



THE VELD
GROUP
LOS ANGELES • TOKYO

OPPORTUNITY OVERVIEWS

For Further Information, Contact:



**THE VELD
GROUP**
LOS ANGELES • TOKYO

Telephone	310.652.8353; 866.600.8353
Fax	310.652.8363
Web	www.theveldgroup.com
E-Mail:	contact@theveldgroup.com

THE VELD GROUP
8721 W. Sunset Blvd. Suite 103
Los Angeles, CA 90069

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Purpose

These Business Opportunity Summaries, presented by The Veld Business Advisory Group, Inc. (“The Veld Group”) are intended to acquaint a prospective purchaser with relevant preliminary information regarding business opportunities which are currently available for acquisition, sale or merger. The overall format of these Business Opportunity Summaries are concise by nature, as they are designed to provide prospective purchasers broad overviews, rather than disclosing any potentially confidential data about opportunities indicated herein.

Additional details, and frequently, comprehensive business reviews of the opportunities included herein may be obtained upon receipt of an appropriate non-disclosure statement (“NDA”). Depending on the nature of the business opportunity offered (i.e. the level of confidentiality that our clients have requested, the asking price, etc.), a statement of financial capability or a demonstration of ability to finance may also be required. These forms, which may be returned via fax to 310.652.8363, or regular mail, are included as Appendix 1 and 2 of this document.

Confidentiality and Disclaimer

These Business Opportunity Summaries, prepared by The Veld Group, are based upon materials provided and information supplied by our client company, pursuant to The Veld Group’s engagement by the Companies. While the information contained herein is believed to be accurate, The Veld Group has not conducted any audit or investigation with respect to such information, and expressly disclaims any and all liability for representations, expressed or implied, contained in, or for omissions from, these or any such Business Opportunity Summaries. Only those particular representations and warranties which may be made by the Company in a definitive written purchase agreement, when and if one is executed, and subject to such limitations and restrictions as may be specified in such purchase agreement, shall have any legal effect.

By acceptance of these Business Opportunity Summaries the recipient acknowledges their responsibility to perform a due diligence review at their own cost prior to any acquisition of or merger with the companies described herein. Further, while certain details of the business opportunities indicated herein may allow prospective acquirers or other intermediaries to ascertain the identity of our clients, the recipient of this document agrees that all communications will be conducted through The Veld Group or its appointed representatives.

Print, Presort & Direct Mail Opportunities

**PRINT, PRESORT &
DIRECT MAIL
OPPORTUNITIES**

1. Print Shop and Direct Mail Facility – South Los Angeles

Business	Small Print and Direct Mail Facility		
Location / Address	South Los Angeles, CA		
Industry Description	Printing and Direct Mail	SIC	2752 & 7331
Days Open	Mon – Fri	Year Established	1997
Hours of Operation	9 – 6 pm	Years Owned	1997
Full-time Employees	2	Part-time Employees	1
Other Notes			
Hours/wk by Owner	20 Hrs./Wk	Owners Duties	Mngt. Oversight
Skills / Licenses Req'd	n/a	Training Offered / Cost	4 weeks @ 40 hrs.
Non-Compete Terms	5 Yrs / 20 miles		
Exec. Summary	Business was established as Universal Printing in 1983		
Lease / Bldg. Info.	Lease	Monthly Rent	\$2,420
Lease Commenced	n/a	Deposit	TBD
Lease Expires	TBD – Up 8/31/04	Term & Option	TBD
Bldg./Area Description	Semi-Industrial	Square Footage	5,000
Seats, Pkg, Zoning, etc.			
Reason for Sale	Taking over father's plumbing business		
Financial Summary	Current Yr. Annual	2003 / Owner to Prove	2002 / Owner to Prove
Gross Revenue		\$364,645	\$373,629
COGS		\$169,870	\$181,428
Rent / CAM		\$31,605	\$29,536
Payroll		\$91,026	\$73,837
Net Profit (before tax)		\$(7,021)	\$15,736
Discretionary Cash		\$40,000	\$40,000
Expense Breakdown			
Included in Sale	Assets		Liabilities
FF&E Included	\$100,000	Lease Obligations	\$0
Inventory Included	\$5,000	Debt Included	\$0
Other Assets Included	\$50,000 (receivables)	Other Liabilities	\$35,000 (payables)
Working Capital (not incl)		Return on Sale Price	
Asking Price	\$100,000	Owner Financing/Terms	Owner Will consider
Earnest Money Dep.	\$7,500	Down Payment	\$7,500

Opportunity Summary

Headline	Quality Printing & Lithograph Establishment
Summary	This small commercial printing and direct mail firm has consistently averaged \$350,000 - \$400,000 in gross revenues since inception. The firm boasts an excellent client base and an ideal lease situation for a larger print shop. The firm's business is 70% printing, 30% direct mail, with highly loyal clients. Interested parties should make an offer soon as the owner is eager to sell.
Facilities / Assets	The business operates out of a 5,000 square foot building. The current lease is month to month, so a larger firm could very easily acquire and relocate this facility.
Competition	In general, competition in the printing or direct mail industry is deemed to be high.
Growth Potential	
Other	

2. Profitable Mail Presort Business – San Bernardino, CA.

Business	Presort and Mailing Services		
Location / Address	San Bernardino, CA		
Industry Description	Presort Mail Services	SIC	7389
Days Open	Mon - Fri	Year Established	1996
Hours of Operation	8am / 10 am – 9 pm	Years Owned	1996
Full-time Employees	19	Part-time Employees	4
Other Notes			
Hours/wk by Owner	Approx. 25 hrs/wk	Owners Duties	Mngt. Oversight
Skills / Licenses Req'd	None	Training Offered / Cost	4 wks @ 40 hrs/wk
Non-Compete Terms	5 Yrs; S. California		
Exec. Summary			
Lease / Bldg. Info.	Lease	Monthly Rent	\$3,958
Lease Commenced	1996	Deposit	\$2,106
Lease Expires	2008	Term & Option	In final 5 yr option
Bldg./Area Description	Industrial	Square Footage	5,850
Seats, Pkg, Zoning, etc.			
Reason for Sale	Owner seeks capital to open an alternate business out of state		
Financial Summary	Current Yr. Annual	2003 / Owner to Prove	2002 / Owner to Prove
Gross Revenue	As prior years	\$2,610,107	\$2,851,945
COGS		\$864,463	\$1,106,238
Rent / CAM		\$48,000	\$48,000
Payroll		\$365,475	\$378,104
Net Profit (before tax)	(Per Tax Returns!)	\$724,092	\$571,234
Discretionary Cash		\$808,612	\$866,045
Expense Breakdown			
Included in Sale	Assets		Liabilities
FF&E Included	\$700,000	Lease Obligations	\$10,000/mo for 20 mos.
Inventory Included	NA	Debt Included	\$0
Other Assets Included	\$0	Other Liabilities	\$10,000 (customer dep.)
Working Capital (not incl)	TBD	Return on Sale Price	
Asking Price	\$4,500,000	Owner Financing/Terms	Owner will consider
Earnest Money Dep.	\$20,000	Down Payment	\$2,000,000

Opportunity Summary

Headline	Profitable Mail Presort Business – San Bernardino
Summary	This presort mail facility located in greater San Bernardino County is available for potential acquisition. The company, which provides presort mail services, as well as a small amount of ancillary services such as inserting, labeling, folding, and tabbing prides itself on an extremely loyal customer base and a stimulating work environment that has resulted in low employee turnover. Current revenues are \$2.6 ml, with discretionary revenues of approximately \$808,000. With growing year over year revenues, customer contracts in place, and an annual reported profit of \$700,000+, this business ideal for a suitor seeking a high margin return. The owner is willing to finance a portion of the sale over \$2.0 million with highly favorable terms.
Facilities / Assets	This firm employs approximately 20 employees and operates out of a 10,000 square foot facility. All equipment is relatively new, purchased within the last 8 years, with current fair market value in excess of \$650,000.
Competition	Competition in the presort mail industry is deemed to be medium to high. The closest competitor is in Anaheim and does not pose a significant threat due to the importance of operating in a regional market. The Company does have contracts with all of its major customers.
Growth Potential	This firm operates at 50% capacity with only 1 of the 2 sorting machines operating at a time. Management indicates new clients are selectively signed and that price breaks are not necessary to attract new business.
Other	Management attributes the company's tremendous success to integrity and top-quality services.

3. High Growth Los Angeles Direct Mail Facility

Business	Direct Mail Facility		
Location / Address	Los Angeles, CA		
Industry Description	Direct Mail	SIC	7331
Days Open	Mon - Fri	Year Established	1982
Hours of Operation		Years Owned	1982
Full-time Employees	40 – 50	Part-time Employees	0
Other Notes			
Hours/wk by Owner	Varies – 0 - 25	Owners Duties	Oversight
Skills / Licenses Req'd	None	Training Offered / Cost	4 wks @ 30 hrs/wk
Non-Compete Terms	5 Yrs; 300 Miles		
Exec. Summary			
Lease / Bldg. Info.	Seller Owns	Monthly Rent	\$7,200
Lease Commenced	TBD	Deposit	TBD
Lease Expires	TBD	Term & Option	TBD
Bldg./Area Description	Industrial	Square Footage	13,250
Seats, Pkg, Zoning, etc.	This business is located in an enterprise zone offering a \$24k tax credit		
Reason for Sale	Retirement		
Financial Summary	Current Yr. Annual	2003 / Owner to Prove	2002 / Owner to Prove
Gross Revenue	As '03	\$6,330,169 (\$2.4 Stamps)	\$5,118,838 (\$3.9 Stamps)
COGS	Slightly Down	\$5,140,993	\$4,075,039
Rent / CAM	\$55,005	\$55,005	\$55,005
Payroll	n/e	\$819,000	\$704,700
Net Profit (before tax)	Slightly Up	\$484,000	\$477,000
Discretionary Cash	Slightly Up	\$535,800	\$525,200
Expense Breakdown			
Included in Sale	Assets		Liabilities
FF&E Included	\$275,900	Lease Obligations	\$0
Inventory Included	Not Estimated	Debt Included	\$0
Other Assets Included	\$0	Other Liabilities	\$0
Working Capital (not incl)	\$60,000	Return on Sale Price	
Asking Price	\$3,000,000	Owner Financing/Terms	Potentially
Earnest Money Dep.	\$100,000	Down Payment	

Opportunity Summary

Headline	High Growth Direct Mail Company
Summary	This high growth direct mail facility located in the greater Los Angeles area is available for potential acquisition. The company, which provides direct mail, fulfillment services, and print and mailing list brokerage to private companies as well as educational institutions and political clientele, has grown at over 10% year over year, anticipates tremendous future growth. Current revenues are \$2.4 ml., (\$6.4 ml. when including postage). Discretionary revenues are approximately \$535,000. The firm's asking price was recently reduced from \$3.5 ml to \$3.0 ml.
Facilities / Assets	This firm employs between 40 – 50 full time employees and operates out of a 13,250 square foot facility that has room for expansion. New lease terms will be contingent upon the terms of the sale as the seller owns the property.
Competition	Competition in the direct mail industry is deemed to be moderate. Many print shops, however, seek to enter the industry.
Growth Potential	This firm operates without a dedicated sales force and without bidding on several contracts. Management suggest that a sales staff would result in enough business to merit a 2 nd and potentially 3 rd shift, as equipment and space is currently running at less than 50% capacity.
Other	

4. Well Established Los Angeles Print and Direct Mail Company

Business	Established Print and Direct Mail Firm		
Location / Address	South Los Angeles, CA 90003		
Industry Description	Direct Mail & Printing	SIC	7331 & 2752
Days Open		Year Established	1970
Hours of Operation	M - F	Years Owned	1970
Full-time Employees	24	Part-time Employees	3
Other Notes			
Hours/wk by Owner	Two owners; 40 hrs each	Owners Duties	Mngt. Oversight
Skills / Licenses Req'd	n/a	Training Offered / Cost	During Escrow
Non-Compete Terms	2 Yrs. / 50 Miles		
Exec. Summary	Combination Print 60% / Direct Mail 40% business		
Lease / Bldg. Info.	Sellers Own	Monthly Rent	\$8,000
Lease Commenced	n/a	Deposit	TBD
Lease Expires	TBD	Term & Option	TBD
Bldg./Area Description	Urban	Square Footage	20,000
Seats, Pkg, Zoning, etc.	Large, gated parking lot / loading dock attached to building		
Reason for Sale			
Financial Summary	Current Yr. Annual	2003 / Owner to Prove	2002 / Owner to Prove
Gross Revenue	As 2003	\$2,294,503	\$2,129,175 '01 - \$3.1ml
COGS		\$1,346,698	\$1,398,980
Rent / CAM		\$96,000	\$96,000
Payroll		\$218,075	\$221,808
Net Profit (before tax)	Reported \$80k	\$36,478	(\$149,000) '01 - \$52k
Discretionary Cash	Improvement over '03!	\$251,626	\$72,318 '01 - \$313k
Expense Breakdown			
Included in Sale	Assets		Liabilities
FF&E Included	\$300,000	Lease Obligations	\$0
Inventory Included	\$6,000	Debt Included	\$0
Other Assets Included		Other Liabilities	\$0
Working Capital (not incl)		Return on Sale Price	
Asking Price	\$1,100,000	Owner Financing/Terms	OWC \$550,000; TBD
Earnest Money Dep.	\$50,000	Down Payment	\$550,000

Opportunity Summary

Headline	Well Established Printing / Direct Mail Firm
Summary	This combination direct mail (40%) / printing (60%) company has been in business over 30 years. In 2003, the firm generated \$2.3 ml in gross revenues, and \$250k in discretionary cash flow.
Facilities / Assets	The business operates out of a 25,000 square foot building (owner occupied, and potentially available for sale) with a negotiable monthly lease rate of \$8,000. The sale includes approximately \$300,000 in assets.
Competition	While competition continues to grow in the traditional print industry, this firm enjoys the benefit of it's complimentary direct mail operation.
Growth Potential	Many opportunities for expansion exist.
Other	

Appendix 1 – Offer to Purchase Agreement

Available Upon Request