 Months	
Projected \$550 Sales/profit) a day for 26 days in a month. 26 days x \$550 = \$14,300	\$14,300	Johnny's son draw	\$1,500
		Phil (deferred)	\$1,500
		Johnny monthly salary	\$2,000
		Ron draw/mth	\$550
		Payback: \$33,000/60 = \$550	\$ 800
		Rent	
		Electric	\$ 400
		Salary-AA/phone Operator	\$ 550
		Internet	\$ 30
		Advertising and Solicitation	\$ 75
		Accounting	\$ 50
		Shop/Miscellaneous	\$ 550
		Dividend (7%): \$33,000 x 7% = \$2,310 = (\$193/mth	\$ 193
		Trash/Garage Costs/Misc	\$500
Total Monthly Income	\$14,300	Total Monthly Expenses	\$11,400



SUMMARY OF PROJECTION#2: A rough Summary of the monthly Cash Flow is Cash Inflows (Income) of \$14,300 – Cash Outflows (Expenses) of \$11,400= **\$2,900 Positive Monthly Cash Inflow.**

PROJECTION: SCENARIO #3:

Monthly Cash Inflows (Income) After 3 Months		Monthly Cash Outflows (Expenses) After 3 Months	
Projected \$650 Sales/profit) a day for 26 days in a month. 26 days x \$650 = \$16,900	\$16,900	Johnny's son draw	\$2,000
		Phil (deferred)	\$1,000
		Johnny monthly salary	\$3,000
		Ron draw/mth	\$550
		Payback: \$33,000/60 = \$550	
		Rent	\$800
		Internet	\$ 30
		Salary /AA/phone Operator	\$ 700
		Trash/Garage costs/Misc	\$ 500
		Advertising and Solicitation	\$ 100
		Accounting	\$ 75
		Miscellaneous	\$ 1,000
		Dividend (7%) %): \$33,000 x 7% = \$2,310 = (\$193/mth)	\$ 193
		Office Expense	\$ 750
Total Monthly Income	\$16,900	Total Monthly Expenses	\$13,700



SUMMARY OF PROJECTION#3: A rough Summary of the monthly Cash Flow is Cash Inflows (Income) of \$16,900 – Cash Outflows (Expenses) of \$13,700 = **\$3,200 Positive Monthly Cash Inflow.**

#9.) CAPITAL INVESTMENT

The Capital Investment breakdown of **\$33,000**, as previously stated in the Experienced People and Time Management Section#2 of this fully developed PLAN, is as follows:

CAPITAL INVESTMENT

The specific use of the **\$33,000** is as follows:

• First 6/month's rent on new location (\$800/mth)	\$4,800
• (3) new sets of various Screen-Printing tools	\$900
• (2) used Medium-sized (small runs) Embroidery machines	\$1,750
• (1) 'Super Computerized Embroidery Machine	\$7,500
• New Copier	\$250
• 1,000 printed 5x8 index (mailer) cards	\$175
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• Admin Asst (AA)/Phone operator (\$400/mth) –6mths	\$2,400
• New iPhone for AA/Telephone Operator	\$ 500
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• (2) New desk phones for office and AA/Tele Operator	\$250
• New AC/desk/chair/office supplies for AA	\$500
• (2) Plantronics wireless headsets for office and AA	\$ 250
• New Signs for location, and printed materials	\$1,500
• Initial Supply of various shirts and test/promo clothes	\$2,500
• Miscellaneous and other office supplies & equipment	\$ 500
• Petty-Cash, Working Capital, Buy Supplies each day drawer	\$1,225
Total	\$33,000



A.) **Parameters:**

- 1–Time Infusion of \$33,000.
- Targeted infusion to cover specific costs (see above).
- No Collateral required. Investor owns all office equipment (laptops, copiers, and phones) until payback of \$33,000 is made in full.
- \$33,000 Infusion to be made upon completion of a signed EXECUTED AGREEMENT.

B.) **Payback of Investment**

- **DIVIDEND:** 7% - monthly to Investor, initiates 90 to 120 days after initial infusion, (\$193 per month).
- **Each month:** In addition to the dividend payment, Investor gets paid \$550 month (payback of \$33,000...\$33,000/60 payments = \$550). Thereafter, Investor is paid \$400 per month until total of \$55,000 is paid back.
- **After \$33,000 is paid in full,** Investor is paid \$400 per month. The dividend payment discontinues (is no longer paid) after the \$33,000 infusion is paid back.
- **Johnny is initially paid \$1,700 per month.** After Investor has been paid back \$33,000 Initial Infusion, Johnny will be paid \$2,500 per month.
- **After initial investment has been paid in full,** Ron reserves the right to utilize any excess profits as he deems appropriate.
- **Ron reserves the RIGHT OF FIRST ACCEPTANCE/REFUSAL,** to buy out Investor. (\$3,300 - 10% of initial infusion amount).
- **Ron retains 100% ownership** of the Embroidery and Screen-Printing business after the Initial \$33,000 Infusion has been paid in full.



#10.) EXECUTION OF THE PLAN

EXECUTION OF THE PLAN (PLAN #18)
PLAN FOR - Embroidery and Screen-Printing Business
TERM SHEET

CAPITAL INFUSION: \$33,000

ENTITY: Business to be operated under Newly Formed LLC.

OWNERSHIP: Percentage of ownership is based-upon the per monthly payment to the Investor. Ron Thompson owns 100% of the new Embroidery and Screen-Printing business. For LLC purposes, ownership % will be determined by the accountant. Payment to the Investor is determined by a monthly contractual Agreement.

PAY-BACK: Investor is paid \$193 per month (considered as a dividend) until \$33,000 infusion is paid back in full. Investor will also be paid \$550 (\$33,000/60) until \$33,000 initial infusion is paid in full. Thereafter, the Investor will be paid \$400 per month, until he/she receives \$55,000. At that time, if the Investor chooses to Invest additional Capital (in an amount in excess of his initial \$33,000 infusion) Ron and the Investor will re-continue the same initial payment structure. If the Investor chooses not to invest more Capital, Ron reserves the right to buyout Investor for \$1,700. For LLC purposes, Ron owns 100% of the Embroidery business.

DIVIDEND: 7% dividend payable monthly to Investor, 90 to 120 days after Initial Infusion has been made (\$193 per month).

RON's PAY: Ron (Johnny) is paid \$1,700 per month. After the Initial \$33,000 Infusion is paid in full.

ONGOING: After initial investment has been paid in full, Ron reserves the right to utilize any excess profits as he deems appropriate.

Ron reserves the RIGHT OF FIRST ACCEPTANCE/REFUSAL, to buyout Investor (after \$55,000 total paid to the Investor ... for \$3,300).

COLLATERAL: There is no collateral. The office equipment (laptops, phones, copiers) is understood to be the property of the Investor until the \$33,000 Initial Infusion is paid in full.

COVENANTS:

- a.) Ron and Investor speak once a week, or as needed.
- b.) Ron reserves the right for acceptance/refusal when/if the Investor wants to sell his share and/or increase his Income-stream OR make an additional infusion of Capital, as warranted.
- c.) Ron and Johnny manage the everyday activities of the company.
- d.) Investor may interface with Ron and Johnny at any time (reasonable time-permitting).

PARAMETERS:

- a.) 1-Time Infusion of \$33,000.
- b.) Targeted infusion to cover specific costs (see list of targeted costs to be covered by the Initial Infusion stipulated in Section #9 – CAPITAL INVESTMENT, of this Fully-Developed Plan).
- c.) \$33,000 Infusion to be made upon completion of a signed EXECUTED AGREEMENT.

Investment Made: _____

DATE: _____

Ron Thompson
DBA – Philadelphia Embroidery and Screen-Printing

(Investor)