



Men's Clothing Retailer

BUSINESS PLAN

VAN SCHAACK

58500 Marina Way
Santa Barbara, CA 96100

Business owners' of this plan provide interested plan readers with two financial five year plans, the first being the most conservative. Owners demonstrate that the business can manage its expenses on a modest sales plan through the first set of financials.

- THE VAN SCHAACK PRINCIPLE
- THE CUSTOMER
- THE STORE
- COMPETITION AND STRATEGY
- MARKETING, ADVERTISING AND STORE IDENTITY
- STORE DESIGN
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VAN SCHAACK PRINCIPLE

Herringbone was once the model of the ideal better men's store. With their tweed jackets and boxy suits, they embraced the Edwardian formality and unbending adherence to custom that ruled a man's wardrobe.

Gentlemen (or those who aspired to be) of that era emulated this image. To them it was successful, masculine, tasteful, and presented them as they wished to be perceived by the world they lived in.

Besides the fashion statements they made, Herringbone's success was also attributable to an important principle. They sold quality merchandise at a fair and reasonable price—an even exchange of value for value. Their genteel image enhanced the value of their merchandise, and made Herringbone a reliable, trusted institution.

What do the young men of the emerging Generation X think of Herringbone today?

Answer: They don't think of it.

Men today value self-expression, individualism, and freedom; they choose to make their own identities rather than fit themselves into an idealized mold. There is no value for them in the confinement of an antique Edwardian aesthetic, unchanging decade after decade.

There are few fashion rules for men today. But the principle of providing value for value remains as sound as it was in former years. If a men's store is to be trusted and successful, it must, like Herringbone, be based on that



sound principle. Van Schaack is committed to do exactly that.

The generation of men who grew up with MTV is a powerful market with growing incomes. They will determine the future of many image-conscious retailers and their marketing strategies. As always in the competitive world of retail, you must change with the times or be replaced.

As for replacing obsolete concepts in the world of men's stores, Van Schaack is poised and ready.

THE CUSTOMER

Van Schaack is a store concept designed for and catering to a core customer base of active, urban males aged 25 to 50.

The targeted market is image conscious and wants fashionable clothing that has a youthful, sexy, and masculine image. The core customer will most likely work out at a gym on a regular basis. This has given him a well-toned build, which he will want to show to its best advantage. Outside of work, he has an active, casual lifestyle of sports, the beach, the gym, bars and clubs and excursions with friends. He wants clothes that are versatile, attractive and becoming.

THE STORE

As a store, Van Schaack's objective is to respond to the needs and wants of its core customers.

Our cues are taken from other successful, sexy, men's clothing operations such as Men Tour and Mike Kaplan. We borrow the best of these organizations: the customer lifestyle focus of Men Tour and the sophisticated marketing of Mike Kaplan. However, Men Tour's strength lies in its catalog operation, and Men Tour is a designer/vendor. Van Schaack's emphasis will be on retail stores.

Our five year business plan is the blueprint for our expansion to a multi-unit operation in urban areas where our core customers are concentrated. We will grow our business selling a mix of moderate to better sportswear, active wear, and underwear-along with grooming cosmetics - in a casual, open and sophisticated environment.

COMPETITION & STRATEGY

Primary competition for Van Schaack will be Men Tour. To a lesser degree, competition will also come from moderate price sportswear specialty stores such as Runway and moderate price department stores like Bachman, Crystal, Wolfgang, and Paolo.

The Van Schaack approach will be different from this point forward, in that, it will provide sport merchandise that is clean and classic, simple but sexy. The colors and styling will be more masculine, avoiding the cheap and flashy. The look will be more like Mike Kaplan, less like Men Tour. We believe this more masculine approach in merchandising will have a broader appeal and attract a more affluent customer. In addition, we will offer clothes that emphasize better quality and fit, elements that are conspicuously lacking in our main competitors' assortments.

Another category that will be developed beyond any men's store competitor will be grooming cosmetics. As one of the highlights of the merchandise strategy at Van Schaack, we will offer an expansive selection of products in this department. Currently, no retailer offers anything approaching this concept. Cosmetic departments in large stores are all consistently aimed at women customers. Some lines, such as Blusher, and Silken, sell product lines designed for men. However, these are not featured, and they are overshadowed by women's cosmetics.

The emphasis in Van Schaack's cosmetic lines will be on better quality skin care (particularly anti-aging products), sun products, hair care, and bath and body products - not on fragrance. This department will most



likely be called New Leaf. The anticipated success of New Leaf is based on the premises that male customers prefer buying cosmetics in a store where everything is geared toward men, and that our core customer will strongly respond to a department specifically aimed at helping him look attractive, healthy, and youthful.

Because Van Schaack's focus will be on retail stores, we expect to out do our main competitors in the important arena of shopping environment. We are planning an interior similar to that found in an upscale specialty store, with outstanding wall presentation, consistent fixturing and special tables designed to show strong merchandise stories. The overall design objective is to create an upbeat environment that is easy to shop and shows the goods to their best advantage.

MARKETING, ADVERTISING AND STORE IDENTITY

The marketing of Van Schaack is the vehicle by which we will communicate our image to our customers. The projected image is that of a masculine, bare-all Adonis whose rugged individualism appeals to young men and men who want to feel young. Outfitting the male who identifies with this image (or aspires to emulate it) will be the store's mission - and will provide its identity.

Advertising will be directed at the core customer and will stress the projected image. A logo has been developed, which is designed to be transferable to clothing for added sales and advertising. The company colors are white and black, which represent the character of the company in their classic simplicity and boldness.

Most importantly, Van Schaack fills voids in the market left by competitors like Men Tour. Voids are to be filled by:

- Selling moderate to better quality menswear with a sexy, masculine appeal
- Pioneering a new focused approach of selling cosmetic products to an emerging market of men wanting to be catered to in this regard
- A more hip and sophisticated shopping environment.

STORE DESIGN

Retail trade publications report that today's retail customers want bright, open shopping environments. Van Schaack will meet this expectation by being a very bright, white store. The best way to present strong merchandise and color statements is by using white backgrounds. All walls and merchandise tables in the store will be white. Merchandise walls will be tall, with chrome fixturing to show expansive statements; merchandise tables will be three levels. Walls will be architecturally broken to show separate merchandise stories. Floor fixturing will be simple chrome and black 4-way and T-stand outfitters to better show off merchandise groups.

Special muscular mannequins will show clothes to their advantage on tables and in windows. Ceilings will be white with 2' × 2' fluorescent lamps for brightness and tracks of spotlamps to show off feature walls and tables.

Macho, romantic and sexy images of men will be framed and hung in clusters on walls for ambiance and whimsy. The overall effect will be an upbeat, contemporary environment with a touch of fun.

STORE LOCATIONS

Several factors go into choosing the best location for a retail store. Among them are demographics, real estate prices, and the actual location within a setting. Location determines whether people passing by will see your store and come in. Another important factor in Southern California is available parking for customers.

The proposed location for the initial store is in the middle of the University area of Santa Barbara. This busy center, anchored by Big supermarket and Lottie's Records and Video, consistently has a busy parking lot and



very high foot traffic. The center also enjoys a rush of customer traffic from 6:00 pm to 8:00 pm because of the supermarket and video store, a time when most malls are slow. Rent per square foot is about half what the nearest regional mall charges.

The store has a very high visibility location within the center, with 40 feet of frontage including the entrance, with two 15 foot windows facing the central parking lot. From either side, customers would be able to see into the entire store through four large windows.

Future store locations would follow a regional strategy. Possible locations in the next five years include San Diego, Oceanside, Long Beach, and Irvine.

GENERAL AND ADMINISTRATIVE

Van Schaack will be in charge of General and Administrative duties, and will work in partnership with Jay Sanders on Merchandise Assortment, Store Design, and Marketing.

Jay Sanders will be in charge of Merchandising, Store Planning, Marketing and Sales.

Steve Kotlik will be in charge of Finance and Operations.

Jeremy Nelson will work as a consultant to Jay on Merchandising and Sales Planning.

TEAM VAN SCHAACK

Van Schaack, Jay Sanders, Steve Kotlik, and Jeremy Nelson all caught the retail bug at an early age through working part time in stores while attending college.

Van and Jay began in sales, Van at Can's Department Store in Newport and Jay at Morrow's in Tustin; both have used Reed's as their executive training ground. This has given them valuable experience working within an aggressive corporate structure, and has instilled in them a deep appreciation for teamwork, as the means by which goals are attained.

Along with working on numerous store openings together, Van and Jay worked together successfully for two years during the \$10 million renovation of the Hawthorne store. This collaboration helped form the basis of their partnership in the venture of Van Schaack.

Their paths converged with Jeremy Nelson, who has been a Vice President and General Manager at Lutz. Jeremy brings 40 years of experience in retail to the team.

The strengths of this complementary partnership are Van's strategic planning, marketing and design acumen merged with Jay's ability to think like a customer, his extensive knowledge of general merchandising and his instinct to sense trends and grow a business. Aiding them is Steve, with his knowledge and experience in running and growing a small business.

Guiding this team is Jeremy Nelson, with his invaluable experience and counsel. All four are team players dedicated to making Van Schaack the store where active men want to shop.

INVESTORS' QUESTIONS

Q: Why are there two financial plans?

A: Plan 1 is a very conservative plan whose purpose is to demonstrate that Van Schaack can manage its business expenses on a modest sales plan. Plan 2 is more aggressive.

Q: How did you arrive at the sales figures?

A: First we began with a merchandise matrix. This is a detailed account of every item that would be carried in



the store, right down to the number of each size and color along with their retail prices. For example, 24 blue tank tops @ \$ 15.00 each; 4 small, 4 medium, 8 large, and 8 extra large.

The numbers of units and the retail prices are then totalled. This forms the basis of the item called "Open to Buy" in Schedule 2(b).

In a conservative retail plan, the store would replenish, or "turn," its inventory no less than twice annually. So if the store had an "Open to Buy" plan of \$ 1,000.00 and its sales plan is based on two turns of inventory, it would have a sales plan of \$2,000.00 annually.

Q: How much do I need to invest to become a part of Van Schaack?

A: The Van Schaack partners would like to sell shares in the Corporation in blocks of one thousand at a price of \$ 1.00 per share.

Q: What kind of return can I expect on my investment?

A: Van Schaack is a money-making venture from which everyone involved expects to profit. The objective is to take the Corporation public no sooner than five years from now. The potential to multiply your original investment is enormous for those investors who come in at the start.

This type of investment is sometimes termed a "flyer," meaning that it is akin to a roll of the dice. However, in Van Schaack's case, we believe the dice are loaded in its favor.

Q: Are there any other benefits?

A: As an initial investor, you will receive a 20% discount on all merchandise, including cosmetics and sales items.

Q: What about a Van Schaack catalog?

A: We are definitely interested in this idea. Once the retail store is successfully launched, we expect to have the resources to pursue this and other avenues of expansion. Sales through direct mail and computer network are both possibilities to pursue.

Q: What are some of Van Schaack's other long range plans?

A: We expect to continue growing our business by opening additional stores through a regional strategy, which involves opening approximately three stores in a given metropolitan market. In addition, we foresee building much larger stores than those initially planned. The projected larger stores will retain the character and methods of operation of the initial stores, which differ from traditional department stores in critical ways.

FINANCIAL DATA

Plan 1

Financial Structure of Van Schaack

Owners Equity	\$40,000
T.I Allowance from Landlord	13,000
SBA/Bank Loan	80,000
Total Cash at Startup	133,000
Total Startup Costs	105,000
Operating Capital	28,000

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SBA/Bank Loan	80,000
Total Cash at Startup	133,000



Total Startup Costs 105,000

Operating Capital 28,000

- *Of the \$40,000 equity, 10% (\$4,000) will be provided by Van Schaack, 10% (\$4,000) by Jay Sanders, 5% (\$2,000) by Steve Koblick, and 5% (\$2,000) by Jeremy Nelson.*
- *The remaining 70% of the equity will come from the sale of stock*
- *\$13,000 will be credited to Van Schaack Corp. for tenant improvements at the proposed University District store location.*
- *\$80,000 is to be in the form of an SBA bank loan.*

Ownership

Van Schaack, Chairman of Board of Directors	28%
Jay Sanders, President/Chief Merchant	22%
Steve, Vice President - Operations	20%
Jeremy Nelson, Vice President	20%
Stockholders	10%

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Jeremy Nelson, Vice President 20%

Stock holders 10%

Five Year Plan Number 1 *

	Year 1	Year 2	Year 3**	Year 4**	Year 5**
Sales					
Sales-Clothing	\$301,854	\$348,691	\$1,165,247	\$1,435,650	\$2,567,179
Sales-Cosmetics	\$40,000	\$61,534	\$109,687	\$253,350	\$453,032
(2) Total Sales	\$341,854	\$410,225	\$1,358,934	\$1,689,000	\$3,020,210
(3) Cost of Goods Sold	\$170,927	\$205,112	\$679,467	\$844,500	\$1,510,105
Gross Profit	\$170,927	\$205,112	\$679,467	\$844,500	\$1,510,105
Expenses					
Shortage	\$3,419	\$4,102	\$13,589	\$16,890	\$30,202
Bags and Boxes	\$1,439	\$1,727	\$5,722	\$7,112	\$12,717
Hangers	\$720	\$864	\$2,861	\$3,556	\$6,358
(3) Operating Expenses	\$5,578	\$6,693	\$22,172	\$27,557	\$49,277
Salaries & Wages	\$88,960	\$105,280	\$314,500	\$412,500	\$670,000
Payroll Added Costs	\$10,675	\$12,634	\$37,740	\$49,500	\$80,400
(4) Employee Costs	\$99,635	\$117,914	\$352,240	\$462,000	\$750,400
Rent	\$30,996	\$32,858	\$160,832	\$221,640	\$426,930
Utilities	\$3,206	\$3,402	\$11,352	\$16,380	\$24,276
Maintenance	\$600	\$600	\$1,886	\$2,571	\$4,364
Insurance	\$2,304	\$2,394	\$7,524	\$10,260	\$14,364
Depreciation	\$6,986	\$6,986	\$21,956	\$29,940	\$41,916
(5) Occupancy Costs	\$44,182	\$46,240	\$203,550	\$280,791	\$521,850
Advertising	\$9,000	\$10,000	\$18,000	\$20,000	\$25,000
Visual	\$1,800	\$1,800	\$4,000	\$4,000	\$7,000
Promotion Expenses	\$10,800	\$11,800	\$22,000	\$24,000	\$32,000
Office Supplies	\$600	\$1,000	\$2,000	\$2,000	\$4,000
Telephone	\$1,440	\$1,700	\$3,900	\$4,000	\$7,000
Miscellaneous	\$1,200	\$1,500	\$3,800	\$3,000	\$7,000
Administrative Costs	\$3,240	\$4,200	\$9,700	\$9,900	\$18,000
Total Expenses	\$163,435	\$186,847	\$609,662	\$804,249	\$1,371,527
Net Profit, Before Taxes	\$7,492	\$18,265	\$69,805	\$40,251	\$138,578

* Plan Number 2 is based on 2.5 "turns" of the value of the merchandise in stock in year one and ensuing years.

Plan 2 is based on the average performance of a department store selling similar type merchandise.

** Year 3, store #2 opens... Year 5, store #3 opens... See schedule 2 (a) for sales forecast.

Year 1 Year 2 Year 3** Year 4** Year 5**

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** Year 3, store #2 opens... Year 5, store #3 opens... See schedule 2 (a) for sales forecast.

Sales



	Year 1	Year 2	Year 3**	Year 4**	Year 5**
Sales-Clothing	\$301,854	\$348,691	\$1,165,247	\$1,435,650	\$2,567,179
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Maintenance	\$600	\$600	\$1,886	\$2,571	\$14,364
Insurance	\$2,394	\$2,394	\$7,524	\$10,260	\$14,364
Depreciation	\$6,986	\$6,986	\$21,956	\$29,940	\$41,916
(5) Occupancy Costs	\$44,182	\$46,240	\$203,550	\$280,791	\$521,850
Advertising	\$9,000	\$10,000	\$18,000	\$20,000	\$25,000
Visual	\$1,800	\$1,800	\$4,000	\$4,000	\$7,000
Promotion Expenses	\$10,800	\$11,800	\$22,000	\$24,000	\$32,000
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Plan 1 Schedule 1(a) - Start-Up Costs & Cash Requirements Prior to Opening

Initial Inventory	
Merchandise	\$64,000
Supplies	
Hangers	\$1,500
Boxes & Bags	\$1,500
Total Inventory	\$67,000
Equipment and Machinery	
Computer System and Point of Purchase	\$2,000
Alarm System	\$1,500
Ticketing System	\$300
Sound System/Music	\$750
Telephones/Fax Machine	\$500
Safe/Box	\$150
Total Equipment and Machinery	\$5,200
Leasehold Improvements	
Polished Concrete Floor	\$500
Walls, Fitting Rooms, Stockroom	\$8,000
Ceiling, Lighting, Electrical	\$8,000
Signs - Exterior & Windows	\$2,000
Architect & Fees	\$1,500
Total Leasehold Improvements	\$20,000
Merchandise Display and Visuals	
Hardware for Walls, Key Striping	\$2,500
Fixtures, T-stands, 4-ways,	
Rounders, Tables, Wrap Stand	\$4,000
Forms, Mannequins	\$1,500
Merchandise Signs & Holders	\$500
Photography - Visuals	\$750
Office & Stockroom Fixtures	\$750
Total Merchandise Display and Visuals	\$10,000
Grand Opening Promotion	
Advertising	\$2,000
Searchlight, Grand Opening Bash	\$500
Total Grand Opening Expenses	\$2,500
Total Start-Up Costs	\$104,700

Initial Inventory

Merchandise \$64,000

Supplies

Hangers \$1,500

Boxes & Bags \$1,500

Total Inventory \$67,000

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Computer System and Point of Purchase \$2,000

Alarm System \$1,500

Ticketing System \$300

Sound System/Music \$750

Telephones/Fax Machine \$500

Safe/Box \$150

Total Equipment and Machinery \$5,200

Leasehold Improvements

Polished Concrete Floor \$500

Walls, Fitting Rooms, Stockroom \$8,000

Ceiling, Lighting, Electrical \$8,000

Signs - Exterior & Windows \$2,000

Architect & Fees \$1,500

Total Leasehold Improvements \$20,000

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Hardware for Walls, Key Striping \$2,500

Fixtures, T-stands, 4-ways,



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Advertising	\$2,000
Searchlight, Grand Opening Bash	\$500
Total Grand Opening Expenses	\$2,500
Total Start-Up Costs	\$104,700

Plan 1 - Schedule 2(b) Basis For Initial Revenue Forecast

Dept.	Description	Units	Retail	Of Total
12	Tees	1,044	\$17,040	10.0%
14	Tanks	792	11,292	6.6%
15	Shorts	666	12,312	7.2%
16	Fleece	294	8,952	5.2%
17	Pants	354	8,712	5.1%
21	Denim	642	34,980	20.5%
24	Sportswear tops	222	6,768	4.0%
25	Fashion Athletics	306	7,500	4.4%
27	Twill bottoms	204	8,556	5.0%
33	Innerwear/Sleepware	72	1,620	0.9%
64	Accessories	186	2,418	1.4%
66	Underwear	2,082	28,857	16.9%
73	Hosiery	276	1,920	1.1%
Total Clothing			\$150,927	
94	Cosmetics		20,000	
Total Retail "Open to Buy" Inventory			\$170,927	
Clothing Revenue Forecast, based on 2.0 turns of inventory			\$301,854	
Cosmetics Revenue Forecast, based on 2.0 turns of inventory			\$40,000	

Summary Of Initial "Open To Buy"

See Schedule 2(c) for detail of "Open to Buy"

Dept.	Description	Units	Retail	Of Total
12	Tees	1,044	\$17,040	10.0%
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64	Accessories	186	2,418	1.4%
66	Underwear	2,082	28,857	16.9%
73	Hosiery	276	1,920	1.1%
Total Clothing			\$150,927	
94	Cosmetics		20,000	
Total Retail "Open to Buy" Inventory			\$170,927	



Summary Of Initial "Open To Buy"

See Schedule 2(c) for detail of "Open to Buy"

Clothing Revenue Forecast, based on 2.0 turns of inventory **\$301,854****Cosmetics Revenue Forecast, based on 2.0 turns of inventory \$40,000**

Plan 1 - Schedule 2(a) Sales Forecast Per Store

		Store #1	Store #2	Store #3	All Stores			
Year #1	Clothing	301,854	(A)		\$301,854			
	Cosmetics	\$40,000			\$40,000			
Total		\$341,854			\$341,854			
Year #2	Clothing	348,691	(B)		\$348,691			
	Cosmetics	\$61,534			\$61,534			
Total		\$410,225			\$410,225			
Year #3	Clothing	451,247	(C)	714,000	(F)	\$1,165,247		
	Cosmetics	\$67,687		\$126,000		\$193,687		
Total		\$518,934		\$840,000		\$1,358,934		
Year #4	Clothing	650,250	(D)	785,400	(G)	\$1,435,650		
	Cosmetics	\$114,750		\$138,600		\$253,350		
Total		\$765,000		\$924,000		\$1,689,000		
Year #5	Clothing	715,275	(E)	865,904	(H)	\$986,000	(I)	\$2,567,179
	Cosmetics	\$126,225		\$152,807		\$174,000		\$453,032
Total		\$841,500		\$1,018,710		\$1,160,000		\$3,020,210

		Store #1		Store #2		Store #3		All Stores
Year #1	Clothing	301,854	(A)					\$301,854
	Cosmetics	\$40,000						\$40,000
Total		\$341,854						\$341,854
Year #2	Clothing	348,691	(B)					\$348,691
	Cosmetics	\$61,534						\$61,534
Total		\$410,225						\$410,225
Year #3	Clothing	451,247	(C)	714,000	(F)			\$1,165,247
	Cosmetics	\$67,687		\$126,000				\$193,687
Total		\$518,934		\$840,000				\$1,358,934
Year #4	Clothing	650,250	(D)	785,400	(G)			\$1,435,650
	Cosmetics	\$114,750		\$138,600				\$253,350
Total		\$765,000		\$924,000				\$1,689,000
Year #5	Clothing	715,275	(E)	865,904	(H)	\$986,000	(I)	\$2,567,179
	Cosmetics	\$126,225		\$152,807		\$174,000		\$453,032
Total		\$841,500		\$1,018,710		\$1,160,000		\$3,020,210

A.	See Schedule 2(b) Summary of "Open to Buy."		
B.	Store #1 total increase, 2nd year	20.0%total	\$410,225
	Cosmetics equal	15.0% of total revenue	\$61,534
C.	Store #1 total increase, 3rd year	10.0%total	\$451,247
	Cosmetics equal	15.0% of total revenue	\$67,687

A. See Schedule 2(b) Summary of "Open to Buy."

B. Store #1 total increase, 2nd year	20.0% total	\$410,225
Cosmetics equal	15.0% of total revenue	\$61,534
C. Store #1 total increase, 3rd year	10.0% total	\$451,247
Cosmetics equal	15.0% of total revenue	\$67,687



D. Store #1, 4th yr., expanded from 1,400 to 3,000 sq. ft.		
Revenue per square ft...\$255.00	total revenue	\$765,000
Cosmetics equal...	15.0% of total revenue	\$114,750
E. Store #1 total increase, 5th year	10.0% total	\$841,500
Cosmetics equal	15.0% of total revenue	\$126,55
F. Store #2 opened 3rd year, revenue based on 3,000 sq. ft.		
Revenue per square ft...\$280.00	total revenue	\$840,000
Cosmetics equal	15.0% of total revenue	\$126,000
G. Store #2 total increase, 4th year	10.0% total	\$924,000
Cosmetics equal	15.0% of total revenue	\$138,600
H. Store #2 total increase, 5th year	10.3% total	\$1,018,710
Cosmetics equal	15.0% of total revenue	\$152,807
I. Store #3 opened 5th year, revenue based on		\$4,000
Revenue per square ft...\$290.00	total revenue	\$1,160,000
Cosmetics equal	15.0% of total revenue	\$174,000

D. Store #1, 4th yr., expanded from 1,400 to 3,000 sq. ft.		
Revenue per square ft...\$255.00	total revenue	\$765,000
Cosmetics equal...	15.0% of total revenue	\$114,750
E. Store #1 total increase, 5th year	10.0% total	\$841,500
Cosmetics equal	15.0% of total revenue	\$126,255
F. Store #2 opened 3rd year, revenue based on 3,000 sq. ft.		
Revenue per square ft...\$280.00	total revenue	\$840,000
Cosmetics equal	15.0% of total revenue	\$126,000
G. Store #2 total increase, 4th year	10.0% total	\$924,000
Cosmetics equal	15.0% of total revenue	\$138,600
H. Store #2 total increase, 5th year	10.3% total	\$1,018,710
Cosmetics equal	15.0% of total revenue	\$152,807
I. Store #3 opened 5th year, revenue based on		\$4,000
Revenue per square ft...\$290.00	total revenue	\$1,160,000
Cosmetics equal	15.0% of total revenue	\$174,000

Plan 1 Schedule 3 - Cost of Goods & Operating Expenses

Clothing	50.0% of Sales
Cosmetics	33.0% of Sales

Cost of Goods

Clothing 50.0% of Sales

Cosmetics 33.0% of Sales

Theft/shortage	1.0% of Sales
Bags and Boxes	0.4% of Sales
Hangers	0.2% of Sales

Operating

Theft/shortage 1.0% of Sales

Bags and Boxes 0.4% of Sales

Hangers 0.2% of Sales



Plan 1 - Schedule 4 Payroll & Related Expenses

First Full Year (1 store)	
2.0 Executive FTEs @ \$32,000	\$64,000
1.5 Sales clerks @ 16,640	24,960
Total Salaries	\$88,960
Year Two (1 Store)	
2.0 Executive FTEs @ \$36,000	\$72,000
2.0 Sales clerks @ 16,640	33,280
Total Salaries	\$105,280
Year Three (2 stores)	
2.0 Executive FTEs @ \$48,000	\$96,000
0.5 Bookkeeper @ 25,000	12,500
1.0 #1 Store manager @ 25,000	25,000
2.5 #1 Sales clerks @ 17,000	42,500
1.0 #2 Store managers @ 28,000	28,000
6.5 #2 Sales clerks @ 17,000	110,500
Total Salaries	\$314,500
Year Four (2 stores)	
2.0 Executive FTEs @ \$54,000	\$108,000
0.5 Bookkeeper @ \$25,000	12,500
1.0 #1 Store manager @ 28,000	28,000
6.0 #1 Sales clerks 18,000	108,000
1.0 #2 Store managers @ 30,000	30,000
7.0 #2 Sales clerks @ 18,000	126,000
Total Salaries	\$412,500
Year Five (3 stores)	
1.0 President @ 60,000	\$60,000
1.0 Vice-President @ 60,000	60,000
1.0 Administrator @ 32,000	32,000
1.0 Clerical @ 21,000	21,000
1.0 #1 Store manager @ 30,000	30,000
1.0 #1 Asst. Store manager @ 22,000	22,000
5.0 Sales clerks @ 18,500	92,500
1.0 #2 Store manager @ 32,000	32,000
1.0 #2 Asst. Store manager @ 22,000	22,000
6.0 #2 Sales clerks @ 18,500	111,000
1.0 #3 Store manager @ 35,000	35,000
1.0 #3 Asst. Store manager @ 23,000	23,000
7.0 #3 Sales clerks @ 18,500	129,500
Total Salaries	\$670,000
Total Payroll Added Costs (Taxes & Fringe)	12.00%

First Full Year (1 store)

2.0 Executive FTEs @ \$32,000	\$64,000
1.5 Sales clerks @ 16,640	24,960
Total Salaries	\$88,960

Year Two (1 Store)

2.0 Executive FTEs @ \$36,000	\$72,000
2.0 Sales clerks @ 16,640	33,280
Total Salaries	\$105,280

Year Three (2 stores)

2.0 Executive FTEs @ \$48,000	\$96,000
0.5 Bookkeeper @ 25,000	12,500
1.0 #1 Store manager @ 25,000	25,000
2.5 #1 Sales clerks @ 17,000	42,500
1.0 #2 Store managers @ 28,000	28,000
6.5 #2 Sales clerks @ 17,000	110,500
Total Salaries	\$314,500

Year Four (2 stores)

2.0 Executive FTEs @ \$54,000	\$108,000
0.5 Bookkeeper @ \$25,000	12,500
1.0 #1 Store manager @ 28,000	28,000
6.0 #1 Sales clerks 18,000	108,000
1.0 #2 Store managers @ 30,000	30,000
7.0 #2 Sales clerks @ 18,000	126,000
Total Salaries	\$412,500



Year Five (3 stores)

1.0 President @ 60,000	\$60,000
1.0 Vice-President @ 60,000	60,000
1.0 Administrator @ 32,000	32,000
1.0 Clerical @ 21,000	21,000
1.0 #1 Store manager @ 30,000	30,000
1.0 #1 Asst. Store manager @ 22,000	22,000
5.0 Sales clerks @ 18,500	92,500
1.0 #2 Store manager @ 32,000	32,000
1.0 #2 Asst. Store manager @ 22,000	22,000
6.0 #2 Sales clerks @ 18,500	111,000
1.0 #3 Store manager @ 35,000	35,000
1.0 #3 Asst. Store manager @ 23,000	23,000
7.0 #3 Sales clerks @ 18,500	129,500
Total Salaries	\$670,000
Total Payroll Added Costs (Taxes & Fringe)	12.00%

Plan 1 - Schedule 5 Occupancy Expense

Square feet Rent per sq. ft.	Store #1 1,800 \$22.14	Store #2 3,000 —	Store #3 4,000 —	All Stores —
Year #1				
(a) Rent	\$30,996	—	—	\$30,996
(b) Utilities	\$3,200	—	—	\$3,200
Maintenance	0.43 per sq. ft.	\$600	—	\$600
(c) Insurance	1.71 per sq. ft.	\$2,594	—	\$2,594
(d) Depreciation	4.99 per sq. ft.	\$6,086	—	\$6,086
Total Occupancy	\$44,181	—	—	\$44,181
Rent per sq. ft.	\$27.47	—	—	—
Year #2				
(a) Rent	\$32,850	—	—	\$32,850
(b) Utilities	\$2.41 per sq. ft.	\$7,402	—	\$7,402
Maintenance	0.43 per sq. ft.	\$600	—	\$600
(c) Insurance	1.71 per sq. ft.	\$2,594	—	\$2,594
(d) Depreciation	4.99 per sq. ft.	\$6,086	—	\$6,086
Total Occupancy	\$46,240	—	—	\$46,240
Rent per sq. ft.	\$24.88	\$42.00	—	—
Year #3				
(a) Rent	\$34,832	\$126,608	—	\$161,440
(b) Utilities	\$2.58 per sq. ft.	\$5,602	\$7,740	\$13,342
Maintenance	0.43 per sq. ft.	\$600	\$1,200	\$1,800
(c) Insurance	1.71 per sq. ft.	\$2,364	\$5,130	\$7,524
(d) Depreciation	4.99 per sq. ft.	\$6,086	\$14,070	\$22,156
Total Occupancy	\$48,214	\$155,216	—	\$203,556
Rent per sq. ft.	\$26.30	\$44.52	—	—
Year #4				
(a) Rent	\$88,080	\$113,560	—	\$221,640
(b) Utilities	\$2.73 per sq. ft.	\$8,100	\$8,000	\$16,100
Maintenance	0.43 per sq. ft.	\$1,200	\$1,200	\$2,400
(c) Insurance	1.71 per sq. ft.	\$5,130	\$5,130	\$10,260
(d) Depreciation	4.99 per sq. ft.	\$11,456	\$14,070	\$22,940
Total Occupancy	\$117,656	\$145,136	—	\$280,791
Rent per sq. ft.	\$31.12	\$47.19	\$48.00	—
Year #5				
(a) Rent	\$90,560	\$141,570	\$102,000	\$334,130
(b) Utilities	\$2.80 per sq. ft.	\$8,406	\$5,500	\$12,926
Maintenance	0.43 per sq. ft.	\$2,594	\$5,130	\$5,484
(c) Insurance	1.71 per sq. ft.	\$5,130	\$5,130	\$10,260
(d) Depreciation	4.99 per sq. ft.	\$6,086	\$14,070	\$20,156
Total Occupancy	\$116,766	\$170,540	\$123,360	\$507,486

(a) 40% rent increase for inflation per year.
 (b) 10% Store #1 rent increase per year c, due to depreciation & upgrading.
 Store #3 square feet expansion to 1,800. Year #4
 (c) 40% utility rate increase, due to inflation, per year.
 (d) 5.0% insurance rate increase, due to inflation, per year.
 (e) Depreciation includes:
 Equipment & Machinery \$1,000
 Land/build Improvements 1,650
 Driveway & Paving 1,850
Total per year \$6,900

[illegible]

(a) 6.0% rent increase for inflation per year.
18.0% Store #1 rent increase in year 4, due to expansion & up-grading.
Store #1 square feet expansion to 3,000 Year #4

(b) 6.0% utility rate increase, due to inflation, per year.

(c) 5.0% insurance rate increase, due to inflation, per year.

(d) Depreciation includes: Equipment & Machinery \$1,490
Leasehold Improvements 3,650



		Store #1	Store #2	Store #3	All Stores
	<i>Display & Visuals</i>	1,850			
	Total per year	\$6,990			
Square feet		1,400	3,000	4,000	
Rent per sq. ft.		\$22.14	—	—	
Year#1					
(a) Rent		\$30,996	—	—	\$30,996
(b) Utilities	\$2.29 per sq. ft.	\$3,206	—	—	\$3,206
Maintenance	0.43 per sq. ft.	\$600	—	—	\$600
(c) Insurance	1.71 per sq. ft.	\$2,394	—	—	\$2,394
(d) Depreciation	4.99 per sq. ft.	\$6,986	—	—	\$6,986
Total Occupancy		\$44,182	—	—	\$44,182
Rent per sq. ft.		\$23.47	—	—	
Year#2					
(a) Rent		\$32,858	—	—	\$32,858
(b) Utilities	\$2.43 per sq. ft.	\$3,402	—	—	\$3,402
Maintenance	0.43 per sq. ft.	\$600	—	—	\$600
(c) Insurance	1.71 per sq. ft.	\$2,394	—	—	\$2,394
(d) Depreciation	4.99 per sq. ft.	\$6,986	—	—	\$6,986
Total Occupancy		\$46,240	—	—	\$46,240
Rent per sq. ft.		\$24.88	\$42.00		
Year#3					
(a) Rent		\$34,832	\$126,000	—	\$160,832
(b) Utilities	\$2.58 per sq. ft.	\$3,612	\$7,740	—	\$11,352
Maintenance	0.43 per sq. ft.	\$600	\$1,286	—	\$1,886
(c) Insurance	1.71 per sq. ft.	\$2,394	\$5,130	—	\$7,524
(d) Depreciation	4.99 per sq. ft.	\$6,986	\$14,970	—	\$21,956
Total Occupancy		\$48,424	\$155,126	—	\$203,550
Rent per sq. ft.		\$29.36	\$44.52		
Year#4					
(a) Rent		\$88,080	\$133,560	—	\$221,640
(b) Utilities	\$2.73 per sq. ft.	\$8,190	\$8,190	—	\$16,380
Maintenance	0.43 per sq. ft.	\$1,286	\$1,286	—	\$2,571
(c) Insurance	1.71 per sq. ft.	\$5,130	\$5,130	—	\$10,260
(d) Depreciation	4.99 per sq. ft.	\$14,970	\$14,970	—	\$29,940
Total Occupancy		\$117,656	\$163,136	—	\$280,791
Rent per sq. ft.		\$31.12	\$47.19	\$48.00	
Year#5					
(a) Rent		\$93,360	\$141,570	\$192,000	\$426,930
(b) Utilities	\$2.89 per sq. ft.	\$4,046	\$8,670	\$11,560	\$24,276
(c) Insurance	1.71 per sq. ft.	\$2,394	\$5,130	\$6,840	\$14,364
(d) Depreciation	4.99 per sq. ft.	\$6,986	\$14,970	\$19,960	\$41,916



	Store #1	Store #2	Store #3	All Stores
Total Occupancy	\$106,786	\$170,340	\$230,360	\$507,486

Plan 1 - Schedule 6 First Year Sales By month

Month	January	February	March	April	May	June
% of year Sales	5.0%	5.0%	6.0%	6.0%	6.0%	8.0%
Amount	\$17,093	17,093	20,511	20,511	20,511	27,348
	July	August	September	October	November	December
% of year Sales	10.0%	8.0%	10.0%	8.0%	14.0%	14.0%
Amount	\$34,185	27,348	34,185	27,348	47,860	47,860
Total First Year Sales	\$341,853					

Month	January	February	March	April	May	June
% of year Sales	5.0%	5.0%	6.0%	6.0%	6.0%	8.0%
Amount	\$17,093	17,093	20,511	20,511	20,511	27,348
	July	August	September	October	November	December
% of year Sales	10.0%	8.0%	10.0%	8.0%	14.0%	14.0%
Amount	\$34,185	27,348	34,185	27,348	47,860	47,860
Total First Year Sales	\$341,853					

Plan 1 - Schedule 7(a) Quarterly Income Statement

Year One	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Total
Sales...% per quarter	36.0%	28.0%	20.0%	16.0%	100.0%
Amount	\$123,068	\$54,697	\$68,370	\$95,718	\$41,853
(1) Cost of Goods and Related Expenses @ 51.63%	63,540	28,240	35,299	49,419	76,498
(2) Payroll & related expenses	24,909	24,909	24,909	24,909	99,636
(3) Occupancy Costs	9,299	9,299	9,299	9,299	37,196
(4) Promotion Expense	2,700	2,700	2,700	2,700	10,800
Costs	810	810	810	810	3,240
Cash Income /Loss	\$21,810	(\$11,261)	(\$4,647)	\$8,581	14,483
(before depreciation)	14,483				
(6) Depreciation	1,747	1,747	1,747	1,747	6,988
Income/Loss	\$20,063	(\$13,008)	(\$6,394)	\$6,834	\$7,495
(before taxes)					\$7,495

(1) Includes Operating expenses, e.g. boxes & bags, etc.

(2) Total..\$99,635 Payroll & related expenses for year one, evenly distributed through each quarter

(3) Total..\$37,196 Occupancy costs, Less depreciation for year one, evenly distributed each quarter

(4) Total..\$10,800 Promotion expenses for year one, evenly distributed through each quarter

(5) Total \$3,240 Administrative expenses for year one, evenly distributed through each quarter

(6) Total \$6,986 Depreciation for year one, evenly distributed through each quarter

Year One

	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Total
(1) Includes Operating expenses, e.g. boxes & bags, etc.					
(2) Total..\$99,635 Payroll & related expenses for year one, evenly distributed through each quarter					
(3) Total..\$37,196 Occupancy costs, Less depreciation for year one, evenly distributed each quarter					
(4) Total..\$10,800 Promotion expenses for year one, evenly distributed through each quarter					
(5) Total \$3,240 Administrative expenses for year one, evenly distributed through each quarter					
(6) Total \$6,986 Depreciation for year one, evenly distributed through each quarter					
Sales...% per quarter	36.0%	28.0%	20.0%	16.0%	100.0%
Amount	\$123,068	\$54,697	\$68,370	\$95,718	\$41,853

(1) Cost of Goods and Related



Year One

	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Total
Expenses @ 51.63%	63,540	28,240	35,299	49,419	76,498
(2) Payroll & related expenses	24,909	24,909	24,909	24,909	99,636
(3) Occupancy Costs	9,299	9,299	9,299	9,299	37,196
(4) Promotion Expense	2,700	2,700	2,700	2,700	10,800
Costs	810	810	810	810	3,240
Cash Income /Loss	\$21,810	(\$11,261)	(\$4,647)	\$8,581	14,483
(before depreciation)	14,483				
(6) Depreciation	1,747	1,747	1,747	1,747	6,988
Income/Loss	\$20,063	(\$13,008)	(\$6,394)	\$6,834	\$7,495
(before taxes)					\$7,495

Plan 1 Schedule 7(b) Cashflow Year One

	Opening Balance	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep
From investors	40,000				
From bank	160,000				
Opening cash balance	\$200,000				
Total startup costs	\$154,964				
Cash income/loss from operations		\$21,810	(\$11,261)	(\$4,647)	\$8,581
Cash balance, end of quarter	\$45,036	\$66,846	\$55,585	\$50,938	\$59,519*

* Cash available for expansion

Opening Balance Oct-Dec Jan-Mar Apr-Jun Jul-Sep

* Cash available for expansion

From investors	40,000				
From bank	160,000				
Opening cash balance	\$200,000				
Total startup costs	\$154,964				
Cash income/loss from operations		\$21,810	(\$11,261)	(\$4,647)	\$8,581
Cash balance, end of quarter	\$45,036	\$66,846	\$55,585	\$50,938	\$59,519*



Plan 2

Five Year Plan Number 2*

Sales	Year1	Year2	Year3**	Year4**	Year5**
Sales-Clothing	\$377,318	\$435,864	\$1,419,584	\$1,968,471	\$3,306,018
Sales-Cosmetics	\$50,000	\$76,917	\$235,584	\$347,377	\$583,415
(2) Total Sales	\$427,318	\$512,781	\$1,655,168	\$2,315,848	\$3,889,433
(3) Cost of Goods Sold	\$213,659	\$256,391	\$827,584	\$1,157,924	\$1,944,716
Gross Profit	\$213,659	\$256,391	\$827,584	\$1,157,924	\$1,944,716
Expenses					
Shortage	\$4,273	\$5,128	\$16,552	\$23,158	\$38,894
Bags and Boxes	\$1,799	\$2,159	\$6,969	\$9,751	\$16,377
Hangers	\$900	\$1,080	\$3,485	\$4,875	\$8,188
(3) Operating Expenses	\$6,972	\$8,366	\$27,005	\$37,785	\$63,459
Salaries & Wages	\$97,856	\$115,808	\$345,950	\$453,750	\$737,000
Payroll Added Costs	\$11,743	\$13,897	\$41,514	\$54,450	\$88,440
(4) Employee Costs	\$109,599	\$129,705	\$387,464	\$508,200	\$825,440
Rent	\$30,996	\$32,858	\$160,832	\$221,640	\$426,930
Utilities	\$3,206	\$3,402	\$11,352	\$16,380	\$24,276
Maintenance	\$600	\$600	\$1,886	\$2,571	\$14,364
Insurance	\$2,394	\$2,394	\$7,524	\$10,260	\$14,364
Depreciation	\$6,986	\$6,986	\$21,956	\$29,940	\$41,916
(5) Occupancy Costs	\$44,182	\$46,240	\$203,550	\$280,791	\$521,850
Advertising	\$9,000	\$10,000	\$18,000	\$20,000	\$25,000
Visual	\$1,800	\$1,800	\$4,000	\$4,000	\$7,000
Promotion Expenses	\$10,800	\$11,800	\$22,000	\$24,000	\$32,000
Office Supplies	\$600	\$1,000	\$2,000	\$2,000	\$4,000
Telephone	\$1,440	\$1,700	\$3,900	\$4,000	\$7,000
Miscellaneous	\$1,200	\$1,500	\$3,800	\$3,900	\$7,000
Administrative Costs	\$3,240	\$4,200	\$9,700	\$9,900	\$18,000
Total Expenses	\$174,793	\$200,311	\$649,719	\$860,676	\$1,460,749
Net Profit, Before Taxes	\$38,866	\$56,079	\$177,865	\$297,248	\$483,967

* Plan Number 2 is based on 2.5 "turns" of the value of the merchandise in stock in year one and ensuing years. Plan 2 is based on the average performance of a department store selling similar type merchandise.

** Year 3, store #2 opens... Year 5, store #3 opens... See schedule 2 (a) for sales forecast.

Sales	Year 1	Year 2	Year 3**	Year 4**	Year 5**
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* Plan Number 2 is based on 2.5 "turns" of the value of the merchandise in stock in year one and ensuing years. Plan 2 is based on the average performance of a department store selling similar type merchandise.

** Year 3, store #2 opens... Year 5, store #3 opens... See schedule 2 (a) for sales forecast.

Sales-Clothing	\$377,318	\$435,864	\$1,419,584	\$1,968,471	\$3,306,018
Sales-Cosmetics	\$50,000	\$76,917	\$235,584	\$347,377	\$583,415
(2) Total Sales	\$427,318	\$512,781	\$1,655,168	\$2,315,848	\$3,889,433
(3) Cost of Goods Sold	\$213,659	\$256,391	\$827,584	\$1,157,924	\$1,944,716
Gross Profit	\$213,659	\$256,391	\$827,584	\$1,157,924	\$1,944,716
Expenses					
Shortage	\$4,273	\$5,128	\$16,552	\$23,158	\$38,894
Bags and Boxes	\$1,799	\$2,159	\$6,969	\$9,751	\$16,377
Hangers	\$900	\$1,080	\$3,485	\$4,875	\$8,188
(3) Operating Expenses	\$6,972	\$8,366	\$27,005	\$37,785	\$63,459
Salaries & Wages	\$97,856	\$115,808	\$345,950	\$453,750	\$737,000
Payroll Added Costs	\$11,743	\$13,897	\$41,514	\$54,450	\$88,440
(4) Employee Costs	\$109,599	\$129,705	\$387,464	\$508,200	\$825,440
Rent	\$30,996	\$32,858	\$160,832	\$221,640	\$426,930
Utilities	\$3,206	\$3,402	\$11,352	\$16,380	\$24,276
Maintenance	\$600	\$600	\$1,886	\$2,571	\$14,364
Insurance	\$2,394	\$2,394	\$7,524	\$10,260	\$14,364
Depreciation	\$6,986	\$6,986	\$21,956	\$29,940	\$41,916



Sales	Year 1	Year 2	Year 3**	Year 4**	Year 5**
(5) Occupancy Costs	\$44,182	\$46,240	\$203,550	\$280,791	\$521,850
Advertising	\$9,000	\$10,000	\$18,000	\$20,000	\$25,000
Visual	\$1,800	\$1,800	\$4,000	\$4,000	\$7,000
Promotion Expenses	\$10,800	\$11,800	\$22,000	\$24,000	\$32,000
Office Supplies	\$600	\$1,000	\$2,000	\$2,000	\$4,000
Telephone	\$1,440	\$1,700	\$3,900	\$4,000	\$7,000
Miscellaneous	\$1,200	\$1,500	\$3,800	\$3,900	\$7,000
Administrative Costs	\$3,240	\$4,200	\$9,700	\$9,900	\$18,000
Total Expenses	\$174,793	\$200,311	\$649,719	\$860,676	\$1,460,749
Net Profit, Before Taxes	\$38,866	\$56,079	\$177,865	\$297,248	\$483,967

Plan 2 - Schedule 1(a) Sales Forecast Per Store

		Store #1	Store #2	Store #3	All Stores
Year#1	Clothing	377,318 (A)			377,318
	Cosmetics	50,000			50,000
Total		427,318			427,318
Year#2	Clothing	435,864 (B)			435,864
	Cosmetics	76,917			76,917
Total		512,781			512,781
Year#3	Clothing	564,059 (C)	855,525 (F)		1,419,584
	Cosmetics	84,609	150,975		235,584
Total		648,668	1,006,500		1,655,168
Year#4	Clothing	1,027,393 (D)	941,078 (G)		1,968,471
	Cosmetics	181,305	166,073		347,377
Total		1,208,698	1,107,150		2,315,848
Year#5	Clothing	1,130,133 (E)	1,035,185 (H)	1,140,700 (I)	3,306,018
	Cosmetics	199,435	182,680	201,300	583,415
Total		1,329,568	1,217,865	1,342,000	3,889,433

		Store #1	Store #2	Store #3	All Stores
Year #1	Clothing	377,318 (A)			377,318
	Cosmetics	50,000			50,000
Total		427,318			427,318
Year #2	Clothing	435,864 (B)			435,864
	Cosmetics	76,917			76,917
Total		512,781			512,781
Year #3	Clothing	564,059 (C)	855,525 (F)		1,419,584
	Cosmetics	84,609	150,975		235,584
Total		648,668	1,006,500		1,655,168
Year #4	Clothing	1,027,393 (D)	941,078 (G)		1,968,471
	Cosmetics	181,305	166,073		347,377
Total		1,208,698	1,107,150		2,315,848
Year #5	Clothing	1,130,133 (E)	1,035,185 (H)	1,140,700 (I)	3,306,018
	Cosmetics	199,435	182,680	201,300	583,415
Total		1,329,568	1,217,865	1,342,000	3,889,433



A.	See Schedule 2. (b) Summary of "open to Buy."		
B.	Store # 1 total increase, 2nd year	20.0% total	\$512,781
	Cosmetics equal	15.0% of total revenue	\$76,917
C.	Store #1 total increase, 3rd year	10.0% total	\$564,059
	Cosmetics equal	15.0% of total revenue	\$84,609
D.	Store # 1, 4th yr., expanded from 1,400 to 3,000 sq. ft.		
	Revenue per square ft...\$402.90	total revenue	\$1,208,698
	Cosmetics equal	15.0% of total revenue	\$181,305
E.	Store #1 total increase, 5th year	10.0% total	\$1,329,568
	Cosmetics equal	15.0% of total revenue	\$199,435
F.	Store #2 opened 3rd year, revenue based on 3,000 sq. ft.		
	Revenue per square ft...\$335.50	total revenue	\$1,006,500
	Cosmetics equal	15.0% of total revenue	\$150,975
G.	Store #2 total increase, 4th year	10.0% total	\$1,107,150
	Cosmetics equal	15.0% of total revenue	\$166,073
H.	Store #2 total increase, 5th year	10.0% total	\$1,217,865
	Cosmetics equal	15.0% of total revenue	\$182,680
I.	Store #3 opened 5th year, revenue based on 4,000 sq. ft.		
	Revenue per square ft...\$335.50	total revenue	\$1,342,000
	Cosmetics equal	15.0% of total revenue	\$201,300

A.	See Schedule 2. (b) Summary of "open to Buy."		
B.	Store # 1 total increase, 2nd year	20.0% total	\$512,781
	Cosmetics equal	15.0% of total revenue	\$76,917
C.	Store #1 total increase, 3rd year	10.0% total	\$564,059
	Cosmetics equal	15.0% of total revenue	\$84,609
D.	Store # 1, 4th yr., expanded from 1,400 to 3,000 sq. ft.		
	Revenue per square ft... \$402.90	total revenue	\$1,208,698
	Cosmetics equal	15.0% of total revenue	\$181,305
E.	Store # 1 total increase, 5th year	10.0% total	\$1,329,568
	Cosmetics equal	15.0% of total revenue	\$199,435
F.	Store #2 opened 3rd year, revenue based on 3,000 sq. ft.		
	Revenue per square ft...\$335.50	total revenue	\$1,006,500
	Cosmetics equal	15.0% of total revenue	\$150,975
G.	Store #2 total increase, 4th year	10.0% total	\$1,107,150
	Cosmetics equal	15.0% of total revenue	\$166,073
H.	Store #2 total increase, 5th year	10.0% total	\$1,217,865
	Cosmetics equal	15.0% of total revenue	\$182,680
I.	Store #3 opened 5th year, revenue based on 4,000 sq. ft.		
	Revenue per square ft...\$335.50	total revenue	\$1,342,000
	Cosmetics equal	15.0% of total revenue	\$201,300

Schedule 3 Cost of Goods and Operating Expenses

Clothing	50.0%	of Sales
Cosmetics	33.0%	of Sales

Cost of Goods

Clothing 50.0% of Sales

Cosmetics 33.0% of Sales

Theft/shortage	1.0%	of Sales
Bags and Boxes	0.4%	of Sales
Hangers	0.2%	of Sales

Operating

Theft/shortage 1.0% of Sales

Bags and Boxes 0.4% of Sales

Hangers 0.2% of Sales



Schedule 4 Payroll & Related Expenses

First Full Year (1 store)		
2.0 Executive FTEs@	\$35,200	\$70,400
1.5 Sales clerks@	\$18,304	\$27,456
Total Salaries		\$97,856
Year Two (1 store)		
2.0 Executive FTEs@	\$39,600	\$79,200
2.0 Sales clerks@	\$18,304	\$36,608
Total Salaries		\$115,808
Year Three (2 stores)		
2.0 Executive FTEs@	\$52,800	\$105,600
0.5 Bookkeeper	\$27,500	\$13,750
1.0 #1 Store manager	\$27,500	\$27,500
2.5 #1 Sales clerks@	\$18,700	\$46,750
1.0 #2 Store managers	\$30,800	\$30,800
6.5 #2 Sales clerks@	\$18,700	\$121,550
Total Salaries		\$345,950
Year Four (2 stores)		
2.0 Executive FTEs@	\$59,400	\$118,800
0.5 Bookkeeper	\$27,500	\$13,750
1.0 #1 Store manager	\$30,800	\$30,800
6.0 #1 Sales clerks@	\$19,800	\$118,800
1.0 #2 Store managers	\$33,000	\$33,000
7.0 #2 Sales clerks@	\$19,800	\$138,600
Total Salaries		\$453,750
Year Five (3 stores)		
1.0 President@	\$66,000	\$66,000
1.0 Vice-President@	\$66,000	\$66,000
1.0 Administrator@	\$35,200	\$35,200
1.0 Clerical@	\$23,100	\$23,100
1.0 #1 Store manager	\$33,000	\$33,000
1.0 #1 Asst. Store manager	\$24,200	\$24,200
5.0 #1 Sales clerks@	\$20,350	\$101,750
1.0 #2 Store manager	\$35,200	\$35,200
1.0 #2 Asst. Store manager	\$24,200	\$24,200
6.0 #2 Sales clerks@	\$20,350	\$122,100
1.0 #3 Store manager	\$38,500	\$38,500
1.0 #3 Asst. Store manager	\$25,300	\$25,300
7.0 #3 Sales clerks@	\$20,350	\$142,450
Total Salaries		\$737,400
Total Payroll Added Costs (Taxes & Fringe)		12.00%

First Full Year (1 store)

2.0 Executive FTEs@	\$35,200	\$70,400
1.5 Sales clerks@	\$18,304	\$27,456
Total Salaries		\$97,856

Year Two (1 store)

2.0 Executive FTEs@	\$39,600	\$79,200
2.0 Sales clerks@	\$18,304	\$36,608
Total Salaries		\$115,808

Year Three (2 stores)

2.0 Executive FTEs@	\$52,800	\$105,600
0.5 Book keeper	\$27,500	\$13,750
1.0 #1 Store manager	\$27,500	\$27,500
2.5 #1 Sales clerks@	\$18,700	\$46,750
1.0 #2 Store managers	\$30,800	\$30,800
6.5 #2 Sales clerks@	\$18,700	\$121,550
Total Salaries		\$345,950

Year Four (2 stores)

2.0 Executive FTEs@	\$59,400	\$118,800
0.5 Book keeper	\$27,500	\$13,750
1.0 #1 Store manager	\$30,800	\$30,800
6.0 #1 Sales clerks@	\$19,800	\$118,800
1.0 #2 Store managers	\$33,000	\$33,000
7.0 #2 Sales clerks@	\$19,800	\$138,600
Total Salaries		\$453,750



Year Five (3 stores)

1.0 President@	\$66,000	\$66,000
1.0 Vice-President@	\$66,000	\$66,000
1.0 Administrator@	\$35,200	\$35,200
1.0 Clerical@	\$23,100	\$23,100
1.0 #1 Store manager	\$33,000	\$33,000
1.0 #1 Asst. Store manager	\$24,200	\$24,200
5.0 #1 Sales clerks@	\$20,350	\$101,750
1.0 #2 Store manager	\$35,200	\$35,200
1.0 #2 Asst. Store manager	\$24,200	\$24,200
6.0 #2 Sales clerks@	\$20,350	\$122,100
1.0 #3 Store manager	\$38,500	\$38,500
1.0 #3 Asst. Store manager	\$25,300	\$25,300
7.0 #3 Sales clerks@	\$20,350	\$142,450
Total Salaries		\$737,000
Total Payroll Added Costs (Taxes & Fringe)		12.00%

Schedule 5 Occupancy Expense

	Square foot	Store #1 1,800	Store #2 3,000	Store #3 4,000	All Stores
Year#1	Rent per sq. ft.	\$22.14	—	—	—
(a) Rent		\$39,852	—	—	\$39,852
(b) Utilities \$2.29 per sq. ft.		\$4,126	—	—	\$4,126
Maintenance 0.43 per sq. ft.		\$762	—	—	\$762
(c) Insurance 1.71 per sq. ft.		\$3,078	—	—	\$3,078
(d) Depreciation 4.99 per sq. ft.		\$9,006	—	—	\$9,006
Total Occupancy		\$56,824	—	—	\$56,824
Rent per sq. ft.		\$22.47	—	—	—
Year#2					
(a) Rent		\$32,858	—	—	\$32,858
(b) Utilities \$2.43 per sq. ft.		\$4,402	—	—	\$4,402
Maintenance 0.43 per sq. ft.		\$762	—	—	\$762
(c) Insurance 1.71 per sq. ft.		\$3,078	—	—	\$3,078
(d) Depreciation 4.99 per sq. ft.		\$9,006	—	—	\$9,006
Total Occupancy		\$49,106	—	—	\$49,106
Rent per sq. ft.		\$20.88	\$42.00	—	—
Year#3					
(a) Rent		\$34,872	\$120,000	—	\$154,872
(b) Utilities \$2.58 per sq. ft.		\$4,644	\$7,740	—	\$12,384
Maintenance 0.43 per sq. ft.		\$762	\$1,260	—	\$1,806
(c) Insurance 1.71 per sq. ft.		\$3,078	\$5,130	—	\$8,208
(d) Depreciation 4.99 per sq. ft.		\$9,006	\$14,970	—	\$23,976
Total Occupancy		\$58,424	\$155,116	—	\$213,540
Rent per sq. ft.		\$20.36	\$44.52	—	—
Year#4					
(a) Rent		\$88,080	\$133,560	—	\$221,640
(b) Utilities \$2.77 per sq. ft.		\$5,016	\$8,190	—	\$13,206
Maintenance 0.43 per sq. ft.		\$762	\$1,260	—	\$1,806
(c) Insurance 1.71 per sq. ft.		\$3,078	\$5,130	—	\$8,208
(d) Depreciation 4.99 per sq. ft.		\$9,006	\$14,970	—	\$23,976
Total Occupancy		\$117,658	\$163,136	—	\$280,794
Rent per sq. ft.		\$31.12	\$47.19	—	—
Year#5					
(a) Rent		\$93,360	\$141,570	\$192,000	\$426,930
(b) Utilities \$2.89 per sq. ft.		\$5,206	\$8,670	\$11,560	\$25,436
(c) Insurance 1.71 per sq. ft.		\$3,078	\$5,130	\$6,840	\$15,048
(d) Depreciation 4.99 per sq. ft.		\$9,006	\$14,970	\$19,920	\$43,916
Total Occupancy		\$117,658	\$170,340	\$230,360	\$518,358
(a) 6.0% rent increase for inflation per year.					
18.0% Store #1 rent increase in year 4, due to expansion & up-grading.					
Store #1 square feet expansion.					
(b) 6.0% utility rate increase, due to inflation, per year.					
(c) 5.0% Insurance rate increase, due to inflation, per year.					
(d) Depreciation includes (see Start-up)					
Equipment & Machinery		\$1,490			
Leasehold Improvements		\$3,650			
Fixtures & Visuals		\$1,850			
Total per year		\$6,990			

Store #1 Store #2 Store #3 All Stores

- (a) 6.0% rent increase for inflation per year.
 18.0% Store #1 rent increase in year 4, due to expansion & up-grading.
 Store #1 square feet expansion.
- (b) 6.0% utility rate increase, due to inflation, per year.
- (c) 5.0% Insurance rate increase, due to inflation, per year.
- (d) Depreciation includes (see Start-up) Equipment & Machinery \$1,490
 up)



		Store #1	Store #2	Store #3	All Stores
	Leasehold Improvements	\$3,650			
	Display & Visuals	\$1,850			
	Total per year	\$6,990			
	Square feet	1,400	3,000	4,000	
	Rent per sq. ft.	\$22.14	—	—	
Year #1					
(a) Rent		\$30,996	—	—	\$30,996
(b) Utilities	\$2.29 per sq. ft.	\$3,206	—	—	\$3,206
Maintenance	0.43 per sq. ft.	\$600	—	—	\$600
(c) Insurance	1.71 per sq. ft.	\$2,394	—	—	\$2,394
(d) Depreciation	4.99 per sq. ft.	\$6,986	—	—	\$6,986
Total Occupancy		\$44,182	—	—	\$44,182
	Rent per sq. ft.	\$23.47			
Year #2					
(a) Rent		\$32,858	—	—	\$32,858
(b) Utilities	\$2.43 per sq. ft.	\$3,402	—	—	\$3,402
Maintenance	0.43 per sq. ft.	\$600	—	—	\$600
(c) Insurance	1.71 per sq. ft.	\$2,394	—	—	\$2,394
(d) Depreciation	4.99 per sq. ft.	\$6,986	—	—	\$6,986
Total Occupancy		\$46,240	—	—	\$46,240
	Rent per sq. ft.	\$24.88	\$42.00		
Year #3					
(a) Rent		\$34,832	\$126,000	—	\$160,832
(b) Utilities	\$2.58 per sq. ft.	\$3,612	\$7,740	—	\$11,352
Maintenance	0.43 per sq. ft.	\$600	\$1,286	—	\$1,886
(c) Insurance	1.71 per sq. ft.	\$2,394	\$5,130	—	\$7,524
(d) Depreciation	4.99 per sq. ft.	\$6,986	\$14,970	—	\$21,956
Total Occupancy		\$48,424	\$155,126	—	\$203,550
	Rent per sq. ft.	\$29.36	\$44.52		
Year #4					
(a) Rent		\$88,080	\$133,560	—	\$221,640
(b) Utilities	\$2.73 per sq. ft.	\$8,190	\$8,190	—	\$16,380
Maintenance	0.43 per sq. ft.	\$1,286	\$1,286	—	\$2,571
(c) Insurance	1.71 per sq. ft.	\$5,130	\$5,130	—	\$10,260
(d) Depreciation	4.99 sq. ft.	\$14,970	\$14,970	—	\$29,940
Total Occupancy		\$117,656	\$163,136	—	\$280,791
	Rent per sq. ft.	\$31.12	\$47.19	—	\$48.00
Year #5					
(a) Rent		\$93,360	\$141,570	\$192,000	\$426,930
(b) Utilities	\$2.89 per sq. ft.	\$4,046	\$8,670	\$11,560	\$24,276
(c) Insurance	1.71 per sq. ft.	\$2,394	\$5,130	\$6,840	\$14,364



(d) Depreciation 4.99 per sq. ft.

Total Occupancy

Store #1	Store #2	Store #3	All Stores
\$6,986	\$14,970	\$19,960	\$41,916
\$106,786	\$170,340	\$230,360	\$507,486

Schedule 6 First Year Sales By Month

Month	1st	2nd	3rd	4th	5th	6th
% of year Sale	5.0%	5.0%	6.0%	6.0%	6.0%	8.0%
Amount	21,366	21,366	25,639	25,639	25,639	34,185

	Jul	Aug	Sep	Oct	Nov	Dec
% of year Sale	10.0%	8.0%	10.0%	8.0%	14.0%	14.0%
Amount	42,732	34,185	42,732	34,185	59,824	59,824

Total First Year Sales \$427,318

Month	1st	2nd	3rd	4th	5th	6th
% of year Sale	5.0%	5.0%	6.0%	6.0%	6.0%	8.0%
Amount	21,366	21,366	25,639	25,639	25,639	34,185
	Jul	Aug	Sep	Oct	Nov	Dec
% of year Sale	10.0%	8.0%	10.0%	8.0%	14.0%	14.0%
Amount	42,732	34,185	42,732	34,185	59,824	59,824
Total First Year Sales	\$427,318					

Plan 2 Schedule 7(a) Quarterly Income Statement Year One

Sales...% per quarter	Oct-Dec 36.0%	Jan-Mar 28.0%	Apr-Jun 20.0%	Jul-Sep 16.0%	Total 100.0%
Amount	\$153,833	\$68,371	\$85,463	\$119,649	\$427,316
(1) Cost of Goods and Related Expenses @ 51.63%	\$79,424	\$35,300	\$44,125	\$61,775	\$220,624
(2) Payroll & related expenses	\$27,400	\$27,400	\$27,400	\$27,400	\$109,600
(3) Occupancy Costs	\$9,299	\$9,299	\$9,299	\$9,299	\$37,196
(4) Promotion Expense	\$2,700	\$2,700	\$2,700	\$2,700	\$10,800
(5) Administrative Costs	\$810	\$810	\$810	\$810	\$3,240
Cash Income/Loss (before depreciation)	\$34,200	(\$7,138)	\$1,129	\$17,665	\$45,856
(6) Depreciation	\$1,747	\$1,747	\$1,747	\$1,747	\$6,988
Income/Loss (before taxes)	\$32,453	(\$8,885)	(\$618)	\$15,918	\$38,868

(1) Includes Operating expenses, e.g. boxes & bags, etc.

(2) Total...\$ 109,599 Payroll & related expenses for year one, evenly distributed through each quarter

(3) Total...\$37,196 Occupancy costs, less depreciation for year one, evenly distributed, each quarter

(4) Total...\$10,800 Promotion expenses for year one, evenly distributed through each quarter

(5) Total...\$3,240 Administrative expenses for year one, evenly distributed through each quarter

(6) Total...\$6,986 Depreciation for year one, evenly distributed through each quarter

Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Total
(1) Includes Operating expenses, e.g. boxes & bags, etc.				
(2) Total...\$ 109,599 Payroll & related expenses for year one, evenly distributed through each quarter				
(3) Total...\$37,196 Occupancy costs, less depreciation for year one, evenly distributed, each quarter				
(4) Total...\$10,800 Promotion expenses for year one, evenly distributed through each quarter				
(5) Total...\$3,240 Administrative expenses for year one, evenly distributed through each quarter				
(6) Total...\$6,986 Depreciation for year one, evenly distributed through each quarter				