

2009 – 2014 Business Plan

Company Overview & Investment Opportunity

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SECTION 1

Introduction

Company Snapshot 2009

1. SDAG is an S-Corp, incorporated in the state of California.
2. The Company headquarters is in Sacramento.
3. SDAG has spent the past 12 months testing business model.
4. Founders have invested more than \$25,000 into the business.
5. Management has been in the Auto Glass Industry for over 10 years. To date, they have completed more than 20,000 installations.

What Do Consumers Want:

- 1) Customers want to do business with an auto glass repair shop that is fast, reliable and experienced. They want to have the work completed at their home or office, and at their convenience.
- 2) Customers want a low price, but they do not want cheap or bad service.
- 3) Customers want an auto glass vendor that works with all insurance companies.

Our Solution for Customers:

- 1) SDAG provides mobile auto glass repair/replacement throughout Sacramento, Placer, Yolo and San Joaquin County. We go wherever our customers want us to go.
- 2) SDAG only hires installers with 5+ years experience. We offer a lifetime warranty on all workmanship. We normally finish any auto glass repair/replacement job within 60 minutes.
- 3) SDAG offers extremely competitive pricing regardless of the type of windshield repair/replacement needed.
- 4) SDAG has built up our reputation and service record with dozens of insurance companies, including Allstate, State Farm, Geico, and other national insurance companies.

SDAG Customers, Target Market Breakdown:

- 1. Owners of Cars & Trucks less than 15 years old.** As of Dec. 31, 2007, there were 20,665,415 registered autos in the state of California. Out of this number, we estimate 70% or 14,000,000 vehicles are less than 10 years old. Owners of vehicles manufactured after 1990 are more likely to have a windshield replacement using professional installers.
- 2. Claims Management Companies.** Claims Management Companies function as a vital link connecting customers with auto glass companies and insurance companies. These companies allow customers to connect directly with auto glass installers. Our goal is to develop relations with the 3 largest Claims Management Companies. Currently, 40% of our revenue comes from Claims Management Services.
- 3. Used Car Dealerships.** Currently there are more than 100 used car dealerships within the tri-county area. Each dealership utilizes the services of an auto glass shop at least once a week. As of this writing, we do business with only two dealerships, but our marketing will increase that number monthly.

What Separates Same Day Auto Glass From the Competition

Lower Operating Cost = Higher Profit Margin

- While all other auto glass shops rent a commercial space costing \$5,500 on average, we rent an office space just big enough to support a small office, costing on average \$800. This produces a minimum \$4,700 savings every month per location.
- Paying a base salary for Installers instead of using Independent Contractors. By paying a base salary, we are able to produce a higher profit margin than our competitors once we reach our monthly break even point. Many of our competitors are unable to offer a base salary because they do not have enough work to pay a dedicated salary. Due to our marketing efforts, we do not face that challenge.
- Smart use of technology allows us to spend much less on fixed operating cost. Phones, computers, utilities and insurance are all cost we are able to save tremendously on every month.

Aggressive Marketing Strategy

- SDAG uses a low cost, effective advertising method that produces daily results. Because this marketing activity helps increase work daily, our break even point is reached within the first 16 days of the month. Thus leaving the remaining 14 days as clear profit.

Benefits & Features of Investing with Same Day Auto Glass

1. Rate of Return is based on industry wide measures of success.
2. Unique investment opportunity that combines the benefits of business ownership, without having to operate the business.
3. Investors receive quarterly income statements & payments.
4. Unlike buying a franchise, Same Day Auto Glass has a strong vested interest in building a successful business on your behalf.
5. Investors receive quarterly income payouts based entirely on the net profit of the business.

SECTION 2

The Auto Glass Industry

The Size of the Industry

The Auto Glass Industry is made up of the following players:

Auto Glass Installers: Based on information gathered from National Glass Association of America, there are more than 75,000 certified auto glass installers listed on the website. Based on this finding, we estimate there are more than 10,000 professional installers working in California.

Manufacturers/Distributors: While there are dozens of national & regional players in this industry, SDAG deals with Mygrant, Safelite, and Pilkington. More than 50% of our glass comes from Mygrant due to the low pricing and availability of glass.

Customers: In the auto glass repair/replacement business, customers are broken down into three categories. Retail makes up 60% of the revenue. These are cash customers who pay for our services immediately. Wholesale makes up another 20% and they usually have a 10 to 30 day payment schedule. Finally, Insurance makes up the remaining 20%, and they take anywhere from 20 to 30 days to receive payment.

How We Generate Revenue

Example of an auto glass repair/replacement

Customers	Auto Glass	Installation	Molding & Glue	Total Sale Price
Wholesale Average Gross Sale Per Job	\$65.00	\$50.00	\$20.00	\$135.00
Insurance Average Gross Sale Per Job	\$100.00	\$100.00	\$20.00	\$220.00
Retail Average Gross Sale Per Job	\$85.00	\$70.00	\$20.00	\$175.00

How We Deliver Service: Retail & Wholesale

Step 1. Customers call 800 or local number for a quote to repair or replace broken windshield

Step 2. All calls are routed to call center in Thailand. Service Reps give quote and receive order.

Step 3. Service Reps fax work order to installer And places glass order with glass distributor.

Step 4. Installer picks up glass, and does job at Customers home, business location. Collects payment.

Step 5. At the end of day, Installer faxes completed job orders back to our office, and deposits all payments.

How We Deliver Service: Insurance Companies

Step 1. Claims Management company calls 800 or local number to place order for auto glass repair service.

Step 2. All calls are routed to call center in Thailand. Service Reps gathers all information to process order.

Step 3. Service Reps fax work order to installer And places glass order with glass distributor.

Step 4. Installer picks up glass, and does job at Customers home or business location.

Step 5. Installer faxes completed job order back to our office. Service Reps bill insurance company.

Marketing & Sales Goals:

Each Same Day Auto Glass location will generate Over \$500,000 in gross revenue by the year 2014

SDAG will have 10 investment partners operating Auto glass repair shops throughout California

Operate a Call Center in Thailand & Corporate Training Center in Sacramento

Each Location will invest \$60,000 Annually on Marketing Activities

Same Day Auto Glass

Marketing Activities (Retail & Wholesale)

Projected Results

AT&T Yellow Page advertising. First rule of marketing in the auto glass business; You must have a presence in the yellow pages.	<ul style="list-style-type: none">• Close 4 sales a day.
Online Directories. Google, yahoo, Craigslist and yellowpages.com. We will have a regular listing and enhanced listing on these sites.	<ul style="list-style-type: none">• Close 2 sales a day.
Advertise in Penny Saver. We will advertise weekly selecting only the most populated zip codes.	<ul style="list-style-type: none">• Close 1 sales a day
Advertise in small community newspapers.	<ul style="list-style-type: none">• Close 1 sale a day
Give discount coupons to all customers.	<ul style="list-style-type: none">• This will generate repeat business and referrals from satisfied customers.• Close 1 sale a day

Projected Results are only based on one auto glass operation.

Competitors:

Competitor	What they can do and we can't	What we can do and they can't
Cascade Auto Glass	Currently in 15 states. They use one call center and hire installers. Family business, not a franchise. Low operating cost.	Similar business model. Except we operate a call center overseas, and each new location is based on an investment partnership.
Safelite Auto Glass	Nationwide company that has direct ties with insurance companies. They also distribute auto glass	Our business model allows us much lower operating cost. We are able to purchase glass from multiple vendors.
SuperGlass Windshield Repair	Nationwide franchise company with over 300 franchises. \$15K investment to own business.	Investors receive all the benefits of business ownership without having to operate the business. We handle all business operations for the investors.

SWOT Analysis

Strength	Weakness
<ol style="list-style-type: none">1) Double digit returns are anticipated.2) Lower operating cost will make us extremely competitive in any market.3) Due to the economy, many competitors have gone out of business.	<ol style="list-style-type: none">1) Everything rest with founders at the moment. Any startup depends on its owners at the beginning.2) We depend upon new investment to grow and prosper.
Opportunities	Threats
<ol style="list-style-type: none">1) Its never been a better time to locate and hire professional installers at a reasonable price.2) There is more than enough business to support our growth.	<ol style="list-style-type: none">1) Sales are not generated as quickly as expected.2) Another company with the same business model arrives on the scene first.

SECTION 3:

Management & Personnel

Founding Members

Thomas Burns: is the founder and CEO for Same Day Auto Glass. Thomas is currently handling all marketing/sales activities. Specifically, Thomas is charged with generating new wholesale business accounts, advertising to the general public and securing investors. Thomas Burns has more than 12 years direct sales and marketing experience for startups and small business. He brings a wealth of knowledge and expertise to the company.

John Young: is the founder and CFO for Same Day Auto Glass. John is currently handling all accounting, billing and banking activities. Specifically, John oversees all insurance billing, accounting and preparing financial documents for the company. John Young has more than 10 years experience managing the daily accounting, billing and overall operations for his own auto glass business. His experience is an invaluable asset to the company.

Management

Joseph Young: is the Chief Operations Officer for Same Day Auto Glass. Joseph oversees the daily operations and works directly with our installers and customers. Specifically, he recruits and manages all installers, and works on all customer related issues. Joseph Young has more than 10 years experience working as an installer for his own auto glass company. His ability to work directly with installers and customers is a tremendous help to the success of the company.

Personnel:

The following represents the positions that are on our payroll.

Installers (Responsibilities include)

- They do all the repair and replacement work for the company.
- Fill out all work invoices and sales receipts upon completion of each job.
- Collect payment from customers when necessary. Insurance work does not require collecting payment from customers.

Service Reps (Responsibilities include)

- Answering all phone calls for the company.
- Providing customer service to all customers.
- Responsible for giving prospects a quote on the cost to repair/replace their auto glass.
- Using an industry standard software program to give quotes to each customer.
- Using the Internet to locate the address of each customer and scheduling each auto glass assignment.

SECTION 4:

Investment Opportunity & Estimated Rate of Return

Investment Option: Master Partner

Master Partner Investor: A minimum \$100K investment is required. SDAG and the Master Partner will create a new Limited Liability Corporation and open a new auto glass location. This new auto glass company will operate in a district region and have ownership of one to five branch offices. The Master Partner will function as Limited Partners with SDAG being the General Partner. The benefits of investing as a Master Partner are highlighted below.

1. SDAG is responsible for all daily business operations on your behalf. Hiring installers, sales, marketing and customer service.
2. Master Partner receives quarterly statement and payments. You receive a complete profit/loss statement every quarter and a final income statement at the end of the year for tax purposes.
3. No royalty payments of service fees. Since we operate as an LLC, the Master Partner receives 35% of the net profit and SDAG receives 65%. No hidden fees.
4. Receive benefits of business ownership. For tax purposes, your investment is treated as a business expense and not as a investment. Also, as a business owner, you can transfer ownership as you wish.

Available Business Opportunities:

The new partnership between the Master Partner and SDAG will select one of these locations to establish a brand new auto glass operation.



County

Population

Los Angeles	10,363,850
San Diego	3,146,274
Orange	3,121,251
Riverside	2,088,322
San Bernardino	2,055,766
Santa Clara	1,837,075
Alameda	1,543,000
Contra Costa	1,051,674
Fresno	931,098
Ventura	831,587
Kern	817,517
San Mateo	739,469
San Joaquin	685,660

New Location Start-up Cost

Master Partner \$100K investment

Startup Expenses	
LLC Incorporation & Legal Fees / Permits	\$2,500
Business Insurance	\$3,000
New Marketing Materials	\$1,000
Advertising Campaign (1 st year)	\$50,000
New Office Lease / Signage	\$2,000
Installers Salary (6 months)	\$18,000
New Equipment & Vehicle (monthly Payments)	\$5,000
Starting Salary	\$1,500
Operating Capital	\$15,000

12 Month Sales Forecast: One Location

Estimated Sales Forecast for Master Partner

Revenue Sources	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	July	Aug
Retail Customers	\$26,950	\$26,950	\$26,950	\$26,950	\$26,950	\$26,950	\$26,950	\$26,950	\$26,950	\$26,950	\$26,950	\$26,950
Wholesale Customers	\$5,940	\$5,940	\$5,940	\$5,940	\$5,940	\$5,940	\$5,940	\$5,940	\$5,940	\$5,940	\$5,940	\$5,940
Insurance Customers	\$9,680	\$9,680	\$9,680	\$9,680	\$9,680	\$9,680	\$9,680	\$9,680	\$9,680	\$9,680	\$9,680	\$9,680

The following projections are based on gross sales for one SDAG location that employs two installers and invest \$5,000 a month on advertising. These are conservative estimates based on a 22 day work month.

Retail: Average sale = \$175; Average number of sales per month = 154

Wholesale: Average Sale = \$135; Average number of sales per month = 44

Insurance: Average Sale = \$220; Average number of sales per month = 44

Same Day Auto Glass

5 Year Profit / Loss Projections: One Location

Estimated Master Partner 5 year projections
10% annual sales increase

	2010	2011	2012	2013	2014
Gross Sales	\$510,840	\$561,924	\$618,116	\$679,927	\$747,919
COGS \$75 glass, molding & glue	\$217,800	\$239,580	\$263,538	\$289,891	\$318,970
	\$293,040	\$322,344	\$354,578	\$390,036	\$428,949
Lease / Fuel	\$21,600	\$23,760	\$26,136	\$28,749	\$31,580
Rent	\$6,000	\$6,000	\$6,000	\$7,000	\$7,000
Employees	\$80,000	\$80,000	\$80,000	\$90,000	\$100,000
Legal / Ins	\$8,000	\$8,000	\$8,000	\$8,000	\$10,000
Equipment	\$6,000	\$7,000	\$8,000	\$10,000	\$12,000
Marketing	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000
Accounting	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
Total Expenses	\$184,600	\$188,760	\$192,136	\$207,749	\$224,580
Net Profit	\$108,440	\$133,584	\$162,442	\$182,287	\$204,369

Master Partner: Partnership Income Projections

Estimated Annual Rate of Return

SDAG Fresno	2010	2011	2012	2013	2014
Net Profit	\$108,440	\$133,594	\$162,442	\$182,287	\$204,369
SDAG 65% of Net	\$70,486	\$86,361	\$105,587	\$118,486	\$132,839
Master Partner 35% of Net	\$37,954	\$46,757	\$56,854	\$63,800	\$71,529

SDAG operates the business on your behalf. The exact division of revenue and profits is spelled out in the beginning. Your estimated annual net profit is based on industry wide averages.

SECTION 5:

Investment Opportunity Summary

SDAG & Master Partner: Partnership Details

SDAG and the Master Partner will form a new company.

This new company will operate as a Limited Liability Corporation.

SDAG will operate all aspects of the business, while the Master Partner will provide start-up capital.

Together they will share the revenue generated on a quarterly basis.

The name of this new company will be based on the district region chosen by the Master Partner. For example, if an investor chooses Riverside, the new company name will be “Same Day Auto Glass Riverside”

Benefits for the Master Partner & SDAG

1. For tax purposes the investment is treated as a business expense, therefore it's a tax deduction on your personal income taxes. The quarterly payouts are then treated as income from a business interest and is taxed as if you were an employee.
2. Based on the agreement between the Master Partner and SDAG, both parties will have clear and specific rules of conduct and business operation.
3. SDAG avoids the fees, expenses and process involved with creating franchise opportunities, while still being able to build new auto glass locations throughout California. Also, SDAG remains in direct control of all business operations, thus ensuring the best opportunity for growth and success.
4. Both SDAG and the Master Partner have unlimited income potential. Since both parties receive income directly based on net profits, both have equal interest in working together for the good of the partnership.
5. The Master Partner receives a great deal more information regarding the day-to-day business operations. As an LLC limited partner, you have access to all company documentation and financial information. This is very different than most investment opportunities, where you are only allowed a summary or synopsis on the company's business operation.
6. The Master Partner has the ability to sell his interest or pass down to family without any complications. At the same time, SDAG will be able to maintain business operations with little business interruption.

Who Are Eligible Investors

To be eligible as a Master Partner Investor, you must meet the following criteria.

- Have a minimum net worth of \$500,000.
- Have a clear understanding of the investment opportunity.
- Be willing to function as a silent or limited partner.
- Be a United States citizen and reside in California.

Possible Exit Strategies

1. Sell or pass over your interest in the company at any time.
2. Maintain your interest, and invest into another auto glass location
3. SDAG is open to other possible exit strategies.

Second Investment Option:

In the event an investor does not meet the requirements to become a Master Partner Investor, they can elect to become a Limited Partner Investor.

The Limited Partner Investor makes a specific cash investment to increase gross revenue. This investment is to be utilized specifically towards the marketing activities for Same Day Auto Glass Sacramento location. The investment is treated as a Promissory Note with a specific rate of return to be paid over a specific time frame. The minimum investment is \$25,000 and the benefits of investing as a Limited Partner are highlighted below.

1. SDAG offers a minimum 9% annual rate of return. The rate of return is based on several factors including level of investment, and SDAG annual net profit.
2. Limited Partner receives quarterly statement and payments. SDAG will provide detailed information on how your investment is utilized. Also, you will receive quarterly payouts for your investment.
3. Limited Partner investors will be paid their investment plus interest between 18 and 30 months. Factors such as amount of investment and rate of return will determine the exact time frame.