

Deal Summary

Asking Price:	\$3,200,000	Listing ID:	DTKG
Down Payment:	\$800,000	Company Type:	Barber Trade School
FF&E:	\$173,276*	Location:	Dallas - Fort Worth Area
Inventory:	\$18,420*	Adjusted EBITDA:	\$844,993
Total Assets:	\$191,696*	Adjusted EBITDA is defined as EBITDA + Owner's Salary + One-time and Discretionary expenses	

* Represents the book value of the company's assets as of June 30, 2016 from its audited balance sheet. Actual market value of assets may vary from book value and both values may change in the future.

Terms

Included within the \$3,200,000 asking price is \$400,000 in cash.

With a down payment of \$800,000 (25%), third party SBA/bank financing may be available for the remaining balance over 10 years for a well-qualified buyer with a requisite background. While final loan payment will depend of the loan amount, loan fees, interest rate and length of loan; we estimate loan payments to be approximately \$27,500 a month or \$330,000 per year. All notes will be personally guaranteed.

Legal Organization

Type of Corporation: LLC
 Fiscal Year: June 30th
 NAICS Code: 611511
 Accounting Method: Accrual

Top Things to Know About This Business

- The license/accreditation is in the name of the LLC; thus, buyer must purchase the LLC interest.
- Books are audited annually by a third-party accounting firm and school uses a third-party servicing company to reconcile/verify all federal funds were properly used and accounted for each month.
- On average, school has produced Adjusted EBITDA margins of 50% for the last three years.
- School is able to offer financial aid assistance to students through the Department of Education which allows for recurring revenue and guarantee payments as well as minimize bad debt.
- Located within steps of a Dart rail station, students have easy access from across DFW
- School offers Class A student barber certifications as well as barber instructor certifications.
- Tuition is set by the school and not limited by the state, accreditation or Department of Education.
- **Seller is in the process of securing an additional accreditation within the entity to allow the company to expand into other trades including, medical assistant, welding, plumbing, etc.**

Business Activity

Founded in 2011, the accredited barber school provides premier education to students who are seeking their Class A barber license as well as barbers seeking their instructor license. With limited advertising, the school has grown its student base to 90 students and offers continuous enrollment with new classes/courses starting weekly. The barber school is located within walking distance of a Dart light rail which gives the school a competitive advantage as they are able to pull students from across the DFW Metroplex that may not have transportation. Furthermore, the school is able to offer financial aid through the Department of Education. Current owner oversees general administrative duties including the monitoring of students' title IV credit balance and maintenance of working capital. Additionally, owner oversees human resources related matters. All accounting and finance functions are executed by the CFO who will stay with the company post-sale. Each course lasts for 12 months and tuition and fees are approximately \$18,000 per student. The school has strong graduation and placement rates.

Key Strengths

- 1) Well established reputation.
- 2) Helpful, well-informed staff to interact with diverse customer base.
- 3) Very experienced labor force / cross trained in related work.
- 4) Located within walking distance of a Dart rail stop, school is very accessible to students.
- 5) Receives direct deposit funding from Department of Education.

Possible Weaknesses

- 1) Owner has interests in other endeavors and hasn't dedicated 100% of her time to the school.
- 2) No centralized software system.
- 3) Limited marketing initiatives.
- 4) Company needs better time management of production process
- 5) New federal regulation that will change the funding model to performance-based (the regulation is being challenged in court by a lobbying firm for the trade – also see attached information regarding a recent deferment of those rules by the Trump Administration.)

Marketing Strategy

There is no active on-going marketing strategy other than a small amount of advertising and word-of-mouth advertising. The development of a new marketing strategy may benefit revenue growth. The development of additional educational offerings (such as plumbing, welding, etc.) offers the school great growth prospects beyond the trade of barbering.

History

The Company was started in 2011 by the current owner. The business has been in its present location since the inception.

Days and Hours:

Sunday – Monday: Closed
 Tuesday – Friday: 10:00am – 5:30pm
 Saturday: 9:00am – 4:00pm

Sales and Adjusted EBITDA

Fiscal Year End	Revenue	Adjusted EBITDA	As a % of Sales
2017	\$1,931,095	\$844,993	35.3%
2016	\$1,995,138	\$1,160,108	58.1%
2015	\$1,248,863	\$772,073	61.8%
2014	\$273,328	\$104,668	38.3%

** All adjustments to EBITDA were provided by seller*

Employees

The Company has a total of 14 full-time and one part-time employee. The key employee is the CFO who handles the bookkeeping functions as well as ensuring, internally, the school follows the federal guidelines with respect to handling the financial aid funds. Furthermore, when the owner is absence, the CFO handles operations and is the go to person for staff and students making her a de facto COO as well. She wants to stay with the business post-sale.

Assets and Liabilities

As of June 30, 2016, the last annual audited financials, company had an asset list value of furniture, fixtures and equipment of \$173,276 as well as an inventory value of \$18,420. Market value may vary from book value and both values may change in the future. A full list of assets can be obtained upon request.

In addition to the furniture, fixtures and equipment as well as inventory, seller will convey with sale \$400,000 in cash to buyer. All cash and accounts receivables beyond this threshold will be retained by the seller.

Facilities

The business occupies a 7,900 sq ft building and pays \$7,215 per month. Additionally, seller splits the real estate insurance and taxes with lessor and pays utilities. The lease is currently month-to-month. Lessor is willing to offer a long-term lease to buyer or buyer can relocate the business. Current location is near public transportation which allows easy access for students.

Support and Training

The Owner genuinely desires a seamless transition to the buyer and will train a buyer for 30 days. An additional consulting contract can be obtained. Per SBA guidelines, seller may remain with the business as an independent contractor consultant up to 12 months post-closing but cannot be an employee during this time.

Reason for Selling

The owner wishes to pursue other interests, including full-time ministry.



BUYER'S PERSONAL PROFILE - CONFIDENTIAL INFORMATION

Name: _____

Address: _____

City: _____ State: _____ Zip: _____

Telephone: Home (____) _____ Office (____) _____ Cell (____) _____

Email Address: _____

Present Occupation/Business: _____

How Did You Learn Of Our Company? Internet Ad Referral Other: _____

Type of Business Preference

(Retail, Wholesale, Manufacturing, Service, Etc):

1. _____
2. _____
3. _____

Location Preference:

1. _____
2. _____
3. _____

Cash In Banks	\$ _____	Notes Payable	\$ _____	x
U.S. Govt Securities	\$ _____	Liens On Real Estate	\$ _____	
Accounts & Notes Receivable	\$ _____	Other Liabilities	\$ _____	
Value Of Businesses Owned	\$ _____	TOTAL LIABILITIES	\$ _____	
Other Stocks And Bonds	\$ _____			
Real Estate	\$ _____	Salary	\$ _____	
Automobiles -- Number ()	\$ _____	Dividends & Interest	\$ _____	
Other Assets	\$ _____	Other Income	\$ _____	
TOTAL ASSETS	\$ _____	TOTAL INCOME	\$ _____	

Monthly Income Required: \$ _____ Down Payment Available: \$ _____

Personal Net Worth: \$ _____ Require Immediate Income?: _____

Who Else Would Be Involved In The Decision Process? _____

Have You Ever Filed For Bankruptcy? _____ Have You Ever Been Arrested? _____

Fields of past Business experience:

- 1 _____ 2 _____ 3 _____

I Hereby Attest That The Above Is A True Representation On My Financial Status. I Agree To Provide, Upon Request By Broker Or Seller, Financial Statements, References And Other Pertinent Information Evidencing Such Financial Sufficiency If Necessary

Signature: _____ Date: _____

A Personal Or Business Financial Statement Will Be Required Of All Potential Buyers Before Receiving Financial Information On Any Listing

**STANDARD BUYER'S CONFIDENTIALITY
AND WARRANTY AGREEMENT**

The undersigned (the "Buyer") understands and acknowledges that The Vant Group (the "Broker" has a valid agreement with the owner(s) (the "Seller") of the business and/or property described below (the "Business") whereby Broker has been retained, for an agreed upon commission, to represent Seller in the sale of the Business. Buyer understands and acknowledges the Broker is acting as the agent of the Seller and that Broker's primary duty is to represent the interests of the Seller. The Business that is the subject of this Standard Buyer's Confidentiality and Warrant Agreement (the "Agreement") is as follows:

Description of Business: Barber Trade School

Asking Price: \$3,200,000

In order to induce Broker or Seller to furnish information regarding the Business (the "Information") to Buyer for Buyer's evaluation and possible purchase of said Business and in consideration for Broker's or Seller's furnishing such information, Buyer understands, agrees, represents and warrants to Broker and Seller as follows:

1. The word "Buyer," as used herein, shall mean and include the undersigned individually, as a member of a partnership, as an employee, stockholder, officer or director of a corporation, as an agent, adviser or consultant for or to any business entity and in any other capacity whatsoever.

2. The Information is of a proprietary and confidential nature, the disclosure of which to any other party will result in damage to the Seller and/or Business, and Buyer further represents and warrants as follows:

(A) The Information furnished by Broker or Seller has not been publicly disclosed, has not been made available to Buyer by any party or source other than Broker or Seller and is being furnished only upon the terms and conditions contained in this Agreement.

(B) Buyer will not disclose the Information, in whole or in part, to any party other than persons within Buyer's organization, including independent advisers/consultants, who have a need to know such Information for purposes of evaluating or structuring the possible purchase of the Business. Buyer accepts full responsibility for full compliance with all provisions of this Agreement by such other persons.

(C) Buyer will not disclose, except to the extent required by law, to any parties other than the persons described in Paragraph 2(B) above that the Business is available for purchase or that evaluations, discussions or negotiations are taking place concerning a possible purchase.

(D) Buyer will not utilize, now or at any time in the future, any trade secret(s), as that term may be defined under statutory or common law, that is/are included in the furnished Information for any purpose other than evaluating the possible purchase of the Business, including, without limitation, not utilizing same in the conduct of Buyer's or any other party's present or future business(es).

(E) In addition to the prohibition against utilizing trade secret(s), Buyer will not utilize any other furnished information for any purpose other than evaluating the possible purchase of the Business, specifically including, without limitation, not utilizing same to enter into and/or engage in competition with the Business or assist or promote any other party(s) in so doing. The foregoing prohibition against utilizing said Information in competing with the Business shall remain in effect for three (3) years from the date hereof and shall be applicable to competition within the presently existing marketing area of the Business.

(F) If Buyer decides not to pursue the possible purchase of the Business, Buyer will promptly return to Broker all Information previously furnished by Broker or Seller, including any and all reproductions of same, and further, shall destroy any and all analyses, compilations or other material that incorporates any part of said Information.

3. Buyer will not contact the Seller or Seller's employees, customers, suppliers or agents other than Broker for any reason whatsoever without the prior consent of the Broker. All contacts with the Seller or such other parties will be made through or by Broker unless otherwise agreed to by Broker, in writing.

4. The Information furnished by Broker has been prepared by or is based upon representations of the Seller and Broker has made no independent investigation or verification of said Information. Buyer hereby expressly releases and discharges Broker from any and all responsibility and/or liability in connection with the accuracy, completeness or any other aspects of the information and accepts sole and final responsibility for the evaluation of the Information and all other factors relating to the Business.

5. The Information is subject to change or withdrawal without notice and the Business is being offered for sale subject to prior sale or the withdrawal of said offering without notice.

6. Buyer will indemnify and hold harmless the Broker and Seller from any and all claims or actions arising from Buyer's acts or failures to act in pursuing the possible purchase of the Business, including, without limitation, reasonable attorney's fees and other expenses incurred by Broker.

7. Buyer will not, for a period of three (3) years from the date hereof, enter into any agreement for the purchase of the Business, in whole or in part, or assist or promote any other party in so doing, unless such agreement to purchase provides for commission to be paid Broker, with the commission being defined as the amount agreed upon by Broker and Seller in the "Standard Listing Agreement" or similar agreement between those parties. The phrase "agreement for the purchase of the Business" as used

herein, shall mean and include any agreement, specifically including, but not limited to, offers to purchase, letters of intent and similar agreements, that provides for the transfer, conveyance, possession of, or disposition of the Business, its capital stock, assets, or any portion thereof, and the commission amount to be paid Broker shall be the greater of either the minimum commission or the commission based upon sale price (or purchase price), as these amounts are defined in the aforesaid agreement between Broker and Seller. Further, "sale price (or purchase price)" as used herein shall mean and include the total amount of consideration paid or conveyed to Seller or for Seller's benefit, including, without limitation, cash, capital stock, notes, personal property of any kind, real property, leases, lines of credit, loans, contingent payments (e.g., license agreements, royalty agreements, payments based upon future sales or profits, etc.), employment or management contracts, consulting agreements, non-competition agreements, assumption or discharge of any or all liabilities, and any combination of the foregoing and/or other consideration. The commission amount agreed upon by Broker and Seller in the aforesaid agreement between those parties will be made known to Buyer by Broker, upon Buyer's request, when and if an agreement for the purchase of the Business is made by Buyer. If Buyer violates the foregoing provision, Buyer will be liable for and pay said commission to Broker upon demand without any obligation on Broker's part to first exhaust any legal remedies against Seller.

8. Buyer represents that Buyer has sufficient financial resources to complete the transaction for the asking price and terms set forth herein. Buyer agrees to provide, upon request by Broker or Seller, financial statements, references and other pertinent information evidencing such financial sufficiency.

9. The performance and construction of this Agreement shall be governed by the laws of the State of Texas. All sums due hereunder shall be payable at the office of the Broker in Dallas County, Texas and all parties hereto agree to forbear from filing a claim in any other jurisdiction.

10. This Agreement shall be binding upon the Buyer, Buyer's heirs, executors, successors, assigns, administrators or representatives. If any provision of this Agreement shall be held to be invalid, void or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and this Agreement shall be construed as if such invalid, void or unenforceable provision had not been contained herein.

11. Any controversy between the parties to this Agreement involving the construction or application of any of the terms, covenants or conditions of this Agreement, shall on written request of one (1) party served on the other, be submitted to binding arbitration. Such arbitration shall be under the rules of the American Arbitration Association. The arbitrator shall have no authority to change any provisions of this agreement; the arbitrator's sole authority shall be to interpret or apply the provisions of this Agreement. The expenses of arbitration conducted pursuant to this paragraph shall be born by the parties in such proportion as the Arbitrators shall decide.

12. The terms and conditions of this Agreement shall also apply to any other business and/or property on which Broker has been retained to represent the owner(s) in the sale thereof and on which Broker or owner(s) has furnished information to Buyer. Further, it shall not be necessary for Buyer to execute any additional agreement(s) to that effect and any terms and conditions of this Agreement that refer to the date hereof shall automatically be adjusted to reflect the date on which Broker or owner(s) initially furnished information to Buyer on such other business and/or property.

13. The provisions hereof cannot be modified, amended, supplemented or rescinded without the written consent of Broker and this Agreement sets forth the entire agreement and understanding

EXECUTED ON THIS _____ DAY OF _____ 2017

Typed/Printed Name of Buyer

Typed/Printed Name of Buyer

Signature (Individually and as
Duly Authorized Representative)

Signature (Individually and as
Duly Authorized Representative)

Street Address

Street Address

City, State, Zip Code

City, State, Zip Code

Telephone / Email address

Telephone / Email address