



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

Table of Contents

TABLE OF CONTENTS	PAGE NO.
PURPOSE	I
CONFIDENTIALITY AND DISCLAIMER	II
MAIN STREET OPPORTUNITIES	5
1. CALIFORNIA’S LARGEST TAN SALON CHAIN	6
2. ELEGANT ENCINO TAN SALON.....	8
3. ESTABLISHED, LA VERNE TAN SALON WITH NEW SISTER LOCATION.....	10
4. NEWLY ESTABLISHED, COVINA SALON WITH NEARBY SISTER LOCATION.....	12
5. GLENDORA STARTER TAN SALON.....	14
6. GLENDALE TAN SALON	16
7. EAST LOS ANGELES TAN SALON WITH GREAT FREEWAY ACCESS.....	18
8. HUNTINGTON BEACH TAN FACILITY.....	20
9. NEWPORT BEACH TAN SALON.....	22
10. FIVE STAR ORANGE COUNTY TAN SALON	24
11. TAN SALON BARGAIN - LANCASTER / PALMDALE.....	26
12. BEAUTY, TAN SALON, DAY SPA – KERN COUNTY	28
APPENDIX 1 – OFFER TO PURCHASE AGREEMENT.....	30

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.

Main Street Opportunities

INDOOR TAN FACILITY OPPORTUNITIES

1. California's Largest Tan Salon Chain

Business	California's Largest Tan Salon Chain		
Location / Address	Primarily Orange County, with some L.A. County Locations		
Industry Description	Tan Salon Chain	SIC	7299 - 44
Days Open	7 Days / Varies	Year Established	1991
Hours of Operation	Vary – 8 – 9 M-F	Years Owned	1991
Full-time Employees	1 Manager	Part-time Employees	Approx. 45
Other Notes			
Hours/wk by Owner	0 – Non Operational	Owners Duties	Minimal Oversight
Skills / Licenses Req'd	None	Training Offered / Cost	4 wks @ 20 hrs/wk
Non-Compete Terms	5 Yrs. / 30 Miles		
Exec. Summary			
Lease / Bldg. Info.	Commercial Malls	Monthly Rent	Approx. \$28k; Favorable
Lease Commenced	Varies	Deposit	Varies
Lease Expires	Varies	Term & Option	Varies
Bldg./Area Description	High Traffic Malls	Square Footage	1,200 – 2,200 sq. ft.
Seats, Pkg, Zoning, etc.			
Reason for Sale	Owner seeks to retire.		
Financial Summary	Current Yr. Annual	2003 / Owner to Prove	2002 / Owner to Prove
Gross Revenue	As prior years	\$1,100,000	\$1,100,000
COGS		\$50,000	\$48,718
Rent / CAM		\$340,000	
Payroll			
Net Profit (before tax)		TBD	TBD
Discretionary Cash		\$350,000	\$330,000
Expense Breakdown			
Included in Sale	Assets		Liabilities
FF&E Included	\$600,000 (Approx.)	Lease Obligations	TBD - Varies.
Inventory Included	Approx. \$50,000	Debt Included	\$0
Other Assets Included	\$0	Other Liabilities	\$0
Working Capital (not incl)	TBD	Return on Sale Price	
Asking Price	\$1,700,000	Owner Financing/Terms	Owner Will Carry
Earnest Money Dep.	\$100,000	Down Payment	TBD

Opportunity Summary

Headline	California's Largest Tan Salon Chain
Summary	<p>This tan salon chain, touted as California's largest, offers its customers a standardized service at a low cost. The chain, which operates from nearly 10 locations and employs over 40 part-time individuals, operates high volume stores (some with more than 250 clients per day!) that run efficiently without supervision from the non-operational owner. The company has been profitable since inception and provides new owners many expansion opportunities. With gross revenues consistently over \$1 million, this firm provides current management a net benefit of nearly \$350,000. The owner's willingness to carry significant financing over an extended period (if properly secured) allows for a timely acquisition at favorable terms.</p>
Facilities / Assets	<p>Approximately 100 tanning beds are included in the sale, all full paid for. The chain's name, arguably the best in the industry, and its facility leases, which have been negotiated at extremely favorable rates, will transfer in the sale.</p>
Competition	<p>Competition varies by location, however, most of this chain's competitors are single tanning salons catering to the average tanning consumer. No other tanning salon chains dominate this chain's consumer market segment.</p>
Growth Potential	<p>This firm does not engage in regional advertising, where it may be able to achieve significant economies of scale. Further, this chain does not offer any high end tanning services (i.e. spray tan units, etc.) or actively push its retail product offering. Due to its purchasing power and significant market share, this chain is poised to achieve dramatic cost savings for any additional product or service offerings.</p>
Other	<p>The current owner is very agreeable to offering secured long term financing with a substantial down payment.</p>

2. Elegant Encino Tan Salon

Business	Elegant Encino Tan Salon		
Location / Address	Encino, CA		
Industry Description	Tan Salon	SIC	7299 - 44
Days Open	7 Days 8:30 – 10 M-F;	Year Established	2001
Hours of Operation	8-7 Sat; 10 – 5 Sun.	Years Owned	2001
Full-time Employees	1 Manager	Part-time Employees	4
Other Notes			
Hours/wk by Owner	0 – Non Operational	Owners Duties	Minimal Oversight
Skills / Licenses Req'd	None	Training Offered / Cost	4 wks @ 40 hrs/wk
Non-Compete Terms	5 Yrs. / 10 Miles		
Exec. Summary	This facility is at the high end of the tan market and caters to many celebrities.		
	This salon broke even in the past due to high equipment leases; now it is poised for stellar profitability.		
Lease / Bldg. Info.	High End Mall	Monthly Rent	\$5,895
Lease Commenced	02/01	Deposit	Varies
Lease Expires	02/06	Term & Option	5 Yr. Option
Bldg./Area Description	High Traffic Malls	Square Footage	2,000 sq. ft.
Seats, Pkg, Zoning, etc.	This facility is located in a high end mall with day spa facilities and a busy gym.		
Reason for Sale	Personal reasons.		
Financial Summary	Current Yr. Annual	2003 / Owner to Prove	2002 / Owner to Prove
Gross Revenue	\$200,000 Approx.	\$170,000	\$153,000
COGS		\$7,000	\$6,000
Rent / CAM		\$70,740	\$70,740
Payroll			
Net Profit (before tax)	TBD (non-working owner)	TBD (non-working owner)	\$0 (non-working owner)
Discretionary Cash	TBD (non-working owner)	TBD (non-working owner)	\$0 (non-working owner)
Expense Breakdown	Due to equip. leases, firm will benefit \$50k in '05; \$66k in '06; \$77k in '07		
Included in Sale	Assets		Liabilities
FF&E Included	\$140,000	Lease Obligations	\$0
Inventory Included	\$1,500	Debt Included	\$0
Other Assets Included	\$0	Other Liabilities	\$0
Working Capital (not incl)	TBD	Return on Sale Price	
Asking Price	\$350,000	Owner Financing/Terms	Owner Will Carry
Earnest Money Dep.	\$10,000	Down Payment	\$100,000

Opportunity Summary

Headline	Elegant Encino Tan Salon
Summary	<p>This is a very classy tan salon located in an ultra chic mall filled with high end Los Angeles consumers. The salon caters to multiple “A-List” celebrities and compliments it neighbors, primarily day spa facilities and a high traffic athletic club, very well. Located off of a main thoroughfare, the facility offers clients excellent access, and a stellar tanning experience. With the utmost attention to detail provided by the absentee owner, this salon comes complete with 12 oversize rooms housing 11 beds, a new spray unit, and a stand up unit. Further, the salon has a ultra modern \$30,000 surveillance system allowing an absentee owner to monitor traffic, employees, and computer entries from any offsite location. Due to the high build out and equipment cost, this salon is poised to become highly profitable as equipment leases will soon expire and marketing efforts are beginning to pay dividends (i.e. an additional \$50k in '05, \$66k in '06, \$77k in '07).</p>
Facilities / Assets	<p>\$140,0000 worth of Tropical Rayz Tanning Beds (11 in total), 1 Super-Cyclone Stand-Up unit, and a new Magic Tan Spray booth are all included in the sale. In addition, the owner has installed a \$30,000 surveillance system allowing for offsite activity and computer monitoring, and has over \$100,000 invested in the salon’s build out.</p>
Competition	<p>Competition is deemed to be high in the San Fernando Valley, however, this upscale salon has few rivals in the area.</p>
Growth Potential	<p>This firm operates 11 beds, 1 spray unit and 1 stand-up bed out of 12 elegantly designed, oversized rooms. New tenants, however, may wish to add day spa services (authorized by the lease), or any such lucrative services that this mall’s high end clientele may desire. Further, the salon is set up such that one third of its floor space may be sublet to another tenant, increasing throughput while decreasing rent.</p>
Other	<p>The current owner is agreeable to carrying secured long term financing with a minimum of \$100,000 down.</p>

3. Established, La Verne Tan Salon with New Sister Location

Business	Established La Verne Tan Salon with New Sister Location		
Location / Address	La Verne, CA		
Industry Description	Indoor Tanning	SIC	7299
Days Open	7 Day/72 Hrs. 9-9 M-TR	Year Established	11/02
Hours of Operation	9-7 F, Sat 9-6; 10-3 Sun	Years Owned	Since 11/02
Full-time Employees	0	Part-time Employees	4
Other Notes	Working Owner increases profitability by \$7 / hr. 50 hrs/wk = + \$18.2k net		
Hours/wk by Owner(s)	72	Owners Duties	Oversight/Training
Skills / Licenses Req'd	None	Training Offered / Cost	3 Wks. @ 40 hrs.
Non-Compete Terms	5 Yrs. 5 Miles		
Exec. Summary	This is a semi- established salon with high traffic – 4,008 clients in database!		
It mirrors its younger sister salon in Covina, and has performed well. Both salons are for sale.			
Lease / Bldg. Info.	Very Busy Mall	Monthly Rent	\$1,900 + Inc. CAM
Lease Commenced	11/02	Deposit	TBD
Lease Expires	05/05	Term & Option	5 Yr option
Bldg./Area Description	Commercial/Residential	Square Footage	1,500
Seats, Pkg, Zoning, etc.	Salon is located in a very busy shopping mall with major anchor tenants.		
There is plenty of customer parking, and a new woman's fitness center going in next door.			
Reason for Sale	Personal Reasons		
Financial Summary	May '04 – '04 Annual	2003 / Owner to Prove	2002 / Owner to Prove
Gross Revenue	\$207,000		Salon Opened 11/02
COGS			
Rent / CAM	\$22,800		
Payroll			
Net Profit (before tax)	\$100,000 (Owner 0 hrs)	<i>Estimated</i>	
Discretionary Cash	\$117,000(Owner 50 hrs)	<i>Estimated</i>	
Expense Breakdown			
Included in Sale	Assets		Liabilities
FF&E Included	\$227,300	Lease Obligations (Beds)	\$962/mo (~ 1.5 yrs)
Inventory Included	\$2,500	Debt Included	\$0
Other Assets Included		Other Liabilities	\$0
Working Capital (not incl)		Return on Sale Price	
Asking Price	\$340,000	Owner Financing/Terms	OWC over \$250k @ 7%
Earnest Money Dep.	\$15,000	Down Payment	\$250,000

Opportunity Summary

Headline	Established La Verne Tan Salon with New Sister Location
Summary	This beautiful indoor tanning facility was established in La Verne in 11/02 and has done very well ever since. Attention was put into every detail of the salon to create a modern, elegant tanning atmosphere. Since inception, the salon has seen over 4,000 clients, with nearly 500 holding current memberships.
Facilities / Assets	The elegant salon boasts 11 new units, including 1 Super Cyclone standup unit, and a Mystic Spray Tan unit. The other units include 5 Sundash 232 beds, 2 Sundash 240 beds, and two high end (\$26,000+ each) Ergoline “Big” beds. Overall bed value is nearly \$150,000, with approximately \$80,000 put into the build-out. The 1,500 square foot facility has a very favorable lease of \$1,900 per month, with a 5 year option.
Competition	Competition is deemed “moderate” in the area, however, this salon is one of the nicest around. With a newly opened nearby (though not competing) sister salon for sale as well, a new owner can virtually “own” the area.
Growth Potential	Via ownership of both locations, a new owner can capitalize on marketing savings and bed and membership interchangeability.
Other	

4. Newly Established, Covina Salon with Nearby Sister Location

Business	New Established, High Growth Covina Tan Salon with Sister Location		
Location / Address	Covina, CA		
Industry Description	Indoor Tanning	SIC	7299
Days Open	7 Day/68 Hrs. 9-8 M-TR	Year Established	11/03
Hours of Operation	9-7 F, Sat 9-6; 10-3 Sun	Years Owned	Since 11/03
Full-time Employees	0	Part-time Employees	2
Other Notes	Working Owner increases profitability by \$7 / hr. 50 hrs/wk = + \$18.2k net		
Hours/wk by Owner(s)	68	Owners Duties	Oversight/Training
Skills / Licenses Req'd	None	Training Offered / Cost	3 Wks. @ 40 hrs.
Non-Compete Terms	5 Yrs. 5 Miles		
Exec. Summary	This is a newly established salon with very high growth - 1,328 clients in 5 months!		
	It mirrors its sister salon in La Verne, and is anticipated to have similar performance. Both salons are for sale.		
Lease / Bldg. Info.	Very Busy Mall	Monthly Rent	\$2,025 + \$300 CAM
Lease Commenced	11/03	Deposit	TBD
Lease Expires	11/08	Term & Option	5 Yr; 5 Yr option
Bldg./Area Description	Commercial/Residential	Square Footage	1,500
Seats, Pkg, Zoning, etc.	Salon is located in a very busy shopping mall with major anchor tenants.		
	There is plenty of customer parking. Four high schools are nearby.		
Reason for Sale	Personal Reasons		
Financial Summary	Projected Annual	2003 / Owner to Prove	2002 / Owner to Prove
Gross Revenue	\$177,000 Projected.	Salon Opened 11/03	Salon Opened 11/03
COGS			
Rent / CAM	\$27,900		
Payroll			
Net Profit (before tax)	\$58,000 (Owner 0 hrs)	<i>Projected</i>	
Discretionary Cash	\$78,000(Owner 50 hrs)	<i>Projected</i>	
Expense Breakdown			
Included in Sale	Assets		Liabilities
FF&E Included	\$195,000	Lease Obligations (Beds)	\$962/mo (~ 1.5 yrs)
Inventory Included	\$2,500	Debt Included	\$0
Other Assets Included		Other Liabilities	\$0
Working Capital (not incl)		Return on Sale Price	
Asking Price	\$225,000	Owner Financing/Terms	OWC over \$200k @ 7%
Earnest Money Dep.	\$10,000	Down Payment	\$200,000

Opportunity Summary	
Headline	New Established, High Growth Covina Tan Salon with Nearby Sister Location
Summary	This beautiful indoor tanning facility was established in Covina in 11/03 and has experience tremendous growth in its infancy. Attention was put into every detail of the salon to create a modern, elegant tanning atmosphere. Since inception, the salon has already seen over 1,300 clients, with new members joining daily.
Facilities / Assets	The elegant salon boasts 11 units – 9 new beds, 1 - 2000 Sun Capsule Stand-up unit, and a Mystic Spray Tan unit. The other units include 6 Sundash 232 beds, 2 Sundash 240 beds, and 1 high end (\$29,000+) Ergoline Avantgarde 600 12 minute bed. Overall bed value is nearly \$120,000, with approximately \$80,000 put into the build-out. The 1,500 square foot facility has a very favorable lease of \$2,325 per month (including CAM), with a 5 year option.
Competition	Competition is deemed “moderate” in the area, however, this salon is one of the nicest around. With a better established nearby (though not competing) sister salon for sale as well, a new owner can virtually “own” the area.
Growth Potential	Via ownership of both locations, a new owner can capitalize on marketing savings and bed and membership interchangeability.
Other	

5. Glendora Starter Tan Salon

Business	Glendora Starter Tan Salon		
Location / Address	Glendora, CA		
Industry Description	Indoor Tanning Facility	SIC	7299 - 44
Days Open	7 – 79 Hrs.	Year Established	1994
Hours of Operation	M-Th 8-9,F 8-8,Sat 9-6, Sun 9-2	Years Owned	Took over 7/03
Full-time Employees	0	Part-time Employees	4
Other Notes			
Hours/wk by Owner	None	Owners Duties	Oversight
Skills / Licenses Req'd	None	Training Offered / Cost	2 Wks @ 20 hrs
Non-Compete Terms	3 Yrs. / 5 Miles		
Exec. Summary	This 6 room, 4 bed salon + 1 hand spray unit salon is perfect for someone new to the industry. While it could be, it is NOT geared toward advanced tanners.		
Lease / Bldg. Info.		Monthly Rent	\$1,200
Lease Commenced	4/04	Deposit	
Lease Expires	4/09	Term & Option	5YR/5 option
Bldg./Area Description	Mall	Square Footage	1,496 Sq. ft.
Seats, Pkg, Zoning, etc.	Plenty of parking in a small shopping mall with a gym next door.		
Reason for Sale	The current owner operates another business and “inherited” this one.		
Financial Summary	Current Yr. Annual	2003 / Owner to Prove	2002 / Owner to Prove
Gross Revenue	\$70,000 (Rough Estimate)		
COGS	Not Estimated		
Rent / CAM	\$14,400		
Payroll	\$29,000		
Net Profit (before tax)	\$24,000 (Rough Estimate)	Non-Working Owner	
Discretionary Cash	\$42,000 (Rough Estimate)	Owner working 50 hr/wk	
Expense Breakdown	At present, the owner works all but 12 hours in the salon.		
Included in Sale	Assets		Liabilities
FF&E Included	\$49,200	Lease Obligations	\$0
Inventory Included	\$800	Debt Included	\$0
Other Assets Included		Other Liabilities	\$0
Working Capital (not incl)		Return on Sale Price	
Asking Price	\$60,000	Owner Financing/Terms	No
Earnest Money Dep.	\$5,000	Down Payment	

Opportunity Summary

Headline	Glendora Starter Tan Salon
Summary	This 10 year old salon presents a new owner a great opportunity to enter the industry at a low cost. The salon is located in shopping mall with a gym next door and a nail salon a few doors down.
Facilities / Assets	The salon is located in a 1,496 square foot, low overhead facility. Monthly rent is \$1,200 on a five year lease. All of the equipment is included in the sale, including 3 refurbished 1990s Sundash Beds, 1 Sunquest Pro Bed, and a hand spray tan unit. At present, 7 rooms have been built out, with 1 room used for an office and a large (though under utilized) retail area.
Competition	Moderate – There are a variety of tanning areas in the area.
Growth Potential	Many opportunities for expansion exist. A new owner may seek to upgrade and / or differentiate the beds, expand the retail selection, engage in marketing, install a standard spray tan unit, etc...
Other	

6. Glendale Tan Salon

Business	Glendale Tan Salon		
Location / Address	Glendale, CA		
Industry Description	Indoor Tanning	SIC	7299 - 44
Days Open		Year Established	1987 - 1989
Hours of Operation	9-9; Sat. 10-7; Sun 10-6	Years Owned	Since 05/04
Full-time Employees	Owner	Part-time Employees	2
Other Notes			
Hours/wk by Owner	40	Owners Duties	Fully Operational
Skills / Licenses Req'd	None	Training Offered / Cost	2 wks at 40 hrs/wk
Non-Compete Terms	3 yrs. 10 miles		
Exec. Summary			
Lease / Bldg. Info.		Monthly Rent	\$1,560
Lease Commenced	n/a	Deposit	
Lease Expires	Mo. to Mo.	Term & Option	
Bldg./Area Description	Busy Mall	Square Footage	Approx. 920 sq. ft.
Seats, Pkg, Zoning, etc.	Mall houses a Pizza Hut and Popeye's restaurant		
Reason for Sale	Owner burn out		
Financial Summary	Current Yr. Annual	2003 / Owner to Prove	2002 / Owner to Prove
Gross Revenue	\$120,000 (Estimate)		
COGS		Data Not Available	Data Not Available
Rent / CAM	\$18,720	From Former Owner	From Former Owner
Payroll			
Net Profit (before tax)	\$50,000 (Estimate)		
Discretionary Cash	\$50,000 (Estimate)		
Expense Breakdown			
Included in Sale	Assets		Liabilities
FF&E Included	\$35,000 - \$40,000	Lease Obligations	\$0
Inventory Included	< \$1,500	Debt Included	\$0
Other Assets Included		Other Liabilities	\$0
Working Capital (not incl)		Return on Sale Price	
Asking Price	\$120,000	Owner Financing/Terms	None offered
Earnest Money Dep.	\$5,000	Down Payment	n/a

Opportunity Summary

Headline	Well Established Glendale Tan Salon Available
Summary	This is a fantastic opportunity to purchase a well established 920 square foot indoor tanning facility with ideal freeway access in the Glendale area. The facility is located in a very busy mall housing a Popeye's Chicken, Pizza Hut, as well as a hair and nail salon, massage parlor, driving school, and dentist. Included in the sale are 7 – 1999 Sundash Genesis beds, and all additional assets of the company. While the facility generates an approximate \$50k on \$120k in sales, opportunities for increased profitability exists as the facility does not advertise or offer spray booths, stand up units, or a varied retail selection.
Facilities / Assets	This sale includes 7 1999 Sundash Genesis 120 volt beds. Each bed purchased new for \$6,500 (\$45.5k).
Competition	Competition is deemed to be moderate by industry and area standards.
Growth Potential	This facility does not offer a wide variety of beds, and does not have spray tan units or stand up units.
Other	

7. East Los Angeles Tan Salon with Great Freeway Access

Business	East LA Tan Salon with Great Freeway Access		
Location / Address	East Los Angeles, CA		
Industry Description	Indoor Tanning Facility	SIC	7299-44
Days Open	6	Year Established	2001
Hours of Operation	M-Th 10-8,Fr 10-7,Sat 10-5	Years Owned	2001
Full-time Employees	0	Part-time Employees	3
Other Notes			
Hours/wk by Owner	0	Owners Duties	
Skills / Licenses Req'd	none	Training Offered / Cost	2 weeks, 20 hours
Non-Compete Terms	2 years, 5 miles		
Exec. Summary			
Lease / Bldg. Info.		Monthly Rent	\$2,666
Lease Commenced	6/03	Deposit	
Lease Expires	6/06	Term & Option	3yr w/option
Bldg./Area Description	Busy Shopping Center	Square Footage	1212 Sf
Seats, Pkg, Zoning, etc.	Plenty of parking		
Reason for Sale	Personal		
Financial Summary	Current Yr. Annual	2003 / Owner to Prove	2002 / Owner to Prove
Gross Revenue	\$46,260 thru June 2004	\$75,000	
COGS		\$9,485	
Rent / CAM		\$31,992	
Payroll		\$16,000	
Net Profit (before tax)		\$10,000(owner 0 hours)	
Discretionary Cash		\$25,000(owner @ 40 hrs)	
Expense Breakdown			
Included in Sale	Assets		Liabilities
FF&E Included	\$15,000	Lease Obligations	
Inventory Included	\$500	Debt Included	
Other Assets Included		Other Liabilities	
Working Capital (not incl)		Return on Sale Price	
Asking Price	\$65,000	Owner Financing/Terms	OWC over \$25K
Earnest Money Dep.	\$5,000	Down Payment	\$25,000

Opportunity Summary

Headline	East LA Tan Salon with Great Freeway Access
Summary	This is a fantastic opportunity for an existing salon owner or a new buyer looking to take advantage of the booming tanning industry. With a track record of over 3 years, the salon comes with a great name, logo recognition, and a substantial client base. Their professionally trained and knowledgeable staff emphasizes the salon's reputation with excellent customer service and personal attention.
Facilities / Assets	In a very high traffic, convenient location this 6 bed facility offers an exceptionally clean, modern interior with comfortable surroundings. Right off a major freeway, the salon is nicely positioned in a shopping center which includes major anchor stores and a well-known gym. Included in the sale is approx. \$15K in assets. With all equipment owned free and clear, the salon is a true turn-key operation.
Competition	Very little competition in surrounding area, with none in immediate area.
Growth Potential	This salon is poised for solid growth. There is plenty of room for expansion. The salon currently does not offer any spray units and is closed on Sundays.
Other	

8. Huntington Beach Tan Facility

Business	Established Huntington Beach Tan with Fantastic Client Base		
Location / Address	Huntington Beach, CA		
Industry Description	Indoor Tanning Facility	SIC	7299-44
Days Open	7	Year Established	1998
Hours of Operation	M-Th 10-8,Fr 10-7,Sat 10-5, Sun 11-3	Years Owned	1998
Full-time Employees	0	Part-time Employees	3
Other Notes			
Hours/wk by Owner	24 hours per week	Owners Duties	
Skills / Licenses Req'd	none	Training Offered / Cost	2 weeks, 20 hours
Non-Compete Terms	2 years, 5 miles		
Exec. Summary			
Lease / Bldg. Info.		Monthly Rent	1375.44
Lease Commenced	Feb. 1998	Deposit	
Lease Expires		Term & Option	Month to Month
Bldg./Area Description	Busy Shopping Center	Square Footage	919 Sf
Seats, Pkg, Zoning, etc.	Plenty of parking		
Reason for Sale	Owner moved out of area		
Financial Summary	Current Yr. Annual	2003 / Owner to Prove	2002 / Owner to Prove
Gross Revenue		105,923	
COGS		8,000	
Rent / CAM		16,505 + 6,645 Utilities	
Payroll		14,133	
Net Profit (before tax)		23,400(owner 0 hours)	
Discretionary Cash		35,000(owner @ 40 hrs)	29,000
Expense Breakdown			
Included in Sale	Assets		Liabilities
FF&E Included	\$41,000	Lease Obligations	
Inventory Included	\$1,200	Debt Included	
Other Assets Included		Other Liabilities	
Working Capital (not incl)		Return on Sale Price	
Asking Price	\$95,000	Owner Financing/Terms	OWC over \$50K
Earnest Money Dep.	\$5,000	Down Payment	\$50,000

Opportunity Summary

Headline	Established Huntington Beach Tan with Fantastic Client Base
Summary	This is a fantastic opportunity for an existing salon owner or a new buyer looking to take advantage of the booming tanning industry. With a six year track record, the salon comes with great name and logo recognition. Their professionally trained and knowledgeable staff emphasize the salon's reputation with excellent customer service and personal attention.
Facilities / Assets	<p>In a very high traffic, convenient location this 8 bed + 1 spray unit facility offers an exceptionally clean, modern interior with comfortable surroundings. Included in the sale is approx. \$41K in assets, professionally designed 2004 print ads in the Verizon and Yellowbook USA yellow pages, as well as pre-existing ads already developed for 2004 with multiple direct mail companies.</p> <p>The salon also enjoys client bank account automatic debits of over \$2,400/month. This annual figure of \$28,800+ is a stable, yet continuously growing revenue stream.</p>
Competition	Moderate competition exist, but not in immediate area.
Growth Potential	This salon is poised for solid growth. With a great lease, below current market value, this is a business in a fantastic booming area.
Other	Included in the \$95,000 purchase price is two weeks of professional training, consulting, and KNOWLEDGE OF THE TRADE from the current owner. Collaboration with new management on all advertising and marketing projects will be handled so image will remain constant to retain client base following ownership transfer.

9. Newport Beach Tan Salon

Business	Newport Beach Tan Salon		
Location / Address	Newport Beach		
Industry Description	Indoor Tanning	SIC	7299 - 44
Days Open	8:30 – 8:30 MF; 8-4; 9-2	Year Established	1990
Hours of Operation	Now Open 72 Hrs./wk	Years Owned	Since 12/03
Full-time Employees	0	Part-time Employees	5
Other Notes			
Hours/wk by Owner	0	Owners Duties	None
Skills / Licenses Req'd	None	Training Offered / Cost	2 Wks. @ 20 hrs.
Non-Compete Terms	5 Yrs. 5 Miles		
Exec. Summary	Well established salon in high traffic mall that has many day spa type		
Businesses. A gym next door, and a Starbucks.			
Lease / Bldg. Info.		Monthly Rent	\$4,004 incl. \$700 CAM
Lease Commenced	12/03	Deposit	
Lease Expires	12/08	Term & Option	5 Yrs / 5 Yrs
Bldg./Area Description	Busy Mall w/Starbucks	Square Footage	1,100
Seats, Pkg, Zoning, etc.	Gym and Starbucks are located next door; they are traffic draws but they also		
May make parking difficult.			
Reason for Sale	Personal Reasons		
Financial Summary	Current Yr. Annual	2003 / Owner to Prove	2002 / Owner to Prove
Gross Revenue	\$202,774 Annual Est.	<i>(Avg. below Projections)</i>	
COGS	\$48,552	<i>Former Owner's</i>	<i>Former Owner's</i>
Rent / CAM	\$48,000 Inc. CAM	<i>Data not Available</i>	<i>Data not Available</i>
Payroll	\$24,000		
Net Profit (before tax)	\$65,717 (Owner 0 hrs.)	<i>(Avg. below Projections)</i>	
Discretionary Cash	\$80,512 (Owner @ 50 hr)	<i>(Avg. below Projections)</i>	
Expense Breakdown			
Included in Sale	Assets		Liabilities
FF&E Included	\$159,850 (Owner Est.)	Lease Obligations	\$0
Inventory Included	\$500	Debt Included	\$0
Other Assets Included		Other Liabilities	\$0
Working Capital (not incl)		Return on Sale Price	36% / 44%
Asking Price	\$225,000	Owner Financing/Terms	OWC w/30% Down
Earnest Money Dep.	\$5,000	Down Payment	\$50,000

Opportunity Summary

Headline	Newport Beach Salon For Sale – Owner will Finance
Summary	The current owner of this 15 year old salon purchased it because of its fantastic potential; a personal situation has now forced him to sell. His loss can be your gain, as the salon is turnkey ready for an absentee owner. A full time owner, however, can maximize profitability in this very high class salon. The salon is located next to a high end gym, Starbucks, and many day spa / beauty oriented businesses off of a major street and next to the highway. Annualized revenues are projected at \$202.8k, with net profits for a non-working owner at \$65.7k (\$80.5k with a working owner). The owner is so confident of the salon’s success, he is willing to finance \$150k over 3 years!
Facilities / Assets	Included in this 1,100 square foot facility are 7 beds: 3 completely refurbished and upgraded 1990’s Ultrabronze 818 30 minute beds w/new glass, paint and parts; 2 2003 Alphsun 20 minute beds, 1 2004 Saturn Stand up 12 minute bed, and 1 2004 Miracle Mist UV Free Spray Booth. Additional assets include complete build out, décor, computer system, etc.
Competition	Competition is deemed to be “moderate” for Newport Beach
Growth Potential	The current owner acquired this salon in 1/04. The former owners “neglected” the salon – they didn’t maintain steady hours/days of operation, were closed Sun/Mon; didn’t offer retail products, etc. The new owner, who operates another much larger salon, purchased it because of its great potential. Thus far he has commenced advertising and promoting the salon, extending its hours, refurbishing all equipment and adding new equipment, etc.
Other	This owner is very knowledgeable and is willing to fully train – this is a great starter salon. At present, he devotes 0 time to the salon so discretionary revenues can increase accordingly. At present, only 4 months of actual financials are available.

10. Five Star Orange County Tan Salon

Business	High End Orange County Tan Salon		
Location / Address	Near South Coast Metro / Fashion Island, 24 Hour Sport Fitness, Airport, etc.		
Industry Description	Indoor Tanning	SIC	7299 - 44
Days Open	7 Days – 81 Hours	Year Established	11/03
Hours of Operation	9 – 10 M-F; 10-6 Sa, Su	Years Owned	Since 11/03
Full-time Employees	0	Part-time Employees	8
Other Notes	Working Owner increases profitability by \$8 / hr. 50 hrs/wk = + \$21k net		
Hours/wk by Owner	0	Owners Duties	Oversight/Training
Skills / Licenses Req'd	None	Training Offered / Cost	2 Wks. @ 40 hrs.
Non-Compete Terms	3 Yrs. 5 Miles		
Exec. Summary	This is an extremely high end salon, with the best equipment and client base. The owner has given the utmost attention to detail in every aspect of the salon's design, layout and marketing strategy.		
Lease / Bldg. Info.	-	Monthly Rent	\$4,367
Lease Commenced	11/03	Deposit	TBD
Lease Expires	11/13	Term & Option	10 Yrs / 5 Yrs
Bldg./Area Description	Commercial/Residential	Square Footage	1,588
Seats, Pkg, Zoning, etc.	Salon is located near major hotels and housing complexes. Owner has fantastic Marketing agreement s with nearby 24 Hour Fitness, Hotels and major employers.		
Reason for Sale	Personal Reasons		
Financial Summary	Projected Annual	2003 / Owner to Prove	2002 / Owner to Prove
Gross Revenue	\$289,015	Salon Opened 11/03	Salon Opened 11/03
COGS	\$11,196		
Rent / CAM	\$52,404		
Payroll	\$33,696	(owner wkg. 0 hrs/wk.)	
Net Profit (before tax)	\$97,225 (Owner 0 hrs)	(Avg. below Projections)	
Discretionary Cash	\$117,771 (Owner 50 hrs)	(Avg. below Projections)	
Expense Breakdown	Net Asset = \$228k (\$70k in Beds; \$158 Build Out); Bed Lease Liabilities = \$147k		
Included in Sale	Assets		Liabilities
FF&E Included	\$373,000	Lease Obligations (Beds)	\$5,000/mo (~ 2.5 yrs)
Inventory Included	\$1,000	Debt Included	\$0
Other Assets Included		Other Liabilities	\$0
Working Capital (not incl)		Return on Sale Price	
Asking Price	\$299,000	Owner Financing/Terms	TBD
Earnest Money Dep.	\$20,000	Down Payment	TBD

Opportunity Summary

Headline	High End Orange County Tan Salon
Summary	This high end salon, established in 11/03, has had the utmost attention to detail given in its development. The Salon boast a total of 10 brand new beds, including a Mystic Tan, a Stand up unit, and 8 other top of the line beds offering 4 different pressure tans. Average price per tan equates to over \$20, with the average transaction size at over \$100.
Facilities / Assets	This salon is housed in a 1,600 square foot facility with monthly rent of \$4,370 on a ten year lease. Approximately \$375k in net assets are included in the sale, including \$70k in equity in the beds, and \$150k+ in the build out. Major liabilities include the outstanding bed leases of approximately \$5k / month, over the next 2.5 years (approx.)
Competition	While Orange County is considered an extremely competitive indoor tanning market, few firms offer the level of beds and service that this salon offers.
Growth Potential	This salon has been open less than 6 months, and continues to grow dramatically. The owner already has highly coveted marketing alliances in place with many nearby businesses, gyms, hotels, etc. that are just beginning to pay major dividends.
Other	

11. Tan Salon Bargain - Lancaster / Palmdale

Business	Tan Salon Bargain – Antelope Valley, CA		
Location / Address	Antelope Valley, CA 93534		
Industry Description	Tanning Salon	SIC	7299-44
Days Open	7 days	Year Established	2004
Hours of Operation	8-8p, Sat 9-5, Sun 10-2	Years Owned	2004
Full-time Employees	1 (Owner)	Part-time Employees	1
Other Notes			
Hours/wk by Owner	40 Hrs.	Owners Duties	Mngt. Oversight
Skills / Licenses Req'd		Training Offered / Cost	4 weeks @ 20 hrs
Non-Compete Terms	5 years / 5 miles		
Exec. Summary	This tanning salon exists near a highly popular, growing day spa.		
Lease / Bldg. Info.	Lease	Monthly Rent	\$550 (\$0.95 psf!)
Lease Commenced	1/25/04	Deposit	TBD
Lease Expires	January 2010	Term & Option	TBD
Bldg./Area Description	Shopping center	Square Footage	550
Seats, Pkg, Zoning, etc.	Small shopping center with ample parking		
Reason for Sale	Owner is relocating out of state.		
Financial Summary	Current Yr. Annual	2003 / Owner to Prove	2002 / Owner to Prove
Gross Revenue	\$50,000 (Estimated)	n/a	n/a
COGS	\$3,000	n/a	n/a
Rent / CAM	\$6,600	n/a	n/a
Payroll	\$7,800	n/a	n/a
Net Profit (before tax)	TBD	n/a	n/a
Discretionary Cash	TBD	n/a	n/a
Expense Breakdown			
Included in Sale	Assets		Liabilities
FF&E Included	\$55,000	Lease Obligations	\$0
Inventory Included	\$300	Debt Included	\$0
Other Assets Included		Other Liabilities	\$0
Working Capital (not incl)		Return on Sale Price	
Asking Price	\$55,000	Owner Financing/Terms	Owner Will Consider
Earnest Money Dep.	\$5,000	Down Payment	\$30,000

Opportunity Summary

Headline	Tan Salon Bargain – Lancaster / Palmdale, CA
Summary	This quaint tanning salon is located next to a full service day spa (sharing the same name) and contemporary coffee and pastry shop. The salon had been built from scratch with investment of about \$55,000 between structural improvements, beds and equipment, front office furnishings, and décor. The salon has an area which the owner would like to set up for a manicurist, nearly covering the monthly rent expense! The day spa next door is cooperative in cross-promoting the two businesses. This salon runs itself and all beds can be operated from the front desk computer. Great opportunity to get into a new business at a very low cost.
Facilities / Assets	The business operates out of 550 square foot facility. The building consists of a front office reception area with a custom counter for the employee, as well as a computer setup to operate the beds. This area also includes products and a beautiful waiting lounge for customers. The facility has 4 rooms with new Regal 38/1 Express beds – valued at over \$22,000 and included in the sale! The total amount invested into the equipment and the build-out was \$55,000, and the owner only seeks \$55,000 to ensure a quick sale on the business.
Competition	Local competition is deemed to be medium.
Growth Potential	Many opportunities for expansion exist. Ideally, a new owner will be able to utilize the storage room for a even more lucrative activity – offering manicures, spray tan, etc.
Other	

12. Beauty, Tan Salon, Day Spa – Kern County

Business	Beauty, Tan Salon, Day Spa		
Location / Address	Kern County, CA		
Industry Description	Tanning, hair, nail salon	SIC	7299-44, 7230, 7231
Days Open	7 days	Year Established	2001
Hours of Operation	M-Sat 7-7pm, Sun 10-3p	Years Owned	2001
Full-time Employees	0	Part-time Employees	4
Other Notes			
Hours/wk by Owner	40 Hrs./Wk.	Owners Duties	Mngt. Oversight
Skills / Licenses Req'd		Training Offered / Cost	4 weeks
Non-Compete Terms	As necessary		
Exec. Summary	This fast growing company has made a tremendous community impact.		
Lease / Bldg. Info.	Lease	Monthly Rent	\$3,300
Lease Commenced	n/a	Deposit	TBD
Lease Expires	January 2007	Term & Option	TBD
Bldg./Area Description	Commercial/industrial	Square Footage	4,400
Seats, Pkg, Zoning, etc.	Large facility with ample parking on main boulevard.		
Reason for Sale	Personal Reasons		
Financial Summary	Current Yr. Annual	2003 / Owner to Prove	2002 / Owner to Prove
Gross Revenue	Up 5-10% over 2003	\$170,000	
COGS			
Rent / CAM		\$39,600	
Payroll			
Net Profit (before tax)		TBD	
Discretionary Cash		TBD (Estimated \$80k)	
Expense Breakdown			
Included in Sale	Assets		Liabilities
FF&E Included	> \$110,000	Lease Obligations	\$0
Inventory Included		Debt Included	\$0
Other Assets Included		Other Liabilities	\$0
Working Capital (not incl)		Return on Sale Price	
Asking Price	\$250,000	Owner Financing/Terms	Will consider
Earnest Money Dep.	\$10,000	Down Payment	TBD

Opportunity Summary	
Headline	Beauty, Tan Salon, Day Spa – Kern County
Summary	This full service day spa caters to all of its community’s beauty and personal care needs. This facility offers 7 hair stylist and 4 manicurist stations, 2 massage rooms, 1 aesthetician station, 4 tanning beds (with 1 vacant room), and retail swimsuit and beauty product sales. This business has outgrown capacity and management believes expansion could provide significant additional success in this growing and prosperous community. This well established beauty care center maintains a positive working environment where employees and customers alike, walk-in with a smile and stay as long as they can.
Facilities / Assets	The business operates out of a 4,400 square foot building. The building consists of an office, reception area, 5 tanning rooms, various hair and manicure stations, and two masseuse rooms designed for maximum comfort and relaxation.
Competition	Management indicates that other tanning salons exist in the area, however, none providing the variety of services maintained by this facility.
Growth Potential	Many opportunities for expansion exist. Management feels that expansion of the physical facility will provide significant revenue growth. While the current service offering may be expanded upon, new owners may also seek to implement fitness oriented services such as yoga and pilates, etc. Other options include additional male oriented personal care options.
Other	

Appendix 1 – Offer to Purchase Agreement

Available Upon Request