

# ORIGINAL ALCOHOL BEVERAGE LICENSE APPLICATION

Submit to municipal clerk.

For the license period beginning \_\_\_\_\_ 20\_\_\_\_; ending June 30 2010.

TO THE GOVERNING BODY of the:  Town of  Village of  City of } Madison

County of Dane Aldermanic Dist No \_\_\_\_\_ (if required by ordinance)

1. The named  INDIVIDUAL  PARTNERSHIP  LIMITED LIABILITY COMPANY  CORPORATION/NONPROFIT ORGANIZATION

hereby makes application for the alcohol beverage license(s) checked above.

2. Name (individual/partners give last name, first, middle; corporations/limited liability companies give registered name): Ian's Pizza on State, LLC

Applicant's Wisconsin Seller's Permit Number: <u>4561026586279-03</u>	
Federal Employer Identification Number (FEIN): <u>38-3782621</u>	
LICENSE REQUESTED	
TYPE	FEE
<input type="checkbox"/> Class A beer	\$
<input checked="" type="checkbox"/> Class B beer	\$
<input type="checkbox"/> Wholesale beer	\$
<input checked="" type="checkbox"/> Class C wine	\$
<input type="checkbox"/> Class A liquor	\$
<input type="checkbox"/> Class B liquor	\$
<input type="checkbox"/> Reserve Class B liquor	\$
Publication fee	\$
<b>TOTAL FEE</b>	<b>\$</b>

An "Auxiliary Questionnaire," Form AT-103, must be completed and attached to this application by each individual applicant, by each member of a partnership, and by each officer, director and agent of a corporation or nonprofit organization, and by each member/manager and agent of a limited liability company. List the name, title, and place of residence of each person.

Title	Name	Home Address	Post Office & Zip Code
President/Member	Lexy Frautschy	222 North Pinckney, #4	Madison, WI 53703
Vice President/Member	Russ Frautschy	203 Hilltop Circle	Brooklyn, WI 53521
Secretary/Member	LuAnn Frautschy	203 Hilltop Circle	Brooklyn, WI 53521
Treasurer/Member	Nick Martin	2902 Curry Parkway	Madison, WI 53713
Agent	Nicholai Stratman	802 Pinewood Court, #10	Madison, WI 53714
Directors/Managers			

3 Trade Name Ian's Pizza Business Phone Number (608) 257-9248

4 Address of Premises 115 State Street, Madison WI Post Office & Zip Code 53703

5. Is individual, partners or agent of corporation/limited liability company subject to completion of the responsible beverage server training course for this license period?  Yes  No

6. Is the applicant an employe or agent of, or acting on behalf of anyone except the named applicant?  Yes  No

7. Does any other alcohol beverage retail licensee or wholesale permittee have any interest in or control of this business?  Yes  No

8. (a) Corporate/limited liability company applicants only: Insert state WI and date 05/07/08 of registration.

(b) Is applicant corporation/limited liability company a subsidiary of any other corporation or limited liability company?  Yes  No

(c) Does the corporation, or any officer, director, stockholder or agent or limited liability company, or any member/manager or agent hold any interest in any other alcohol beverage license or permit in Wisconsin?  Yes  No

(NOTE: All applicants explain fully on reverse side of this form every YES answer in sections 5, 6, 7 and 8 above.)

9 Premises description: Describe building or buildings where alcohol beverages are to be sold and stored. The applicant must include all rooms including living quarters, if used, for the sales, service, and/or storage of alcohol beverages and records (Alcohol beverages may be sold and stored only on the premises described.) See attached

10 Legal description (omit if street address is given above):

11 (a) Was this premises licensed for the sale of liquor or beer during the past license year?  Yes  No

(b) If yes, under what name was license issued?

12 Does the applicant understand they must file a Special Occupational Tax return (TTB form 5630.5) before beginning business? [phone 1-800-937-8864]  Yes  No

13 Does the applicant understand a Wisconsin Seller's Permit must be applied for and issued in the same name as that shown in Section 2, above? [phone (608) 266-2776].  Yes  No

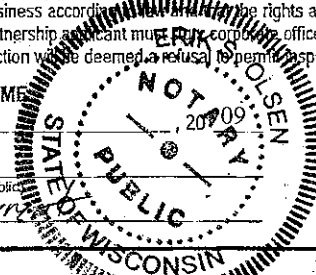
14 Is the applicant indebted to any wholesaler beyond 15 days for beer or 30 days for liquor?  Yes  No

**READ CAREFULLY BEFORE SIGNING:** Under penalty provided by law, the applicant states that each of the above questions has been truthfully answered to the best of the knowledge of the signers. Signers agree to operate this business according to the rights and responsibilities conferred by the license(s), if granted, will not be assigned to another. (Individual applicants and each member of a partnership applicant must sign. Corporate officer(s), members/managers of Limited Liability Companies must sign.) Any lack of access to any portion of a licensed premises during inspection will be deemed a refusal to permit inspection. Such refusal is a misdemeanor and grounds for revocation of this license.

SUBSCRIBED AND SWORN TO BEFORE ME this 22nd day of June

Dick S. Olsen  
(Clerk/Notary Public)

My commission expires 15 PERMANENT



[Signature] 06.22.09  
(Officer of Corporation/Member/Manager of Limited Liability Company /Partner/Individual)

(Officer of Corporation/Member/Manager of Limited Liability Company /Partner)

(Additional Partner(s)/Member/Manager of Limited Liability Company If Any)

## TO BE COMPLETED BY CLERK

Date received and filed with municipal clerk <u>6-23-09</u>	Date reported to council/board	Date provisional license issued	Signature of Clerk / Deputy Clerk
Date license granted	Date license issued	License number issued <u>8436</u> <u>86437</u>	



15 Utilizing your market research, who would you project your target market to be?

Young working adults and families. Also, college students.

16. What age range would you hope to attract to your establishment? All ages

17. Describe how you plan to advertise/promote your business. What products will you be advertising?

Mainly by word of mouth. Also on our website, advertising pizza, salad and local products.

18 Are you operating under a lease or franchise agreement?  Yes (attach a copy)  No

19 Owner of building where establishment is located: Tom Caputo

Address of Owner: 1502 Greenway Cross, Madison WI 53713 Phone Number (608) 271-4110

20. Private organizations (clubs): Do your membership policies contain any requirement of "Invidious" (likely to give offense) discrimination in regard to race, creed, color, or national origin?  Yes  No

21. List the Directors of your Corporation/LLC

N/A

Name Address

Name Address

Name Address

22 List the Stockholders of your Corporation/LLC

<u>Russ Frautschy</u>	<u>203 Hilltop Circle, Brooklyn WI 53521</u>	<u>9%</u>
Name	Address	% of Ownership
<u>Lu Ann Frautschy</u>	<u>203 Hilltop Circle, Brooklyn WI 53521</u>	<u>9%</u>
Name	Address	% of Ownership
<u>Nick Martin</u>	<u>2902 Curry Parkway, Madison WI 53713</u>	<u>9%</u>
Name	Address	% of Ownership

23. What type of establishment are you? (Check all that apply)  Tavern  Nightclub  Restaurant

Other Please Explain. \_\_\_\_\_

24 What type of food will you be serving, if any? Pizza, salad and brownies

Breakfast  Lunch  Dinner

25. Please submit a sample menu with your application, if possible. What might eventually be included on your operational menu when you open?  Appetizers  Salads  Soups  Sandwiches  Entrees

Desserts  Pizza  Full Dinners

26. During what hours of your operation do you plan to serve food? 11AM to 2:30AM

27. What hours, if any, will food service not be available? No beer and wine after midnight
28. Indicate any other product/service offered. Food delivery, Ian's apparel
29. Will your establishment have a kitchen manager?  Yes  No
30. Will you have a kitchen support staff?  Yes  No
31. How many wait staff do you anticipate will be employed at your establishment? None  
During what hours do you anticipate they will be on duty? \_\_\_\_\_
32. Do you plan to have hosts or hostesses seating customers?  Yes  No
33. Do your plans call for a full-service bar?  Yes  No  
If yes, how many bar stools do you anticipate having at your bar? \_\_\_\_\_  
How many bartenders do you anticipate you would have working at one time on a busy night? \_\_\_\_\_
34. Will there be a kitchen facility separate from the bar?  Yes  No
35. Will there be a separate and specific area for eating only?  Yes  No  
If yes, what will be the seating capacity for that area? 64
36. What type of cooking equipment will you have?  Stove  Oven  Fryers  Grill  Microwave
37. Will you have a walk-in cooler and/or freezer dedicated solely to the storage of food products?  Yes  No
38. What percentage of your overall payroll do you anticipate will be devoted to food operation salaries?  
75%
39. If your business plan includes an advertising budget, what percentage of your advertising budget do you anticipate will be related to food? 90%  
What percentage of your advertising budget do you anticipate will be drink related? 1%
40. Are you currently, or do you plan to become, a member of the Madison—Dane County Tavern League or the Tavern League of Wisconsin?  Yes  No
41. Are you currently, or do you plan to become, a member of the Wisconsin Restaurant Association or the National Restaurant Association?  Yes  No
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42. What is your estimated capacity? 84 inside and 33 outside

43. Pursuant to Chapter 23 of the Madison General Ordinances, all restaurants and taverns serving alcohol beverages shall substantiate their gross receipts for food and alcohol beverage sales broken down by percentage. For new establishments, the percentage will be an estimate.

Gross Receipts from Alcoholic Beverages	5 %
Gross Receipts from Food and Non-Alcoholic Beverages	90 %
Gross Receipts from Other	5 %
<b>Total Gross Receipts</b>	<b>100%</b>

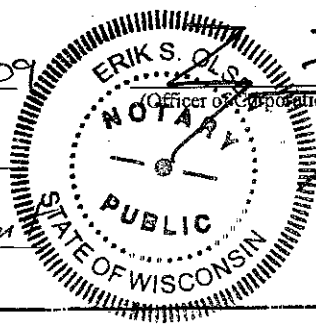
44. Do you have written records to document the percentages shown?  Yes  No  
You may be required to submit documentation verifying the percentages you've indicated.

**Read carefully before signing:** Under penalty provided by law, the applicant states that the above information has been truthfully completed to the best of the knowledge of the signer. Signer agrees to operate this business according to law and that the rights and responsibilities conferred by the license(s), if granted will not be assigned to another. Any lack of access to any portion of a licensed premise during inspection will be deemed a refusal to permit inspection. Such refusal is a misdemeanor and grounds for revocation of this license.

Subscribed and Sworn to before me:

this 22nd day of June, 2009  
Erik S. Olsen (Clerk/Notary Public)  
My commission expires 15 February 2011

[Signature] 06.22.09  
(Officer of Corporation/Member of LLC/Partner/Individual)







## Detailed Written Description of Ian's Pizza on State

6/22/09

Dining area with benches and tables--32.2 ft. x 21.8 ft. Customer Food Order and Pickup Area, with additional seating and Food Preparation, Serving and Work Area, with three refrigerators--36.5 ft. x 21.8 ft. Men's, Women's and Disabled Restrooms, with Hallways to restrooms. Outside dining Area with tables--12.1 ft x 21.3 ft.



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6/22/09

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Alcohol stored in coolers in area behind preparation area.  
Estimated capacity is 84 inside and 33 outside.

# Appointment of New Liquor/Beer Agent

## To be completed by Corporate Officer or Member of LLC

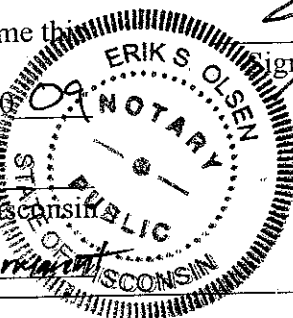
I, Lexy Frautschy, officer/member for Ian's Pizza on State LLC  
(Corporation/LLC), doing business as Ian's Pizza, authorize and appoint  
Nick Stratman (Name) as the liquor/beer agent for the premise  
located at 115 State St, Madison WI 53703

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2009  
Signature of Officer/Member

22nd Day of June, 2009

Erik S. Olsen  
Notary Public, Dane County, Wisconsin

My Commission Expires 15 percent



## To be completed by appointed Liquor/Beer Agent

I, Nick Stratman, appointed liquor/beer agent for  
Ian's Pizza on State LLC (name of Corporation or LLC), being first duly sworn  
say I have vested in me, by properly authorized and executed written delegation, full authority  
and control of the premise described in the license of such corporation or limited liability  
company, and I am involved in the actual conduct of the business as an employee, or have a  
direct financial interest in the business of the licensee, therein relating to the intoxicating  
liquor/fermented malt beverage. The interest I have in the business is 0 %.

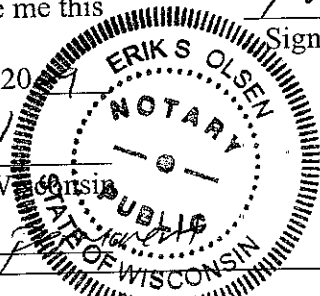
Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2009

Signature of Agent

22 Day of June, 2009

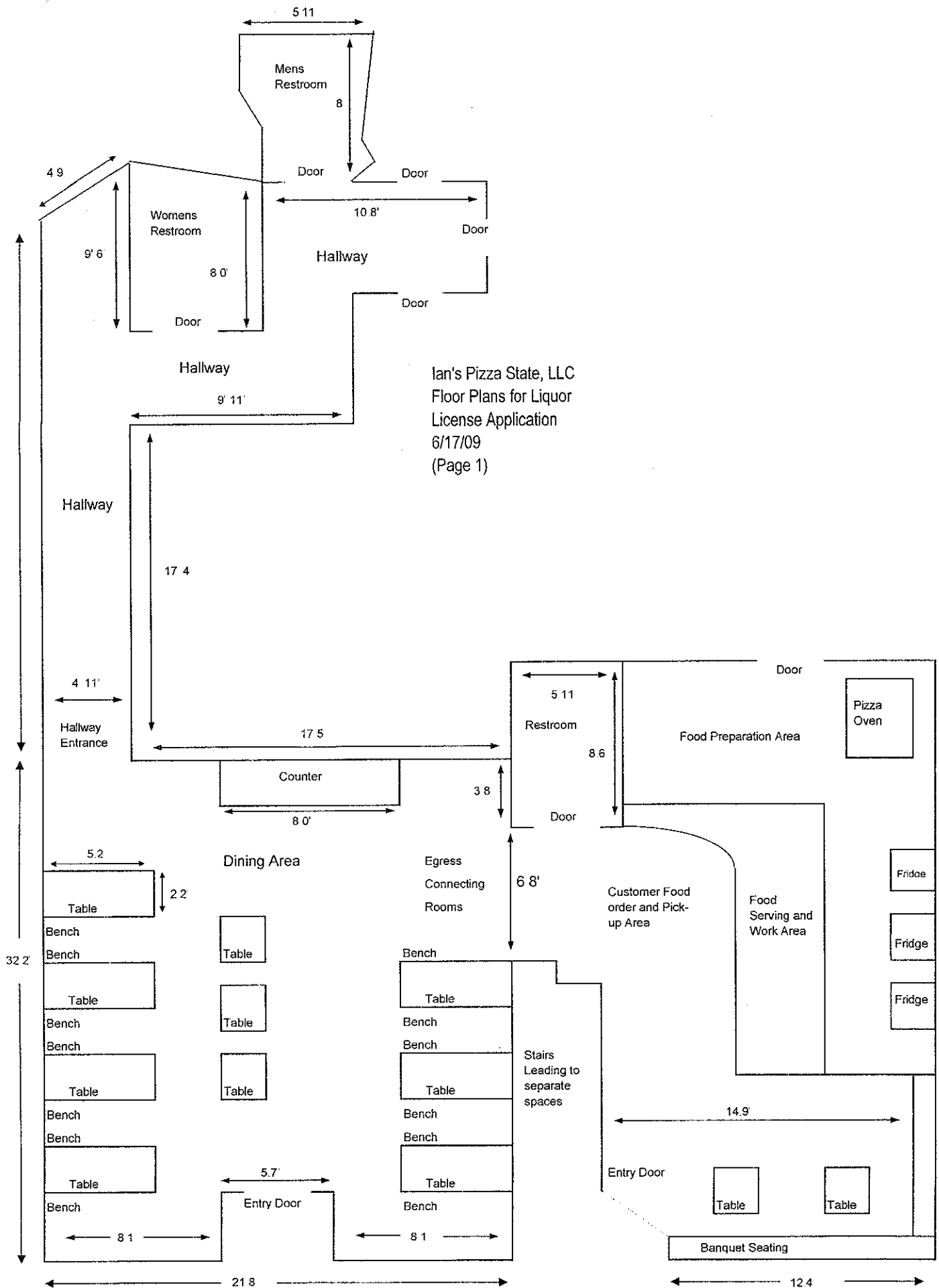
Erik S. Olsen  
Notary Public, Dane County, Wisconsin

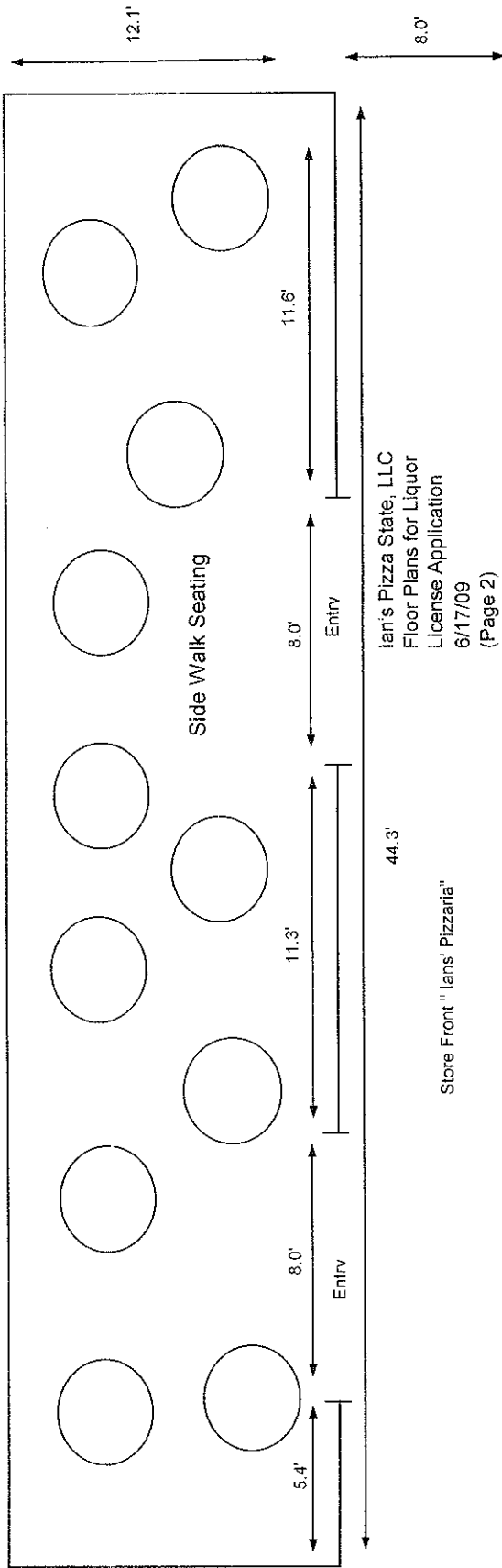
My Commission Expires 15 percent



The appointed Liquor/Beer Agent must complete the other side of this form.

Ian's Pizza State, LLC  
Floor Plans for Liquor  
License Application  
6/17/09  
(Page 1)





Ian's Pizza State, LLC  
 Floor Plans for Liquor  
 License Application  
 6/17/09  
 (Page 2)

Store Front " Ian's Pizzaria "

# Ian's Pizza by the Slice

## Business Plan

**COPY**



**Ian's Pizza by the Slice**  
115 State Street  
Madison, WI 53703  
(608) 257-9248

**CEO: Ian Gurfield**  
**CFO: Rob Haugen**  
**Managing Partner: Lexy F.**



## Executive Summary

In 2006, the average independently owned pizza restaurant generated revenue of \$338,745.<sup>1</sup> After transferring our delivery to Ian's State Street store, it did over \$1.1 million in 2007 and is looking at \$1.5 million in 2008. Ian's has proven that its concept works. Ian's State Street location, which includes all of the delivery business for the Madison area, would like to change its State Street's store structure from a company owned store, to a licensed store and transfer ownership to a managing partner for a total price of \$310,000 (which includes \$25,000 in working capital). New Managing partner Lexy Frautschy is looking for a \$210,000 first lien SBA term-loan to help finance the transfer of ownership and will be raising \$100,000 in equity capital from his parents.

Ian's is a two-store, pizza restaurant concept in Madison, Wisconsin, that has achieved "institution" status on campus in less than five years of operation. Ian's sells high-quality, specialty pizzas by the slice. Signature flavors include Mac & Cheese (best seller), Steak & Fries and Burrito Pizza. Success to date can be traced to a combination of factors that Ian's define as its concept: selling quality specialty pizza via the right sales channel and the right price, and utilizing efficient operations, friendly service, a hip ambience and focused marketing efforts.

Ian's sets up stores in high foot traffic areas in college towns with vibrant night life. This allows Ian's to serve up to 17 meals per week: 7 lunches, 7 dinners and 3 after bar meals (compare this to a fast food restaurant in the Chicago loop that most likely serves no more than 5 lunches per week). Pizza by the slice is the appropriate sales channel for this market because it offers meals at an affordable price (about \$3 per slice) and provides a low cost for sampling innovative specialty pizza slices. While others are competing on who offers the lowest priced pizza, Ian's is selling whole specialty pizzas for over \$20 each, allowing its customers to customize the pizzas to their liking (can choose up to eight different types of slices to include in their pie). The exceptional margins Ian's achieves are the result of this sales channel.

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<sup>1</sup> PMQ Magazines Pizza Power Poll, September - October 2005



According to the National Restaurant Association, young people between the ages of 18-24 consume more fast food than any other demographic group. This makes college students an ideal target market for pizzerias. Ian's focuses its sales efforts toward these students by offering quality food offered at low prices in a fun environment. Despite their limited budgets, these students are looking for quality and differentiation when they dine out.

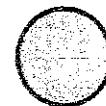
The best marketing campaign in Madison has been word of mouth. Ian's aggressively targets incoming freshmen hoping to solidify a loyal customer base that will be with it for the next four years. Ian's get involved with fraternities, sororities, university departments and the local community by participating in charities and other local events. These marketing tactics have been very successful in helping it garner institution status.

Business partners Ian Gurfield and Robert Haugen founded Ian's. Gurfield serves as the President, Chairman, and CEO of the business and has more than 8 years experience within the restaurant industry. He has been responsible for running the stores and for its current success. Haugen is the CFO of Ian's. The management team counts Tara Waldron as the Chief Human Officer. Waldron has over 10 years of restaurant experience in general management and district management.

While success is currently limited to Madison, the hope is to replicate this concept in college towns and urban areas across the country. Ian's is currently building a Chicago location near Wrigley Field that should be open in the summer of 2008. Ian's continues to plan to expand opening company owned stores that are eventually bought out by existing management and turned into licensed stores.

## **Ian's Mission**

In an effort to bring quality, innovative pizza to its patrons, Gurfield and Haugen founded Ian's Pizza by the Slice in October of 2001 in Madison, Wisconsin. In less than five years, Ian's has established itself as an institution in Madison. Its flagship store (Frances Street) will record sales of



\$1.6 million this year (more than four times the industry average for independently owned pizza restaurants) and EBITDA margins of 18.6% (double the industry average). Gurfield and Haugen are eager to prove that Ian's is not a one-hit wonder, but rather an extremely successful restaurant concept that can be stamped out on college campuses across America. To do this, Ian's will open three new restaurants in Midwest towns over the next 24 months. This will help prove that this concept is portable and will eventually lead to an attempt to make Ian's into a national Pizza chain, increasing the value of licensed stores as Ian's becomes a more prominent brand name.

## **Market Analysis**

The fast food industry continues to grow at a steady rate of 5%.<sup>2</sup> Fast casual restaurants, a growing concept to fill the space between fast food and casual dining, has literally been eating up market share from fast food. This fast casual segment often offers at least limited table service with a typically higher cost per guest in the \$6-\$10 range. The pizza industry (\$30.9 billion) is growing at a rate of 2%. This slow growth can be attributed to lower pizza prices due to the limited differentiation in product variety and quality. In its recent annual report, PMQ Magazine noted that the industry is in a "war of attrition".

### **Market Overview and Competition**

The total number of pizzerias in the U.S. reached 69,844 as of July 2005. The pizza market as a whole is fairly fragmented, as is evidenced by the top 25 restaurant chains possessing a mere 50.78 percent of total U.S. pizza sales (see Exhibit 2). The average per store sales for these national chains for the period of July 2004 - July 2005 was \$629,334, as compared to \$338,745 per store for independent operators.

Within the fast food industry, competition is very intense with companies competing on price, product quality and differentiation. Recently, relatively new national fast food chains (Cosi, Panera

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<sup>2</sup> The National Restaurant Association forecasts that quick-service restaurants in the U.S. will reach US\$142 billion in sales in 2006, a 5% increase over 2005





Bread and Chipotle) have arrived on the scene to provide meals with significantly higher quality at a competitive price. In addition to the national chains, Ian's will face competition from regional and local establishments. The following are some of the key threats Ian's anticipate from competition (additional information provide in Exhibit 3):

- **Fast Food Chains:** these chains have significant name recognition and brand awareness as fast food options that will be competing for consumer dollars within Ian's target market. Many of the national chains also represent a unique threat on their increased emphasis for "late-night" menu choices (most notably Wendy's and Taco Bell). Ian's will combat this by emphasizing product quality and the overall customer experience.
- **Fast Casual:** growing in popularity, these chains will have more name recognition and a reputation for quality that Ian's will have to overcome. Although most of the popular fast casual restaurants do not have late-night menus, they will provide significant competition for the lunch and dinner servings. Nonetheless, Ian's provides one aspect that these fast casual lack, namely a fun place to hang out with friends.
- **Pizza (Top 25):** although product quality and service vary, the true competition from the leading pizza chains will come from brand awareness and known product quality (e.g. the safe choice), as well as price competition. Due to advantages in price and brand awareness, these chains will be more competitive in delivery services. Ian's will differentiate itself by offering a product and an ambience that is more appealing to its target market.
- **Pizza (Local):** initially independent or local pizzerias will be the most formidable competition for Ian's as established stores will already have a status and relationship with the local community. A potential advantage for Ian's is that not all pizzerias provide pizza by the slice and are tailored more to dining-in or take-out versus the fast casual dining experience provided by Ian's.

## Ian's Concept



While the pizza industry growth is that of a mature industry, Ian's revenue growth is that of a growing company (more than 18% in 2005). Gurfield and Haugen attribute their ability to outperform the industry to an overall concept that includes five components which they have developed based on their experience and industry due diligence:

1. Better Product
2. Better Location
3. The Right Market and Sales Channels
4. Better Operations
5. Better Staff

While each of these might be replicable on its own, the combination of the five give Ian's a competitive advantage that competitors will find difficult to imitate.

## **Better Product**

Ian's primary product is specialty pizza served by the slice. Customers are able to select from a wide range of unconventional and traditional flavors, all topped with the finest quality ingredients. Innovative specialty slices have proven to be of high acceptability among Ian's customers over the years. Specialty slice sales will typically represent 70% of total sales. Mac & Cheese remains Ian's bestseller. Other signature flavors include Steak & Fries, Chicken Parmesan, Chicken Cordon Bleu, Burrito Pizza, Buffalo Chicken, Penne Alfredo and Fresh Mozzarella-Tomato-Basil (see Exhibit 1 for sample menu). Throughout the years, Ian's has constructed a recipe book of over 100 different pizza offerings. Employees and customers are encouraged to suggest new pizza recipes. In addition to specialty pizzas, Ian's also serves traditional slices. These account for 10% of total sales. Other complimentary products, such as salads and beverages, represent the remaining 20% of revenues.

At \$3.00 per specialty slice, Ian's price is near the midpoint of the premium pizza price range (\$2.50-\$4.00 per slice). Traditional slices are discounted at \$2.00. Ian's believes its pricing strategy is effective when considering its target market, competition and cost structure. Proprietary



market research has shown that existing customers find Ian's pizzas a good value for their money. Delivery pizzas are priced at a premium (\$20.00) compared to traditional delivery pizzas (\$7.00 - \$12.00). This reflects the flexibility Ian's offers in composing a pizza with as many different types of slices as customers desire and the superior quality ingredients baked into its products. Margins for the delivery business have been above average at 15%. Thanks to the oversight of Lexy Frautschy, Ian's delivery business has grown at an average of 10% per month over the past year. We believe Ian's delivery still has a lot of room to grow as well, adding satellite delivery units throughout the Madison suburbs and scaling our downtown operations as well.

### **Trade Secrets**

Each pizza that Ian's makes is protected by a trade secret. Each employee signs both a non-disclosure agreement and a non-compete agreement. Violation of this agreement will carry stiff financial penalties (agreed to in writing by the worker) designed to operate as a disincentive to going back on his or her word.

### **Better Location**

One big key to Ian's success is the locations that it chooses for its stores. Stores are set up in high foot traffic areas in college towns with vibrant nightlife. As a result, Ian's is able to serve up to 17 meals per week: 7 lunches, 7 dinners and 3 after bar meals. Contrast this against a Chicago loop fast food restaurant that most likely serves no more than 5 lunches per week to see how Ian's outsells its competitors.

Attaining such locations is important because Ian's strives to make its restaurants an easy option for its customers, whether for a late night snack or a casual lunch. While it is necessary to recognize that these types of prime locations are not always readily available, it is important to note three things about landing the required real estate. First, Ian's can operate in a 900-1200 square foot space. While some of the bigger spots in the prime locations may be taken, some of the smaller places are not. Many businesses (especially fast casuals and fast food) cannot operate



in such tight quarters. Or, because the rents are usually higher in these locations, many businesses cannot afford to operate in these parts of town. Ian's can handle these space limitations if necessary. Second, there exists a significant amount of turnover in these prime spots that offers chances for Ian's to get in. Third, to protect against getting shut out at one campus and falling behind on a build out plan, Ian's targets many campuses at once. For example, in the current plan, 11 different campuses are being looked at for the three stores.

## **The Right Marketing and Sales Channels**

Ian's marketing strategy entails the development of a strong brand within its target market and is based on quality gourmet pizza by the slice in a fun, late night atmosphere.

### **Target Market**

The target market for Ian's includes 18-24 year old college students who are active and regularly eat on the go. This crowd is hip, young and, despite living on a limited budget, appreciates differentiation and quality. Their eating out pattern includes lunch, dinner and late night or after bar meals, either on their own or in groups. In any case, lower prices, quality food and fun environment are must-haves.

According to the National Restaurant Association, young people between the ages of 18-24 consume more fast food than any other demographic group, making college students an ideal target market for pizzerias. Also, the American Demographics estimated that college students nationwide, roughly 15 million based on Department of Education estimates for 2006, spend about \$8.3 billion on items described as "pizza and beer money".<sup>3</sup> This leads to an annual "pizza and beer" budget per student of approximately \$556. Ian's calculates that it would be able to generate about \$1.4 million annual sales per location by capturing 12.95% (\$72) of each student's "pizza and beer" budget (12 visits per year with a \$6 check average). While this calculation delineates the

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<sup>3</sup> This number was estimated at \$7 billion in 2003 and has adjusted by an average annual inflation rate of 3.0% up to 2006



market potential, Ian's existing stores show market penetration of about 65% within the target market with a recurrence of exiting clients of approximately 16 times per year.

We have also seen a pattern of non-target market customers representing approximately 20% of Ian's total current sales. People in this group may include other undergrad and graduate students, university faculty, local town patrons, and those in the area for events like basketball, hockey, and football games. If this pattern repeats for the expanded locations, another \$330,000 in revenues per location can be attained. These individuals are likely to be attracted by the buzz generated by the targeted group with limited additional marketing efforts.

### **Marketing Tactics**

One of Ian's goals is to become "the" place to go after the bars close, the football game is over, etc. To accomplish this, a close relationship must be developed with the target market. Creative marketing activities to promote Ian's products and strengthen the brand will be undertaken. These efforts will focus on the following activities:

- **Partnerships with college clubs and fraternities:** develop promotional partnerships with college clubs and fraternities in an attempt to be their pizza of choice for events and parties. For example, Ian's designs special cups and t-shirts that will have both the club/fraternity's and Ian's names on them. Special catering services will also be offered to leverage those relationships.
- **Promotions geared towards entering freshmen:** target the freshmen to ensure a growing base of loyal clients. Working with the universities student orientation event staff to distribute cups, t-shirts, and free pizza that will help spread Ian's name among this group of new prospective consumers.
- **Promotions with University departments:** offer special deals to university's social departments to encourage their business with Ian's when promoting school events. Seek to develop a close relationship with these departments.



- **Sponsoring of University life charity events:** bring ourselves closer to the college town community by sponsoring and participating on selected charity and social events. Sponsor charities/event with free products by promoting them in Ian's locations and with cash contributions when appropriate.

To effectively execute these marketing activities, Ian's estimates a marketing budget of \$7,000 per store for the first year and \$5,000 per store in subsequent years. This budget was adjusted up from current marketing expenditures to compensate for entering new locations and attaining a faster penetration rate. The numbers are in line with the industry average for new entrants (1-2% of sales), and are feasible according to projections.

### **Sales Channel & Strategy**

Three important components go into creating effective sales at Ian's: channel, presentation and education. First, as customers walk in, they will see displayed in front of them all of Ian's currently available specialty slices. Traditional slices are also available but are hidden beneath the counter in order to keep the customer from gravitating towards them. As customers walk the line, they are able to see their choices and ask a dedicated "slingers" (i.e. order takers) about each of the varieties, beginning the education process. In order to become a slinger in the Ian's organization one must pass an extensive test on each different slice and how it is made so as to educate the customer as needed. Each slice has a name and concept attached to it that usually references a known culinary flavor combination (i.e. chicken parmesan pizza, chicken cordon bleu, burrito pizza). Slingers then essentially become sales people for the different varieties. Over the years, Ian's has found that the display and choose model is far more effective than traditional methods in enticing people to try new types of specialty pizzas.

The combination of the channel itself (pizza served by the slice) and the sales strategy then effectively reduces the risk to the consumer of trying different specialty slices. By effectively presenting the slice to them, and educating them, Ian's eliminates the biggest barriers to a customer trying new specialty pizzas. Ultimately the most they can waste is the cost of a slice by



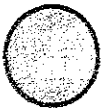
being adventurous. Reducing the cost of trying new flavors is actually a key driver in the delivery business as well. Quite often, when three people get into a room to order a pizza, there are three different ideas to what they want, and they end up going with the “lowest common denominator”, such as cheese or pepperoni. By being able to create your own pizza by putting together up to eight different specialty slices, consumers are satisfied that they are actually getting what they want.

## **Better Operations**

Operations are efficient and fine-tuned to provide the product quality and service that Ian’s customers require. Pizzas are prepared in advance of any order, so that slices can be served efficiently on demand. When a customer orders, the slices are put in a small secondary oven for quick reheating. The whole order-to-service process usually takes less than 2 minutes which enables Ian’s to serve approximately 350 customers per hour during peak periods. With demand following a fairly predictable pattern, a sufficient number and variety of pizzas are always on hand and ready to serve. At any given time, between 7 and 20 types of pizza are available for immediate consumption or delivery. The low cost of production and ample counter space allows Ian’s to offer a wide variety of pizza and satisfy customers’ diverse tastes.

A short production cycle allows Ian’s to easily accommodate short-term spikes in demand, such as during the usual late-night, after-bar rush. At such times, a pizza can be produced in as little as 12 minutes, with a maximum production rate of approximately 40 pizzas (320 slices) per hour. As noted above, demand is fairly predictable, so the kitchen staff can begin baking pizzas in anticipation of the after-bar rush and other periods of high demand. During these high-demand periods, slingers can serve up to 15 slices a minute.

Throughput alone is not enough. Ian’s also emphasizes quality control. Ian’s pizzas are made with high-quality ingredients and are never served stale. To ensure that only fresh pizza is served, by policy, a baked pizza can be kept on-hand for only 30 minutes. By tracking any waste or spoilage, employees are taught to improve the accuracy of their demand forecasts, which is



complimented by Ian's open book financing (discussed below). The low cost of production combined with accurate forecasting allows Ian's to maintain this policy quite inexpensively.

## **Better Staff**

Ian's employs people as cooks (food prep and baking), slingers (order-taker/server) and cashiers (also take orders/serve drinks). During periods of peak demand, Ian's staffs up to two cooks, three slingers, and two cashiers. During slow periods, such as winter break, Ian's can operate with a staff of only two. Part-time employees staff most positions in an attempt to reduce labor costs.

All new employees are trained in the various aspects of the store's operation and must be able to perform each of the functions. This cross training allows for increased productivity as employees are able to move an area that requires additional help for a short period. All employees are encouraged to identify new ways of improving operations. As well, each is empowered to "make it right" when a customer has a problem with the product or service he has received.

As part of employee empowerment, Ian's adheres to an open book finance policy. All employees are encouraged to review and understand the performance of the store. Further, key metrics are assigned to specific employees who are responsible for improving the stores performance in key areas. For example, one employee is responsible for monitoring spoilage to ensure that it stays within an optimal range. Bonuses are paid to employees when certain goals are hit that have been set out by the store manager.

## **Management and Ownership**

Lexy Frautschy will be the acting managing partner for Ian's State Street location. In return for use of Ian's name and recipes, Lexy will pay a 4% royalty, which will include certain services from the overall nucleus, including food costing and purchasing, new menu items, and bookkeeping.





Ian Gurfield will be acting as Ian's Chairman and CEO throughout the change of the state Street location. Gurfield is responsible for most of Ian's past and present success. His strengths lie in managing the overall operations of the business, especially in ensuring the product standardization across all locations. He excels in streamlining operational efficiencies by increasing speed and decreasing overall costs.

## **Funds Required and Their Uses**

The \$310,000 purchase price will be used to pay out the existing investors of their shares. Along with the \$310,000, Ian's will transfer \$25,000 in working capital to the new store's bank account for working capital purposes. Given the store is already cash flow positive, and transfer will happen in late spring which is the State Street locations most profitable period, the \$25,000 in working capital will be sufficient to cover what is needed to satisfy all costs. The increased financing costs from the new SBA loan will also be easily covered from day one (see attached financials).

## **Financial Data**

### **Historical Performance**

Historically, Ian's has performed very well, showing results well above the industry average (see exhibit 6). Ian's first store (Frances Street) grew sales an average of 33% annually in the first four full years of operation, attaining profit margins higher than 19% (vis-à-vis an 8% industry average). The State Street satellite store that opened in July 2005 grew sales by more than 80% in the first half of 2006 and will represent some 18% of Ian's sales by the end of the year. Because the State Street store was built only a few blocks from the Frances Street store – primarily to provide additional service capacity during periods of peak demand – the State Street store is not expected to achieve sales or profit margins equivalent to the Frances Street store. Still, Ian's consolidated profit margin for 2005 was as high as 18.6%.

### **Projected Results**



A detailed monthly financial model for 2008 and 2009 outlines the exact timing and budget for each Ian's location (see quarterly output in Appendix 1). This model captures the inherent seasonality of the business (e.g. business is slower during periods when most students are not on campus), timing of the capital expenditure outlays/store launches, changes in working capital and the additional cash flow required to service the debt and amortization on the proposed term loan.

Using these projections, Ian's clearly demonstrates the ability to service the loan and complete Phase I of the expansion. Even assuming significant amortization, a short two-year term and an expensive capital structure (LIBOR + 10%), the company's cash balance is anticipated to be sufficient. Furthermore, during the projected period the debt service coverage exceeds 2.1x in every quarter, which would allow the company to miss projections by more than 20% and still be able to service the loan (provided the maturity was extended beyond two years).

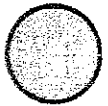
## **Risks & Mitigants**

A few challenges imposed by the expansion plan have been identified. Below are these challenges and the proposed ways to mitigate them.

### **Portability of the Concept**

One of the main objectives with this expansion phase is to prove that Ian's can succeed outside of Madison. If the current Madison model does not transfer well to other college towns and profit margins and sales per store suffer as a result, Ian's may be forced to close down these new locations. To minimize this possibility, it is important to stick to what got Ian's here: building restaurants in high foot-traffic areas on college campuses with a vibrant nightlife. If Ian's has the ability to serve 17 meals per week, it is believed that it can achieve similar results in other college towns. The build out will occur slowly, which gives management time to continually observe the strengths and weaknesses of the model in its broader spectrum. As lessons are learned, adjustments can be made as to escalate the concept appropriately.

### **Slower Penetration/Sales**



A related issue raises the question, what if the product sells but the penetration within the target market is slower than anticipated? In this case, high profit margins may not be achieved in a reasonable timeframe, which may impact future growth. A sensitivity analysis shows that even if sales grow at a slower pace, Ian's will still be able to realize reasonable returns on investment (see Exhibit 7).

### **Securing and Training Competent Management**

Ian's anticipates one main challenge is securing competent management to run each store. Good candidates are expected to come internally from current operations. However, management recognizes that it will also need to hire and train in new markets. Outside management candidates will be recruited through typical channels like newspaper and Internet sources. To attempt to ensure consistent management practices across all its locations, Ian's has developed an extensive training program over the past five years that lays out, among other things, an employee's day-to-day responsibilities, the company vision and open book finance. While this training has been successful in the past, the process may need to be tweaked as Ian's grows.

### **Coordinating Multiple Stores**

Similarly, coordinating multiple stores located in different cities brings a new nuance to the business. As the number of Ian's Pizza stores grows, and especially as they are built farther away from one another, the simplicity of coordination is lost. The first plan is to mitigate this complexity of coordination by limiting initial geographical expansion to Wisconsin, Illinois, and Iowa. By keeping the locations within a few hour drive of either Gurfield or Haugen, Ian's can experiment with managing the locations from far, but can also ensure that if something goes wrong, one of these two can get there in a reasonable amount of time to deal with the issue. Supply chain issues will also crop up when dealing with multiple stores in multiple locations. Ian's will be shortening its supplier list to national-only suppliers in order to be better able to coordinate its deliveries. This will not have any effect on quality.



### **Competition Threats**

Competition is another factor identified as a potential risk to the plan. Discussed earlier, competition from national and local pizza places, as well as from other restaurant and entertainment businesses that compete for students' dollars, is strong. Also, pressures might come from entrants that attempt to imitate Ian's concept. Although Ian's takes legal measures to protect the recipes and products from imitators, this effort alone will not curb competition. Instead, Ian's must adhere strictly to its concept when building new stores. All the ingredients of the successful concept, when combined together, are more difficult to imitate than any of them alone.

Although some of the assumptions on how effective Ian's will be in other markets are more aggressive than happened in the previous two locations, we still feel these assumptions are justified. Ian's has been in business for the past five years and has learned a lot of valuable lessons on how to open a restaurant more effectively from the start.



# Appendix 1: Sample Menu

## VEGETARIAN RECIPES

slice - 10" x 20"

Our most popular slice.

### PIZZAS

Our second most popular slice.

Lasagna, Mozzarella, Prosciutto, Parsley and Asparagus.

Fresh Mozzarella, Sun-dried Tomatoes and Basil.

### PIZZA DEER, WITH VEGETARIAN SAUCE

A truly meat-free vegetarian delight.

Fresh Mozzarella, Calamata Olive, Parsley, Roasted Red Peppers and Mushrooms.

Sautéed Spinach, Roasted Red Peppers and Portobello Mushrooms.

Penne, Feta, Roasted Olive Paste and Parsley.

Firm Tofu, Eggplant, Peppers, Sun-dried Tomatoes and Red Onion.

Rice, Beans, Mushrooms, Onions and Sour Cream.

Pasta and Portobello Mushrooms.

## TRADITIONAL RECIPES

slice - 10" x 20"

Cheese and Chicken.

Cheese and Peppers.

Cheese and Sausage.

Cheese and Sausage and Peppers.

## CHICKEN RECIPES

slice - 10" x 20"

### RESTAURANT SPECIALS

A staff favorite.

### RESTAURANT FAVORITES

Tomato Sauce, Refreshing.

### PIZZA TOPPINGS

Sausage, Mushroom.

### PIZZA WITH CHICKEN AND SAUCE

Spicy Marinara, Grilled Chicken and Sweet Onions.

### PIZZA WITH CHICKEN

Spicy Chicken and Sweet Onions.

### PIZZA WITH CHICKEN

Rice, Beans, Spicy Chicken, Onions and Sour Cream.

### PIZZA WITH CHICKEN

Alfredo Sauce, Grilled Chicken, Parmesan and Basil.

### PIZZA WITH CHICKEN

Grilled Chicken, Onions and Basil.

### PIZZA WITH CHICKEN

Pasta and Chicken.

## STEAK RECIPES

slice - 10" x 20"

### PIZZA WITH CHICKEN

Shaved Angus Beef, French Fries and BBQ Sauce.

### PIZZA WITH CHICKEN

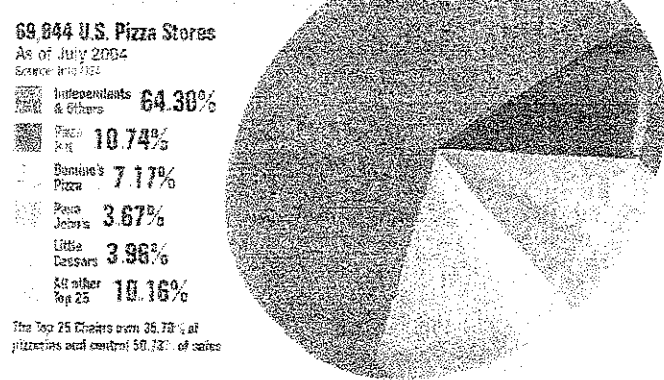
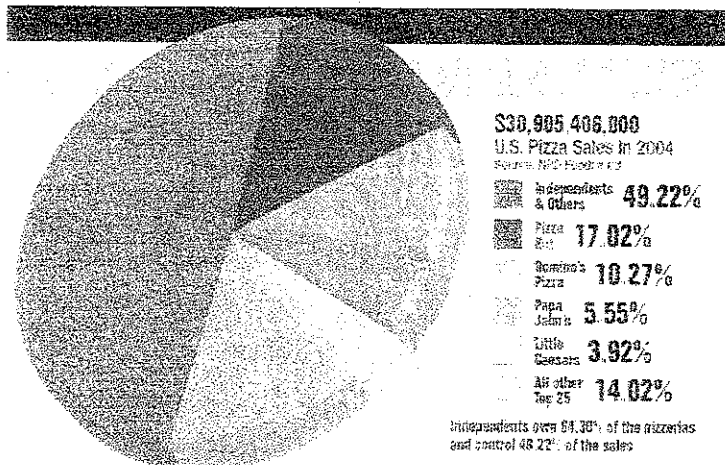
Beef, Peppers, Onions, Butter and Mushrooms.



## Appendix 2: Industry Data

Rank Year	Last Year	CHAIN NAME	2004 U.S. Pizza Sales (\$ 1000)	% of Total Sales 2004	% Change vs. Last Year	July 2004 US Units	% of Total Stores	% Change vs. Last Year
1	(1)	Pizza Hut	5,261,899	17.02%	4.5%	1,500	20.74%	0.0%
2	(2)	Dominic's Pizza	3,173,177	10.27%	5.7%	1,000	7.17%	2.1%
3	(3)	Papa John's	1,714,876	5.55%	2.5%	2,500	3.40%	-0.5%
4	(5)	Little Caesars	1,145,697	3.60%	0.5%	2,700	3.91%	0.0%
5	(6)	Concho E. Cheeser's	882,160	2.72%	4.2%	400	0.55%	0.0%
6	(7)	Sarzo	481,570	1.49%	3.1%	770	1.05%	-1.0%
7	(8)	Gianni's Pizza	434,458	1.34%	14.8%	700	0.98%	12.5%
8	(9)	Scum's Pizza Pizzeria	345,000	1.07%	2.1%	400	0.55%	0.0%
9	(10)	Papa Murphy's Take 'N' Bake Pizza	335,855	1.03%	13.2%	540	0.76%	12.1%
10	(10)	Wendy's Pizza	310,000	0.95%	2.0%	100	0.14%	0.0%
11	(11)	Johnny Marzetti's Pizzeria & Subs	256,000	0.79%	4.9%	400	0.55%	3.4%
12	(12)	Dante's Pizzeria	174,000	0.54%	1.7%	100	0.14%	0.0%
13	(13)	Pizza Inn	152,490	0.47%	10.0%	240	0.33%	11.7%
14	(11)	Mazzio's Pizzeria	142,644	0.44%	0.4%	100	0.14%	0.0%
15	(15)	Pizza Express	187,157	0.58%	4.0%	470	0.64%	0.0%
16	(16)	Take 'N' Bake Pizza	126,500	0.39%	0.1%	110	0.15%	0.0%
17	(18)	6 or 7 Pizza Den	128,000	0.40%	15.0%	200	0.27%	11.0%
18	(17)	Pizza Pie	110,000	0.34%	10.0%	100	0.14%	0.0%
19	(19)	Vita Saperdote	106,000	0.33%	22.4%	200	0.27%	50.0%
20	(17)	Mr. Tom's	71,000	0.22%	14.0%	100	0.14%	0.0%
21	(20)	Pizzas of Eight	90,000	0.28%	0.0%	100	0.14%	-10.0%
22	(18)	Rock 'N' Roll	55,000	0.17%	11.0%	100	0.14%	0.0%
23	(19)	Art's Pizzeria	72,000	0.23%	11.0%	100	0.14%	12.5%
24	(21)	Mr. P's Pizza	70,000	0.22%	0.0%	100	0.14%	0.0%
25	(24)	Best of Chicago Pizza	58,000	0.18%	2.0%	100	0.14%	0.0%

Chain	Per Unit Volume Estimate '04
Papa John's	\$1,190,100
Concho E. Cheeser's	\$1,080,200
Dante's Pizzeria	\$651,000
Gianni's Pizza	\$540,000
Rock 'N' Roll	\$600,000
Papa John's	\$750,000
Mazzio's Pizzeria	\$750,000
Mr. Tom's	\$717,000
Wendy's Pizza	\$307,000
Break 'N' Bake	\$300,000
Papa John's	\$610,000
Mr. Tom's	\$610,000
Art's Pizzeria	\$610,000
Dante's Pizzeria	\$610,000
Scum's	\$610,000
Goldman's Pizza	\$610,000
For's Pizza Den	\$610,000
Johnny Marzetti's Pizza & Subs	\$610,000
Best of Chicago Pizza	\$610,000
Papa Murphy's Take 'N' Bake Pizza	\$610,000
Mr. Tom's	\$610,000
Little Caesars	\$610,000
Pizzas of Eight	\$610,000
John's Pizzeria	\$610,000
Pizza Pie	\$610,000



**National Average Yearly Sales of U.S. Pizza Stores**

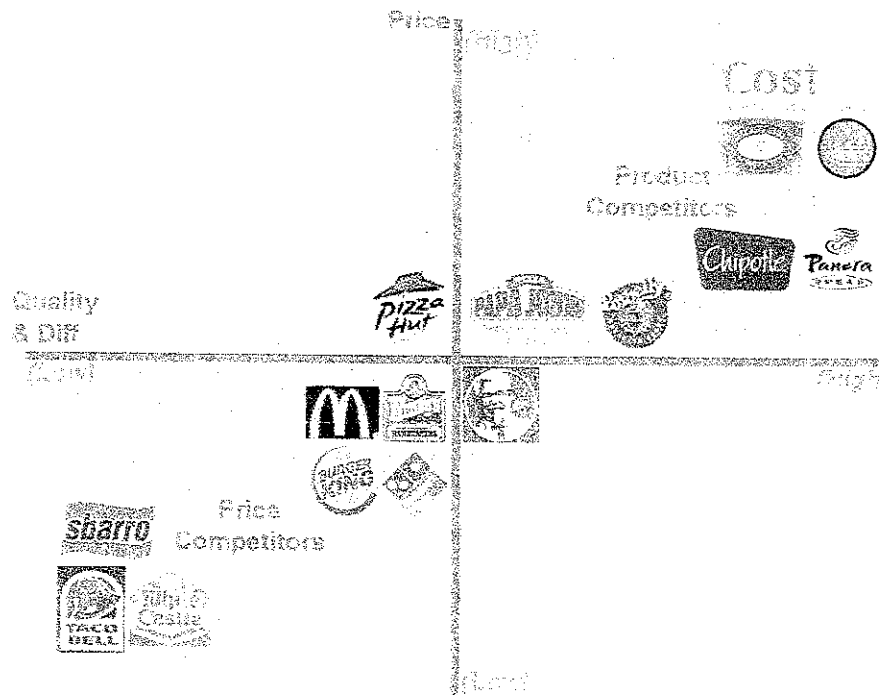
Year	All Stores	Top 25 Chains	Independents & Others
2004	\$442,492	\$679,344	\$308,745
2003	\$441,078	\$677,364	\$307,104



# Appendix 3: Competition

**Table 1.1 – Competitive Overview by Segment**

<b>Fast Food</b>	McDonald's Burger King Taco Bell	Standard product offerings of burgers, fries and tacos, with heavier emphasis on speed and price.	Brand awareness as standard choice for buyers that want a quick meal at a low price and may not be familiar with other options.	To appeal to changing consumer trends, chains like McDonald's and Burger King are developing new menus that include entrée salads and other "fresh" items.
<b>Fast Casual</b>	Chipotle Cosi Panera	Unique, quality meals made from fresh ingredients that provide quick dining options at a comparable price.	Product differentiation and quality that appeals to consumers looking for alternatives to standard fast food options.	Identified as a growing segment that is increasing competition within not only the fast casual segment, but other segments as well as it steals customer shares from others.
<b>Pizza (Top 25)</b>	Pizza Hut Domino's Papa John's	Product quality and service varies by firm but emphasis on consistent quality across locations as a safe option versus picking a local pizza store with unknown quality.	Consistent brand recognition and quality (ordering from a known entity vs. an unknown entity).	Some efforts to differentiate product by offering new flavors of pizza as well as following restaurant industry trends toward promoting the use of fresh ingredients.
<b>Pizza (Local)</b>	NA	Product quality and service varies, but positioning generally includes the stores relationship with local community.	Relationship to the local community.	Have the ability to easily adapt to local competition and update the menu.



116 State St. 2009

	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	Totals
<b>Sales</b>													
Total Sales	\$89,856.46	\$131,023.36	\$118,800.00	\$140,400.00	\$135,000.00	\$140,200.00	\$140,400.00	\$140,400.00	\$162,000.00	\$151,200.00	\$140,400.00	\$108,000.00	\$1,597,888
Store Sales	\$41,467.91	\$57,360.42	\$67,024.00	\$67,362.00	\$64,800.00	\$67,362.00	\$67,362.00	\$67,362.00	\$77,760.00	\$72,576.00	\$72,576.00	\$67,362.00	\$759,808
Invoiced Sales	\$41,734.36	\$63,643.09	\$61,776.00	\$73,008.00	\$70,200.00	\$73,008.00	\$73,008.00	\$73,008.00	\$84,240.00	\$78,824.00	\$73,008.00	\$68,160.00	\$821,717
Invoiced Sales %	48.44%	48.80%	52.00%	52.00%	52.00%	52.00%	52.00%	52.00%	52.00%	52.00%	52.00%	52.00%	52.00%
Sales Tax	(\$4,942.21)	(\$7,206.63)	(\$6,634.00)	(\$7,722.00)	(\$7,426.00)	(\$7,722.00)	(\$7,722.00)	(\$7,722.00)	(\$8,910.00)	(\$8,316.00)	(\$7,722.00)	(\$5,640.00)	(\$87,883.83)
Sales-tax	\$84,918.24	\$123,822.77	\$112,266.00	\$132,678.00	\$127,575.00	\$132,678.00	\$132,678.00	\$132,678.00	\$153,090.00	\$142,884.00	\$132,678.00	\$102,060.00	\$1,510,004.01
<b>Costs</b>													
Food and Bev. Expenses	\$27,856.12	\$40,518.11	\$36,828.00	\$43,524.00	\$41,860.00	\$43,524.00	\$43,524.00	\$43,524.00	\$50,220.00	\$46,872.00	\$43,524.00	\$33,480.00	\$485,345.23
Food and Bev. % of Sales	31.0%	31.0%	31.0%	31.0%	31.0%	31.0%	31.0%	31.0%	31.0%	31.0%	31.0%	31.0%	31.0%
<b>Gross Profit</b>													
Gross Profit	\$21,266.46	\$33,674.55	\$31,716.60	\$37,466.80	\$36,046.00	\$37,466.80	\$37,466.80	\$37,466.80	\$46,484.00	\$43,964.40	\$37,466.80	\$26,676.00	\$426,734.01
Gross Profit Margin	25.1%	27.2%	28.3%	28.3%	28.3%	28.3%	28.3%	28.3%	31.4%	30.4%	28.3%	26.1%	28.3%
<b>DOE</b>													
Direct Operating Exp.	\$4,313.21	\$6,289.41	\$6,702.40	\$6,739.20	\$6,480.00	\$6,739.20	\$6,739.20	\$6,739.20	\$7,776.00	\$7,257.60	\$6,739.20	\$5,194.00	\$76,696.62
DOE as a % of net Sales	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%
<b>Labor Costs</b>													
Payroll	\$31,450.46	\$43,239.70	\$38,016.00	\$44,628.00	\$43,200.00	\$44,628.00	\$44,628.00	\$44,628.00	\$48,600.00	\$45,360.00	\$44,628.00	\$38,720.00	\$511,226.16
Labor Cost % of Sales	36.0%	33.0%	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%	30.0%	32.0%	34.0%	33.9%
<b>Miscellaneous Expenses</b>													
Car Expenses	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00	\$4,200.00
Car-Parking Tickets	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$1,800.00
Bank Charges	\$1,100.00	\$1,100.00	\$1,100.00	\$1,100.00	\$1,100.00	\$1,100.00	\$1,100.00	\$1,100.00	\$1,100.00	\$1,100.00	\$1,100.00	\$1,100.00	\$13,200.00
Auto Insurance	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$12,000.00
Health Insurance	\$1,600.00	\$1,900.00	\$1,900.00	\$1,900.00	\$1,900.00	\$1,900.00	\$1,900.00	\$1,900.00	\$1,900.00	\$1,900.00	\$1,900.00	\$1,900.00	\$22,800.00
Business Insurance	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$2,400.00
Licensees & Permits	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$1,200.00
Marketing	\$750.00	\$750.00	\$750.00	\$750.00	\$750.00	\$750.00	\$750.00	\$750.00	\$750.00	\$750.00	\$750.00	\$750.00	\$9,000.00
Office Supplies	\$220.00	\$220.00	\$220.00	\$220.00	\$220.00	\$220.00	\$220.00	\$220.00	\$220.00	\$220.00	\$220.00	\$220.00	\$2,640.00
Printing	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00	\$4,200.00
Accounting	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Legal	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Rent	\$8,002.92	\$8,002.92	\$8,002.92	\$8,002.92	\$8,002.92	\$8,002.92	\$8,002.92	\$8,002.92	\$8,002.92	\$8,002.92	\$8,002.92	\$8,002.92	\$98,032.12
Building Repairs	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$6,000.00
Equipment Repairs	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$3,600.00
Restaurant Supply	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$4,800.00
Travel/Ent	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$600.00
Utilities	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$31,500.00
Other Expenses	\$798.00	\$797.00	\$798.00	\$798.00	\$800.00	\$800.00	\$800.00	\$800.00	\$800.00	\$800.00	\$800.00	\$800.00	\$9,600.00
Leasing Fee (%)	\$3,694.34	\$5,241.18	\$4,752.00	\$5,616.00	\$5,400.00	\$5,616.00	\$5,616.00	\$5,616.00	\$6,480.00	\$6,048.00	\$5,616.00	\$4,320.00	\$53,915.51
Debt Service	\$3,986.00	\$3,997.00	\$3,996.00	\$3,996.00	\$4,000.00	\$4,000.00	\$4,000.00	\$4,000.00	\$4,000.00	\$4,000.00	\$4,000.00	\$4,000.00	\$47,980.00
<b>Total</b>	\$26,259.26	\$27,908.10	\$27,420.82	\$28,288.92	\$28,072.92	\$28,288.92	\$28,288.92	\$28,288.92	\$29,152.92	\$28,720.92	\$28,788.92	\$27,492.92	\$329,467.83
Other Exp. % of net Sales	30.92%	22.64%	24.42%	21.32%	22.01%	21.32%	21.32%	21.32%	19.04%	20.45%	21.70%	26.93%	21.32%
<b>Secret Shopper</b>													
Charity	\$84,821.26	\$118,056.32	\$107,987.32	\$123,478.12	\$119,602.92	\$123,480.12	\$123,480.12	\$123,480.12	\$135,748.92	\$128,710.52	\$123,960.12	\$102,878.92	\$1,425,682.8
Total Expenses	\$84,821.26	\$118,056.32	\$107,987.32	\$123,478.12	\$119,602.92	\$123,480.12	\$123,480.12	\$123,480.12	\$135,748.92	\$128,710.52	\$123,960.12	\$102,878.92	\$1,425,682.8
Pre-Tax Profit	-\$8,905.02	\$12,973.07	\$10,832.68	\$16,921.88	\$16,397.08	\$16,919.88	\$16,919.88	\$16,919.88	\$26,251.08	\$22,469.48	\$16,419.88	\$5,123.08	\$167,262.9
Profit Margin	-11.0%	9.9%	9.1%	12.1%	11.4%	12.1%	12.1%	12.1%	16.2%	14.9%	11.7%	4.7%	10.5%



115 State St. 2008

	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	Total
<b>Sales</b>													
Direct Sales	\$83,202.27	\$121,323.51	\$110,000.00	\$130,000.00	\$126,000.00	\$130,000.00	\$130,000.00	\$130,000.00	\$150,000.00	\$140,000.00	\$130,000.00	\$140,000.00	\$1,479,526
Home Sales	\$41,467.91	\$57,380.42	\$52,800.00	\$62,400.00	\$60,000.00	\$62,400.00	\$62,400.00	\$62,400.00	\$72,000.00	\$67,200.00	\$62,400.00	\$62,400.00	\$710,848
Invoiced Sales	\$41,734.36	\$53,943.09	\$57,200.00	\$67,600.00	\$65,000.00	\$67,600.00	\$67,600.00	\$67,600.00	\$78,000.00	\$72,800.00	\$67,600.00	\$67,600.00	\$768,677
Invoiced Sales %	50.16%	52.70%	52.00%	52.00%	52.00%	52.00%	52.00%	52.00%	52.00%	52.00%	52.00%	52.00%	(381,372.92)
Blaise Tax	(\$4,576.12)	(\$6,672.79)	(\$6,050.00)	(\$7,150.00)	(\$6,875.00)	(\$7,150.00)	(\$7,150.00)	(\$7,150.00)	(\$8,250.00)	(\$7,700.00)	(\$7,150.00)	(\$7,150.00)	(\$81,500.00)
Blaise-tax	\$78,626.15	\$114,650.72	\$103,950.00	\$122,850.00	\$118,125.00	\$122,850.00	\$122,850.00	\$122,850.00	\$141,750.00	\$132,300.00	\$122,850.00	\$94,500.00	\$1,398,161.86
<b>Costs</b>													
Food and Bev. Expenses	\$25,239.43	\$37,600.82	\$34,100.00	\$40,300.00	\$38,750.00	\$40,300.00	\$40,300.00	\$40,300.00	\$48,500.00	\$43,400.00	\$40,300.00	\$40,300.00	\$488,090.26
Food and Bev % of Sales	30.3%	31.0%	31.0%	31.0%	31.0%	31.0%	31.0%	31.0%	31.0%	31.0%	31.0%	31.0%	31.0%
<b>Profit</b>													
Gross Profit	\$13,578.47	\$26,507.42	\$26,070.00	\$34,710.00	\$33,375.00	\$34,710.00	\$34,710.00	\$34,710.00	\$43,050.00	\$37,200.00	\$34,710.00	\$34,710.00	\$381,110.88
Gross Profit Margin	17.3%	23.2%	26.1%	28.3%	28.3%	28.3%	28.3%	28.3%	30.4%	30.4%	28.3%	28.3%	27.3%
<b>Operating Exp</b>	\$5,852.09	\$6,316.89	\$5,280.00	\$6,240.00	\$6,000.00	\$6,240.00	\$6,240.00	\$6,240.00	\$7,200.00	\$6,720.00	\$6,240.00	\$6,240.00	\$71,178.98
Operating Exp as a % of net Sales	4.4%	5.2%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%
<b>Net Profit</b>	\$7,726.38	\$19,190.53	\$20,790.00	\$28,470.00	\$27,375.00	\$28,470.00	\$28,470.00	\$28,470.00	\$35,850.00	\$30,480.00	\$28,470.00	\$28,470.00	\$309,931.90
Net Profit Margin	18.3%	17.2%	18.9%	21.9%	21.9%	21.9%	21.9%	21.9%	23.7%	23.7%	21.9%	21.9%	21.0%
<b>Other Costs</b>													
Other Costs as a % of Sales	43.4%	36.4%	35.0%	32.0%	32.0%	32.0%	32.0%	32.0%	30.0%	30.0%	32.0%	34.0%	34.9%
<b>Scale/Account Expenses</b>													
Expenses	\$294.49	\$450.49	\$45.01	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00	\$3,939.99
Expenses	\$300.00	\$130.00	\$110.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$1,590.00
Expenses	\$1,021.37	\$1,436.19	\$1,100.00	\$1,100.00	\$1,100.00	\$1,100.00	\$1,100.00	\$1,100.00	\$1,100.00	\$1,100.00	\$1,100.00	\$1,100.00	\$13,457.56
Expenses	\$489.00	\$811.00	\$0.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$7,706.00
Expenses	\$1,693.28	\$1,446.62	\$1,659.94	\$1,900.00	\$1,800.00	\$1,900.00	\$1,900.00	\$1,900.00	\$1,900.00	\$1,900.00	\$1,900.00	\$1,900.00	\$22,088.84
Expenses	\$0.00	\$935.56	\$0.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$2,735.56
Expenses	\$0.00	\$0.00	\$0.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$800.00
Expenses	\$572.35	\$720.03	\$0.00	\$750.00	\$750.00	\$750.00	\$750.00	\$750.00	\$750.00	\$750.00	\$750.00	\$750.00	\$8,042.38
Expenses	\$55.44	\$233.00	\$208.66	\$220.00	\$220.00	\$220.00	\$220.00	\$220.00	\$220.00	\$220.00	\$220.00	\$220.00	\$2,477.10
Expenses	\$93.61	\$738.49	\$0.00	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00	\$3,982.10
Expenses	\$634.54	\$193.94	\$200.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,028.48
Expenses	\$1,500.00	\$0.00	\$0.00	\$1,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,500.00
Expenses	\$8,002.92	\$8,002.92	\$8,002.92	\$8,002.92	\$8,002.92	\$8,002.92	\$8,002.92	\$8,002.92	\$8,002.92	\$8,002.92	\$8,002.92	\$8,002.92	\$89,032.12
Expenses	\$1,366.73	\$1,178.99	\$200.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$7,246.72
Expenses	\$1,322.83	\$375.69	\$100.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$3,308.62
Expenses	\$1,979.54	\$392.56	\$282.34	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$6,254.46
Expenses	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$450.00
Expenses	\$3,125.29	\$3,489.21	\$0.00	\$3,000.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$34,614.50
Expenses	\$1,381.18	\$1,089.52	\$800.00	\$800.00	\$800.00	\$800.00	\$800.00	\$800.00	\$800.00	\$800.00	\$800.00	\$800.00	\$10,480.70
Expenses	\$0.00	\$0.00	\$0.00	\$0.00	\$5,200.00	\$5,200.00	\$5,200.00	\$5,200.00	\$5,200.00	\$5,200.00	\$5,200.00	\$5,200.00	\$59,181.03
Expenses	\$0.00	\$0.00	\$0.00	\$0.00	\$4,000.00	\$4,000.00	\$4,000.00	\$4,000.00	\$4,000.00	\$4,000.00	\$4,000.00	\$4,000.00	\$32,000.00
Expenses	\$21,630.57	\$20,012.23	\$16,408.87	\$20,172.92	\$27,872.92	\$27,872.92	\$27,872.92	\$27,872.92	\$28,672.92	\$28,672.92	\$28,672.92	\$27,172.92	\$312,286.08
Expenses	27.51%	17.48%	15.79%	16.42%	23.43%	22.69%	22.69%	22.69%	20.23%	21.75%	23.10%	26.75%	22.34%
<b>Net Profit</b>	\$81,254.37	\$108,055.53	\$94,288.87	\$108,312.92	\$112,422.92	\$116,012.92	\$116,012.92	\$116,012.92	\$127,372.92	\$120,892.92	\$116,512.92	\$98,972.92	\$1,324,126.11
Net Profit Margin	15.2%	10.9%	14.3%	16.7%	10.1%	10.8%	10.8%	10.8%	15.1%	13.8%	10.4%	3.0%	10.2%

# State Street 2007 P+L

	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	Totals
<b>Sales</b>													
Store Sales	\$54,895.38	\$69,481.90	\$89,710.37	\$81,236.85	\$90,489.59	\$73,907.61	\$81,240.31	\$85,718.65	\$121,838.94	\$132,654.94	\$109,655.92	\$96,927.68	\$1,097,838
Home Sales	\$30,980.95	\$31,691.68	\$35,987.54	\$52,075.05	\$56,551.03	\$57,781.24	\$63,275.13	\$67,411.40	\$73,366.01	\$72,430.85	\$55,135.63	\$36,708.21	\$651,395
Delivery Sales	\$24,014.43	\$37,780.22	\$35,757.76	\$28,229.20	\$32,552.26	\$16,126.37	\$17,343.78	\$27,485.00	\$48,452.93	\$60,224.09	\$54,500.28	\$59,009.47	\$441,486
Involved (Household/PMC)	\$274.77	\$1,291.56	\$1,902.76	\$932.80	\$1,386.30	\$680.15	\$621.40	\$622.25	\$12,464.81	\$21,134.75	\$17,149.99	\$60.9%	\$66,671
Delivery as a % of Total	44.2%	58.2%	42.0%	36.9%	37.5%	22.8%	22.1%	29.6%	50.0%	61.3%	65.4%	60.9%	40.2%
Sales Tax	(\$3,024.75)	(\$3,821.50)	(\$4,934.07)	(\$4,468.03)	(\$4,976.93)	(\$4,064.92)	(\$4,468.22)	(\$5,264.53)	(\$6,701.14)	(\$7,295.02)	(\$6,029.98)	(\$5,331.02)	(\$68,381.40)
Sales less Taxes	\$51,970.63	\$65,660.40	\$84,776.30	\$76,768.82	\$85,512.66	\$70,532.69	\$76,772.09	\$90,454.12	\$115,137.80	\$125,359.92	\$103,605.94	\$91,596.66	\$1,099,128.4
<b>Costs</b>													
Food and Bev. Expense	\$19,520.75	\$22,147.14	\$26,425.45	\$26,678.24	\$26,073.63	\$21,682.90	\$27,037.23	\$29,330.89	\$33,031.03	\$36,842.70	\$34,725.27	\$31,285.67	\$335,730.70
Food and Bev % of Sales	35.5%	31.9%	29.5%	31.6%	28.7%	29.3%	33.3%	30.6%	27.1%	29.3%	31.7%	32.3%	30.6%
<b>Gross Profit</b>													
Gross Profit	\$32,449.88	\$43,513.28	\$59,350.85	\$51,090.58	\$59,499.03	\$48,849.94	\$49,734.86	\$61,123.43	\$82,108.77	\$88,518.22	\$68,880.87	\$60,300.99	\$702,416.49
Gross Profit Margin	62.4%	66.3%	68.0%	66.6%	69.6%	69.3%	64.8%	67.6%	71.3%	69.0%	66.5%	65.8%	64.1%
<b>Other Expenses</b>													
Direct Operating Exp.	\$3,308.94	\$3,093.91	\$4,874.05	\$3,937.91	\$3,308.14	\$3,314.21	\$3,043.70	\$5,467.92	\$4,197.08	\$5,217.52	\$6,425.86	\$7,717.57	\$64,000.61
OE as a % of net Sales	6.0%	4.5%	5.5%	4.8%	3.7%	4.5%	3.7%	5.7%	3.4%	3.9%	5.9%	8.0%	4.9%
<b>Ador Costs</b>													
Ador Costs	\$23,481.61	\$28,415.02	\$27,382.97	\$32,833.53	\$27,108.84	\$24,579.45	\$31,045.41	\$23,923.46	\$37,095.52	\$34,194.20	\$34,607.82	\$47,042.17	\$389,688.00
Ador Costs % of Sales	42.7%	38.0%	30.5%	40.4%	30.0%	33.9%	38.2%	26.0%	30.4%	26.8%	31.6%	46.5%	33.7%
<b>Other Expenses</b>													
Utilities	\$1,728.91	\$4,773.46	\$3,403.76	\$2,268.82	\$2,054.38	\$1,252.66	\$5,338.88	\$2,571.85	\$2,292.68	\$7,283.68	\$1,189.98	\$2,660.70	\$32,029.66
Gas	\$328.08	\$583.06	\$683.26	\$579.09	\$603.84	\$505.83	\$428.22	\$537.94	\$296.33	\$341.71	\$296.93	\$417.74	\$6,803.03
Marketing/Printing	\$204.90	\$63.88	\$56.42	\$83.35	\$331.24	\$0.00	\$99.13	\$1,900.00	\$405.50	\$275.00	\$78.26	\$217.64	\$3,735.32
Insurance-Auto	\$3,898.00	\$272.00	\$0.00	\$0.00	\$0.00	\$504.00	\$0.00	\$2,629.00	\$0.00	\$738.00	\$0.00	\$2,258.00	\$10,299.00
Insurance-Store	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$892.28	\$0.00	\$892.28
Insurance Health	\$384.00	\$384.00	\$577.50	\$577.50	\$956.75	\$956.75	\$1,239.99	\$956.75	\$1,033.30	\$1,448.82	\$1,446.42	\$1,446.82	\$11,406.17
Rent	\$7,846.00	\$7,846.00	\$7,846.00	\$7,946.00	\$7,846.00	\$7,846.00	\$7,846.00	\$7,846.00	\$7,846.00	\$7,846.00	\$7,846.00	\$7,846.00	\$88,308.00
Legal	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Accounting	\$377.72	\$238.85	\$171.97	\$167.77	\$2,718.87	\$261.05	\$258.45	\$211.91	\$169.16	\$267.31	\$178.13	\$188.67	\$5,207.86
Bank Charges	\$887.74	\$986.88	\$1,284.72	\$1,014.72	\$1,328.98	\$793.44	\$921.36	\$1,115.89	\$1,418.90	\$1,471.92	\$1,265.88	\$1,281.21	\$13,549.44
Restaurant Supply	\$0.00	\$481.08	\$627.04	\$367.78	\$0.00	\$62.08	\$535.59	\$878.63	\$475.49	\$475.49	\$448.89	\$211.41	\$4,066.98
Office Supplies	\$2,065.05	\$644.79	\$85.94	\$82.23	\$0.00	\$0.00	\$48.31	\$105.76	\$48.49	\$124.10	\$27.38	\$8.44	\$3,220.49
Repairs	\$49.92	\$2,018.50	\$2,141.37	\$679.22	\$396.57	\$528.15	\$1,032.24	\$570.51	\$1,648.39	\$224.22	\$272.27	\$355.21	\$9,866.57
Travel/Ent	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Disc. Taxes, Fees	\$1,562.52	\$395.81	\$261.24	\$492.00	\$246.30	\$640.00	\$717.15	\$304.34	\$251.50	\$355.99	\$235.00	\$1,688.55	\$7,140.31
Total Other Expenses	\$19,100.84	\$18,985.91	\$17,119.22	\$14,148.48	\$16,482.93	\$13,349.86	\$18,665.39	\$19,588.38	\$15,420.24	\$15,849.95	\$16,077.42	\$18,580.19	\$203,048.91
Other Exp. % of net Sales	36.8%	28.5%	20.2%	18.4%	19.3%	18.9%	24.3%	21.6%	13.4%	12.6%	15.5%	20.3%	18.5%
<b>Net Shopper</b>													
Net Shopper	\$65,412.14	\$70,341.98	\$75,881.69	\$76,598.16	\$72,911.54	\$62,926.52	\$79,791.73	\$78,250.45	\$89,737.87	\$94,104.17	\$91,836.37	\$104,635.80	\$962,468.2
Net Tax Profit	-\$13,441.51	-\$4,681.58	\$8,894.81	\$170.66	\$12,601.12	\$7,608.32	-\$3,019.64	\$12,163.67	\$25,399.93	\$31,254.75	\$11,789.57	-\$13,038.94	\$76,679.0
Net Margin	-24.4%	-6.7%	9.9%	0.2%	13.9%	10.8%	-3.9%	13.4%	22.1%	24.9%	11.4%	-14.2%	6.9%

115 State St. 2006 Profit & Loss

	Jan.	Feb.	Mar.	Apr.	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals
<b>Sales</b>	\$24,036.61	\$28,029.08	\$33,147.32	\$41,714.50	\$36,399.80	\$44,239.20	\$47,350.46	\$55,505.38	\$53,183.80	\$48,157.09	\$33,465.19	\$28,943.55	\$474,179.7
<b>Sales Tax</b>	5.6%	\$1,321.85	\$1,541.60	\$1,823.10	\$2,284.30	\$2,433.16	\$2,604.28	\$3,052.80	\$2,925.11	\$2,649.22	\$1,840.59	\$1,591.90	\$26,079.88
<b>Rev. less Tax</b>	\$22,714.76	\$26,487.48	\$31,324.22	\$39,420.20	\$34,397.81	\$41,806.04	\$44,746.18	\$52,452.58	\$50,258.79	\$45,518.47	\$31,624.60	\$27,351.65	\$448,099.8
<b>Costs</b>													
<b>Food</b>	\$6,766.34	\$8,253.65	\$6,923.42	\$10,187.73	\$9,200.13	\$9,111.95	\$13,112.86	\$9,148.02	\$13,532.06	\$13,270.84	\$7,978.85	\$5,484.64	\$112,980.49
<b>Beverage</b>	\$1,035.27	\$864.02	\$1,826.18	\$1,726.46	\$3,575.03	\$1,699.22	\$2,365.36	\$2,908.96	\$2,291.47	\$2,886.20	\$1,048.07	\$1,655.08	\$23,881.32
<b>Total</b>	\$7,801.61	\$9,117.67	\$8,749.60	\$11,914.19	\$12,775.16	\$10,811.17	\$15,478.22	\$12,056.98	\$15,823.53	\$16,157.04	\$9,026.92	\$7,148.72	\$136,861.81
<b>Gross Profit</b>	\$14,910.15	\$17,369.81	\$22,574.62	\$27,506.01	\$21,622.65	\$30,994.87	\$29,267.96	\$40,395.60	\$34,435.26	\$29,361.43	\$22,597.68	\$20,201.93	\$311,237.99
<b>Gross Profit Margin</b>	65.8%	65.6%	72.1%	69.8%	62.8%	74.1%	65.4%	77.0%	68.5%	64.5%	71.5%	73.8%	69.5%
<b>Direct Operating Exp.</b>	\$662.98	\$1,298.13	\$1,686.93	\$2,176.52	\$3,575.03	\$2,572.31	\$2,049.54	\$2,548.49	\$1,723.13	\$1,377.91	\$1,007.68	\$187.48	\$20,858.13
<b>Payroll</b>	\$10,509.65	\$9,220.24	\$8,388.04	\$12,601.79	\$11,613.92	\$11,815.35	\$14,812.42	\$13,472.83	\$13,582.28	\$17,006.96	\$12,680.57	\$15,618.11	\$151,422.16
<b>Payroll Tax</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Utilities</b>	\$1,416.05	\$1,443.17	\$2,258.28	\$1,529.95	\$1,237.95	\$1,328.96	\$1,422.68	\$2,006.37	\$1,716.71	\$1,711.57	\$1,417.23	\$1,480.96	\$18,959.86
<b>Marketing</b>	\$92.32	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$181.33	\$0.00	\$0.00	\$0.00	\$283.55
<b>Credit Line Payments</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Insurance</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Rent</b>	\$3,200.00	\$4,249.76	\$3,200.00	\$3,200.00	\$3,200.00	\$3,200.00	\$3,200.00	\$3,200.00	\$3,200.00	\$3,200.00	\$3,200.00	\$3,200.00	\$3,983.42
<b>Legal</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Accounting</b>	\$339.97	\$12.95	\$12.95	\$554.95	\$2,925.70	\$509.70	\$239.49	\$14.95	\$348.67	\$143.49	\$155.97	\$271.10	\$5,529.88
<b>Misc. Taxes, Fees</b>	\$846.95	\$33.03	\$248.32	\$778.21	\$366.50	\$1,487.06	\$2,741.10	\$2,095.53	\$4,421.80	\$4,108.48	\$3,362.70	\$4,818.59	\$25,308.27
<b>Total Costs</b>	\$24,869.53	\$25,374.95	\$24,546.12	\$32,755.61	\$35,694.26	\$31,724.55	\$39,963.87	\$38,976.15	\$41,007.45	\$43,705.45	\$30,851.07	\$33,107.96	\$402,676.97
<b>Pre-Tax Profit</b>	-\$2,257.77	\$1,112.53	\$6,778.10	\$6,684.59	-\$1,296.45	\$10,081.49	\$4,782.31	\$13,476.43	\$9,251.34	\$1,813.02	\$773.53	-\$5,756.31	\$46,422.83
<b>Profit Margin</b>	-9.39%	4.20%	21.64%	16.0%	-3.6%	22.9%	10.1%	24.3%	17.4%	3.9%	2.3%	-17.4%	9.6%