

Business Plan



We put your brand in peoples hands

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Executive Summary

Empire, Promotions and Advertising. Roughly 543,000 businesses inaugurate monthly. According to the SBA, 30% of these businesses fail during the first two years, 50% during the first 5 years, 66% during the first 10 years, and only a quarter make it to 15 years after the start up month. As the business world evolves, it becomes a vital necessity to obtain promotional resources that introduce businesses to the people. Lack of promotional resources for these initiating companies and entrepreneurs is one of the contributing factors that drive a business to failure. We are convinced that there is a great market opportunity here for an advertisement company offering affordable promotional services for all small developing companies.

Empire Promotions and Advertising. We recently launched a new publicity company offering reasonably priced promotional services ranging from web design, company stationary, promotional items and clothing. Empire was created to publicize and prosper any company brand taking it to the next level.

We expect a revenue of 5% loss the first year, a break even of 0 the second year, and a revenue growth of 5% the following years. We expect our business to be profitable after the third year of the start up month.

We plan to seek outside investors to get started and grow to the next level. The next level plan will include expansion into production facilities to produce our promotional products in house. To move to this next level we are looking for support of venture capital totaling \$250,000. Our business financial plan is to get a loan that will provide us with 75% of expenses and the other 25% we will be making independently out of our productions in sales.

The strengths of the plan:

- Wide Variety of Products
- Non Gender Specific
- Geographical location is a non hindering factor
- 22 million small businesses that need promotion and advertising

Our mission is to provide businesses and entrepreneurs the publicity resources necessary to help their company succeed in the market. We will help such companies advertise their products and services in an abundant amount of ways.



About the Company

Ownership & Structure

Empire Promotions and Advertising. Empire is a registered C Corp in the advertising and marketing sector focusing primarily on small businesses within the domestic United States. Located at 1401 South Grand Ave, Santa Ana, CA 92705, Empire was founded in September of 2015. Founding partners Sandra Gutierrez (Chief Executive Officer), Linbert Castelan (Chief Operations Officer), and Karla Escobedo (Chief Financial Officer), are co-owners with equal shares in the ownership of the corporation. No outside investors are involved at this point in time, though as the company grows we plan to expand opportunities for outside investment.

Mission Statement

The mission of Empire is to attract and promote small businesses with high-valued affordable products and services serving as publicity for any small company in America.

Management Functions

Empire Promotions and Advertising. Our management team at Empire consists of the three founders and owners of the company: Sandra Gutierrez (Chief Executive Officer), Linbert Castelan (Chief Operations Officer), and Karla Escobedo (Chief Financial Officer). Our firm has been organized by the CEO and COO who divided employees in departments in order to meet objectives. The CEO oversees the sales, marketing, arts and publications and digital media departments while the COO oversees the accounting, communications and human resources departments. Each department was assigned a Vice President who oversees all associates. Company officers direct the department VPs who then split the assignments among the associates and provide employees the information required to complete each task. The firm monitors its progress by verifying tasks with consultant and updating a Strategic Planning Sheet which helps determine what department is responsible for what and monitor what they are completing.

As an advertising company our goal is to help as many developing businesses promote their products and company brand. Our strategies to achieve our goal are staying motivated and determined to help businesses expand their market. Prior to achieving this goal, we have targeted a segment of 22 million small growing businesses in need of our products and services.

Empire Promotions and Advertising. The world of advertising can be tough to figure out, especially in the early days when a company is in the mists of development. Outside of our management team, the opinion we trust the most belongs to Alan Gersten, the head advisor of the e-Business academy. We are fortunate to have someone with an extended business background.



SWOT Analysis

Strengths: (internal)

- Wide Variety of Products
- Non Gender Specific
- Geographical location is a non hindering factor
- 22 million small businesses that need promotion and advertising

Weaknesses: (internal)

- Not all businesses have a budget for advertising
- No manufacturing or promotional productions

Opportunities:

- Expand into recycled products for the environmental conscience
- Mobile advertising (drone technologies)

Threats:

- Competition

External Environment

Industry Analysis

The marketing sector is dynamic and constantly responding to changing consumer habits. As technology continues to become more sophisticated, companies are investing in new ways to better understand and communicate with their consumers.

As a response to changes in Digital technology has created an increased number of channels, such as social media and mobile devices, to send brand and product messages to. Employers expect recruits to have an understanding of new media, and they particularly value creative, innovative companies like Empire Promotions and Advertising.

Statistics have never been more important in this sector. Increase in social media use has created a huge dataset that marketers can utilise to improve analysis of consumer



behaviour. Databases are used to better understand segments of the market and move towards direct marketing, helping to build long-term customer relationships.

Empire is an online based company. We are essential to the variety of customers we contain and businesses globally. Due to the providence of exposure for our customers of advertising and promotions for their companies. We help expand our consumers businesses by providing their own logos on merchandise provided by us. Especially for our consumers with incompatible busy schedules we provide updates on their own websites and help upgrade their pages.

Competitive Analysis

Traditionally, a branding promotion companies will use a catalog to sell their products. If a company wants to advertise their services, they'll contact an advertising company. Another type of resource advertisement companies utilize is through social media. Our company, Empire "promotions & advertising" combines all three services into one, which makes us unique from our other competitors.

Marketing Plan

Target Market

Empire, Promotions and Advertising. Our business focuses on two main groups of customers. The first, and primary, target includes 22 million small business who struggle to promote their businesses. These 22 million businesses make up 78.57% which roughly averages to about \$62 billion.

Empire, Promotions and Advertising. Our business focuses on two main groups of customers. The first, and primary, target is small and profit business that don't have the resource to promote themselves. Our geographical area is not limited, we ship all around the world.

Our second target are businesses that need advertisement. We plan to help the vast majority of the 22 million small businesses that need promotion and advertising. Our research suggests that promotional contracts in the business-to-business space typically run \$300 to \$500 per month. (We are getting \$1,000 total for the three-month pilot in progress.) With a dozen good prospects, that suggests a market opportunity of \$40,000 to \$70,000 annually.



Market Trends

Empire, Promotions and Advertising is poised to take advantage of social media trends. Empire's target market are small business firms and or any business who just want to advertise their company. With consumers seeking more exposure through the online world, there is an opening in the market that we are well positioned to capitalize on.

Market Size & Segments

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Marketing Mix: Products and Services

Products List

| Advertising | | | | Clothing Your Brand | | | | | |
|--------------------------|---------------------|----------|---------|--------------------------|------------------------|-----------------|-----------|---------|---------|
| Posted Ads | | | | Tee Shirts | | | | | |
| | Product Numbers | COGS | Price | | Product Numbers | COGS | Price | | |
| | FYEP801 | \$3.75 | \$7.50 | T-shirt Mens | TSEAP901 | \$6.00 | \$12.00 | | |
| | FYEP804 | \$6.37 | \$12.74 | T-shirt Womens | TSEAP903 | \$6.00 | \$12.00 | | |
| | FYEP807 | \$7.40 | \$14.60 | Long Sleeve Mens | LSEAP905 | \$8.00 | \$16.00 | | |
| | FYEP810 | \$11.20 | \$22.40 | Long Sleeve Women | LSEAP907 | \$8.00 | \$16.00 | | |
| | PSEPA001 | \$14.00 | \$28.00 | Semi-Casual | | | | | |
| | PSEPA002 | \$19.50 | \$39.00 | | Product Numbers | COGS | Price | | |
| Social Media | | | | | Polo Mens | PLEPA301 | \$12.50 | \$25.00 | |
| | Product Numbers | COGS | Price | | Polo Womens | PLEPA304 | \$12.50 | \$25.00 | |
| | Twitter | SMEPA201 | \$17.50 | \$35 | Mens Dress Shirts | DSEPA603 | \$19.25 | \$38.50 | |
| | You Tube | SMEPA202 | \$17.50 | \$35 | Dress Shirts womens | DSEPA601 | \$16.75 | \$33.50 | |
| | Facebook | SMEPA203 | \$17.50 | \$35 | Sweats | | | | |
| | Instagram | SMEPA204 | \$17.50 | \$35 | | Product Numbers | COGS | Price | |
| Business Cards | | | | | Zip up hoodies Men | SWEPA704 | \$16.17 | \$32.34 | |
| | Product Numbers | COGS | Price | | Zip up hoodies Female | SWEPA701 | \$16.17 | \$32.34 | |
| | 250 Business cards | BCEPA012 | \$4.25 | \$8.50 | Zip up hoodies Unisex | SWEPA707 | \$17.08 | \$34.16 | |
| | 500 Business cards | BCEPA013 | \$6.60 | \$13.20 | Hats | | | | |
| Web Design | | | | | Product Numbers | COGS | Price | | |
| Static Web Design | | | | | Hats Unisex | CPEPA501 | \$9.00 | \$18.00 | |
| | Product Numbers | COGS | Price | Promotional Items | | | | | |
| | Design | WDEPA233 | \$25.00 | \$50.00 | Office Supplies | | | | |
| | Design and Maintain | WDEPA234 | \$37.50 | \$75.00 | | Product Numbers | COGS | Price | |
| | Maintain | WDEPA235 | \$12.50 | \$25.00 | | Pens Type 1 | PNEAPA040 | \$0.09 | \$0.18 |
| e-Commerce | | | | | | Pens Type 2 | PNEAPA041 | \$0.72 | \$1.44 |
| | Product Numbers | COGS | Price | | | Pens Type 3 | PNEAPA042 | \$0.20 | \$0.40 |
| | Design | WDEPA236 | \$50.00 | \$100.00 | | Pens Type 4 | PNEAPA043 | \$0.96 | \$1.92 |
| | Design and Maintain | WDEPA237 | \$75.00 | \$150.00 | | Pens Type 5 | PNEAPA044 | \$0.25 | \$0.50 |
| | Maintain | WDEPA238 | \$25.00 | \$50.00 | | Pens Type 6 | PNEAPA045 | \$0.25 | \$0.50 |
| | | | | | | Binders Type 1 | BNREPA401 | \$2.50 | \$5.00 |
| | | | | | | Binders Type 2 | BNREPA402 | \$2.50 | \$5.00 |
| | | | | | | Binders Type 3 | BNREPA403 | \$3.50 | \$7 |
| | | | | | | Binders Type 4 | BNREPA404 | \$7.00 | \$14.00 |
| | | | | | | Binders Type 5 | BNREPA405 | \$8.50 | \$16.00 |

Marketing Mix: Pricing

Empire Promotions and Advertising strategically selected the cost plus pricing strategy. With this strategy we base our product price upon a percentage. Empire Promotion and Advertising is using a 100% mark up on the cost of goods. If we produce a shirt for \$10 we will be selling it for \$20.

Marketing Mix: Placement

The mass percentage of sales is gained online through our website. A portion of our profits come from trade shows. Empire has a 20% trade show income. Our total income of the intake of the website is 5%. Non-virtual customers will also compile 75% of our profits.

Marketing Mix: Promotion

Our promotions will relate in socializing with business owners. We will promote our company through career events and trade shows. Participating will allow exposure for new upcoming businesses at the trade shows. This would give us several opportunities to broadcast our name by helping them publish their image. We would use internet ads on VEI. Since most consumers are dependent on technology, providing internet ads will be the best way to associate with them.



Marketing Mix: Positioning

Empire, Promotions and Advertising wants to assist new upcoming companies make profit. We are investing our money into other companies in order to help them become well-known. We don't just have a professional relationship, but also a personal connection with our consumers to make sure that they are satisfied and content with our services.

Business Risks

Identify the risks that will occur if assumptions you have made are incorrect. Provide a strategy for dealing with the risks identified.

Financial Planning

Financial Forecast

Break-even Analysis

Empire Promotions and Advertising's goal in order to "break even" and to keep the company running for a month is to sell 7,660 products which prices are around \$24.50 dollars. This break even will cover one month of expenses of the company, including one month of payroll.

Key Assumptions

Empire Promotions and Advertising. We are expecting to provide services to an average of 4 companies per month creating an average of 1 per week this on the first two months, since we are expecting the company to start slow, and in the following months we will be increasing our average customers that we will be providing per month to a range of 9-12, this will increase our average of one company per week to 3 per week.



Break-Even Analysis

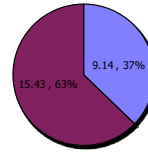
Break-even Analysis

EMPIRE Promotions and Advertising

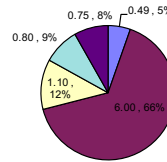
Amounts shown in U.S. dollars

| Sales | |
|-------------------------------------|-------------------|
| Sales price per unit | 24.57 |
| Sales volume per period (units) | 7,660 |
| Total Sales | 188,206.20 |
| Variable Costs | |
| Commission per unit | 0.49 |
| Direct material per unit | 6.00 |
| Shipping per unit | 1.10 |
| Supplies per unit | 0.80 |
| Other variable costs per unit | 0.75 |
| Variable costs per unit | 9.14 |
| Total Variable Costs | 70,023.12 |
| Unit contribution margin | 15.43 |
| Gross Margin | 118,183.08 |
| Fixed Costs Per Period | |
| Administrative costs | 108,093.00 |
| Insurance | 1,069.00 |
| Property tax | 0.00 |
| Rent | 1,325.00 |
| Other fixed costs | 7,693.59 |
| Total Fixed Costs per period | 118,180.59 |
| Net Profit (Loss) | 2.49 |

Unit Contribution Margin



Variable Costs Per Unit



Results:

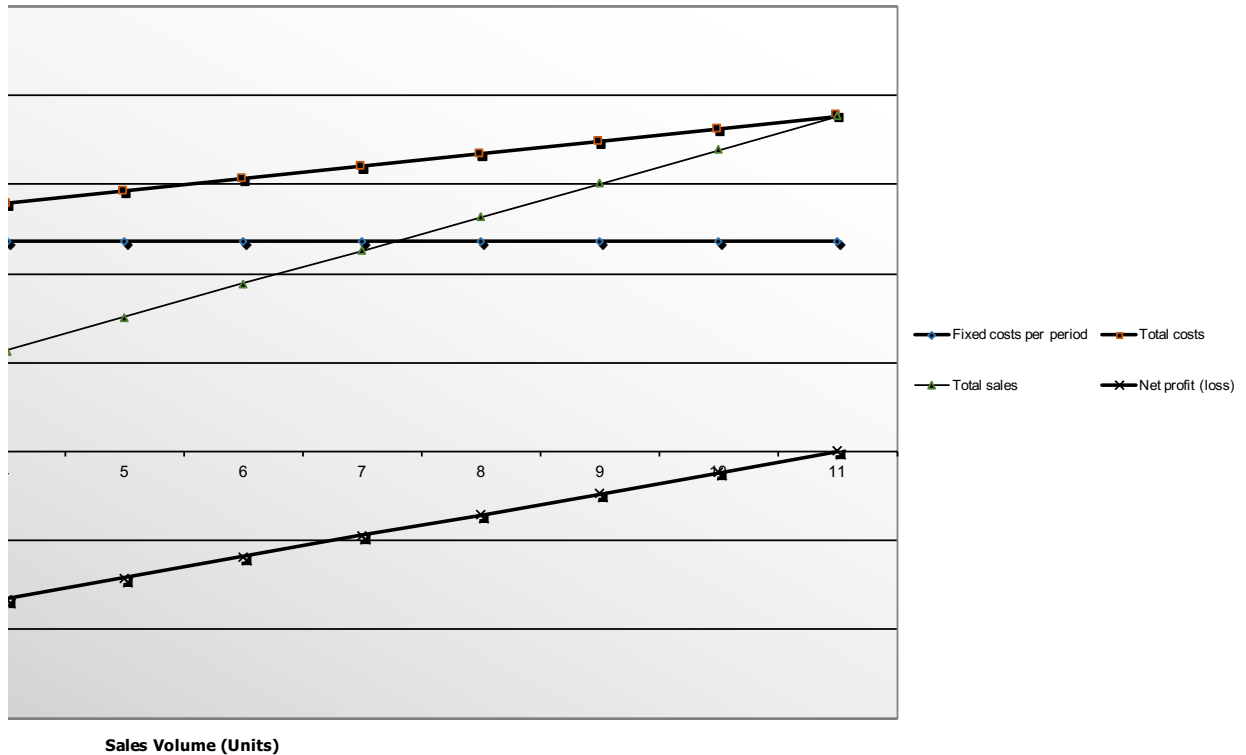
Breakeven Point (units):

7,660

Sales volume analysis:

| Sales volume per period (units) | 0 | 766 | 1,532 | 2,298 | 3,064 | 3,830 | 4,596 | 5,362 | 6,128 | 6,894 | 7,660 |
|---------------------------------|--------------|--------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|------------|
| Sales price per unit | 24.57 | 24.57 | 24.57 | 24.57 | 24.57 | 24.57 | 24.57 | 24.57 | 24.57 | 24.57 | 24.57 |
| Total sales | 0.00 | 18,820.62 | 37,641.24 | 56,461.86 | 75,282.48 | 94,103.10 | 112,923.72 | 131,744.34 | 150,564.96 | 169,385.58 | 188,206.20 |
| Fixed costs per period | 118,180.59 | 118,180.59 | 118,180.59 | 118,180.59 | 118,180.59 | 118,180.59 | 118,180.59 | 118,180.59 | 118,180.59 | 118,180.59 | 118,180.59 |
| Variable costs | 0.00 | 7,002.31 | 14,004.62 | 21,006.94 | 28,009.25 | 35,011.56 | 42,013.87 | 49,016.19 | 56,018.50 | 63,020.81 | 70,023.12 |
| Total costs | 118,180.59 | 125,182.90 | 132,185.21 | 139,187.53 | 146,189.84 | 153,192.15 | 160,194.46 | 167,196.78 | 174,199.09 | 181,201.40 | 188,203.71 |
| Net profit (loss) | (118,180.59) | (106,362.28) | (94,543.97) | (82,725.67) | (70,907.36) | (59,089.05) | (47,270.74) | (35,452.44) | (23,634.13) | (11,815.82) | 2.49 |

Breakeven Analysis Chart



Income Statement

PROJECTED MULTIPLE-STEP INCOME STATEMENT

Empire Promotions and Advertising

November 2015 - April 2016

Ending of 4/30/16

| Category | May-15 | Jun-15 | Jul-15 | Aug-15 | Sep-15 | Oct-15 | Nov-15 | Dec-15 | Jan-16 | Feb-16 | Mar-16 | Apr-16 |
|-------------------------------------|--------|--------|--------|--------|--------|--------|----------------|----------------|----------------|----------------|---------------|---------------|
| Sales | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 162,140.25 | \$ 162,140.25 | \$ 194,568.30 | \$ 210,782.32 | \$ 249,695.99 | \$ 243,210.38 |
| Cost of Goods Sold | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 81,070.13 | \$ 81,070.13 | \$ 97,284.15 | \$ 105,391.16 | \$ 87,393.59 | \$ 85,123.63 |
| GROSS PROFIT | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 81,070.13 | \$ 81,070.13 | \$ 97,284.15 | \$ 105,391.16 | \$ 162,302.39 | \$ 158,086.74 |
| Operating Expenses | | | | | | | | | | | | |
| Salary (Office & Overhead) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 108,093.50 | \$ 108,093.00 | \$ 108,093.00 | \$ 108,093.00 | \$ 108,093.00 | \$ 108,093.00 |
| Payroll (taxes, etc.) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 27,444.95 | \$ 27,444.95 | \$ 27,444.95 | \$ 27,444.95 | \$ 27,444.95 | \$ 27,444.95 |
| Outside Services | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 825.00 | \$ 795.00 | \$ 945.00 | \$ 945.00 | \$ 1,065.00 | \$ 1,005.00 |
| Supplies | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 100.00 | \$ - | \$ 125.00 | \$ 65.00 | \$ 225.00 | \$ 45.00 |
| Repairs & Maintenance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Advertising | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 400.00 | \$ 200.00 | \$ 200.00 | \$ 200.00 | \$ 200.00 | \$ 200.00 |
| Car, Delivery, Travel | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Accounting Expenses | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Legal Expenses | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 600.00 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Rent | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,325.00 | \$ 1,325.00 | \$ 1,325.00 | \$ 1,325.00 | \$ 1,325.00 | \$ 1,325.00 |
| Telephone | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 852.50 | \$ 852.50 | \$ 852.50 | \$ 852.50 | \$ 852.50 | \$ 852.50 |
| Utilities | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,441.00 | \$ 1,441.00 | \$ 1,441.00 | \$ 1,441.00 | \$ 1,441.00 | \$ 1,441.00 |
| Insurance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,069.00 | \$ 1,069.00 | \$ 1,069.00 | \$ 1,069.00 | \$ 1,069.00 | \$ 1,069.00 |
| Taxes (real estate, etc) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Interest | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 51.00 | \$ 50.17 | \$ 49.34 | \$ 48.51 | \$ 47.68 | \$ 46.85 |
| Depreciation | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 657.39 | \$ 657.39 | \$ 657.39 | \$ 657.39 | \$ 657.39 | \$ 657.39 |
| Software Licenses | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 769.00 | \$ 769.00 | \$ 769.00 | \$ 769.00 | \$ 769.00 | \$ 769.00 |
| Loan | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,046.14 | \$ 1,046.14 | \$ 1,046.14 | \$ 1,046.14 | \$ 1,046.14 | \$ 1,046.14 |
| (other 3) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| TOTAL OPERATING EXPENSES | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 144,674.48 | \$ 143,743.15 | \$ 144,017.32 | \$ 143,956.49 | \$ 144,235.66 | \$ 143,994.83 |
| NET PROFIT/LOSS BEFORE TAXES | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ (63,604.36) | \$ (62,673.03) | \$ (46,733.17) | \$ (38,565.33) | \$ 18,066.73 | \$ 14,091.91 |
| Income Taxes | | | | | | | \$ 11,349.82 | \$ 11,349.82 | \$ 13,619.78 | \$ 14,754.76 | \$ 17,478.72 | \$ 17,024.73 |
| NET PROFIT/LOSS AFTER TAX | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ (74,954.17) | \$ (74,022.84) | \$ (60,352.95) | \$ (53,320.09) | \$ 588.01 | \$ (2,932.81) |
| Owner draw or dividends | | | | | | | 0 | 0 | 0 | 0 | 0 | 0 |
| RETAINED EARNINGS | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ (74,954.17) | \$ (74,022.84) | \$ (60,352.95) | \$ (53,320.09) | \$ 588.01 | \$ (2,932.81) |



Balance Sheet

Projected Balance Sheet

Empire Promotions and Advertising

Date 04/30/2016

| ASSETS | Year 1 |
|--|----------------------|
| Current Assets | |
| Cash in Bank | \$ 328,457.00 |
| Accounts Receivable | \$ 78,543.00 |
| Inventory | \$ 2,000.00 |
| Other current assets | |
| TOTAL CURRENT ASSETS | \$ 409,000.00 |
| FIXED ASSETS | |
| Machinery & Equipment | \$ 35,627.41 |
| LESS: Accumulated Depreciation - Machinery & Equipment | \$ 2,273.88 |
| Furniture & Fixtures | \$ 19,399.00 |
| LESS: Accumulated Depreciation - Furniture & Fixtures | \$ 2,327.88 |
| TOTAL FIXED ASSETS (net of depreciation) | \$ 50,424.65 |
| TOTAL ASSETS | \$ 459,424.65 |
| LIABILITIES & EQUITIES | |
| Current Liabilities | |
| Accounts Payable | \$ 6,713.26 |
| Interest Payable | \$ 339.56 |
| Payroll Taxes Payable | \$ 27,444.95 |
| TOTAL CURRENT LIABILITIES | \$ 34,497.77 |
| Long Term Debt | |
| Bank Loans Payable | \$ 7,322.98 |
| TOTAL LONG-TERM DEBT | \$ 7,322.98 |
| TOTAL LIABILITIES | \$ 34,497.77 |
| Owner's Equity | |
| Common Stock | \$ 424,926.88 |
| Retained Earnings | \$ - |
| TOTAL OWNER'S EQUITY | \$ 424,926.88 |
| TOTAL LIABILITIES & EQUITIES | \$ 459,424.65 |
| | \$ - |



Balance Sheet

PROJECTED CASH BUDGET

Empire Promotions and Advertising

May 1 2015 - April 30 2016

| Category | Actual | | | | | | | Projected | | Projected | | Projected | |
|----------------------------|--------|--------|--------|--------|--------|--------|---------------|---------------|---------------|-----------------|----------------|----------------|--|
| | May-15 | Jun-15 | Jul-15 | Aug-15 | Sep-15 | Oct-15 | Nov-15 | Dec-15 | Jan-16 | Feb-16 | Mar-16 | Apr-16 | |
| Cash on Hand | | | | | | | \$ 424,926.88 | \$ 309,872.21 | \$ 115,647.92 | \$ (95,064.58) | \$ - | \$ - | |
| Cash Receipts | | | | | | | | | | | | | |
| Cash Sales | | | | | | | \$ - | \$ 162,140.25 | \$ 194,568.30 | \$ 199,432.51 | \$ 207,539.52 | \$ 207,539.52 | |
| TOTAL CASH RECEIPTS | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 162,140.25 | \$ 194,568.30 | \$ 199,432.51 | \$ 207,539.52 | \$ 207,539.52 | |
| Total cash available | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 424,926.88 | \$ 472,012.46 | \$ 310,216.22 | \$ 104,367.93 | \$ 207,539.52 | \$ 207,539.52 | |
| Cash Paid Out | | | | | | | | | | | | | |
| Purchases | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 81,070.13 | \$ 97,284.15 | \$ 99,716.25 | \$ 103,769.76 | \$ 103,769.76 | |
| Gross Wages | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 108,093.50 | \$ 108,093.50 | \$ 108,093.50 | \$ 108,093.50 | \$ 108,093.50 | \$ 108,093.50 | |
| Outside Services | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 825.00 | \$ 795.00 | \$ 945.00 | \$ 945.00 | \$ 1,065.00 | \$ 1,005.00 | |
| Supplies | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 100.00 | \$ - | \$ 125.00 | \$ 65.00 | \$ 225.00 | \$ 45.00 | |
| Repairs & Maintenance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| Advertising | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 400.00 | \$ 200.00 | \$ 200.00 | \$ 200.00 | \$ 200.00 | \$ 200.00 | |
| Car, Delivery, Travel | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| Accounting Services | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| Legal Services | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 500.00 | \$ - | \$ - | \$ - | \$ - | \$ - | |
| Rent | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,325.00 | \$ 1,325.00 | \$ 1,325.00 | \$ 1,325.00 | \$ 1,325.00 | \$ 1,325.00 | |
| Telephone | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 852.50 | \$ 852.50 | \$ 852.50 | \$ 852.50 | \$ 852.50 | \$ 852.50 | |
| Utilities | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,069.00 | \$ 1,069.00 | \$ 1,069.00 | \$ 1,069.00 | \$ 1,069.00 | \$ 1,069.00 | |
| Insurance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,069.67 | \$ - | \$ - | \$ - | \$ - | \$ - | |
| Taxes (real estate, etc.) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| Income Taxes Paid | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| Interest | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 51.00 | \$ 50.17 | \$ 49.34 | \$ 48.51 | \$ 47.68 | \$ 46.85 | |
| Software Licenses | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 769.00 | \$ 769.00 | \$ 769.00 | \$ 769.00 | \$ 769.00 | \$ 769.00 | |
| SUBTOTAL | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 115,054.67 | \$ 194,224.30 | \$ 210,712.49 | \$ 213,083.76 | \$ 217,416.44 | \$ 217,175.61 | |
| Loan Principal Payment | | | | | | | \$ 1,046.14 | \$ 1,046.14 | \$ 1,046.14 | \$ 1,046.14 | \$ 1,046.14 | \$ 1,046.14 | |
| Capital Purchase | | | | | | | \$ 72,443.04 | \$ - | \$ - | \$ - | \$ - | \$ - | |
| Other Start Up Costs | | | | | | | \$ 14,156.58 | \$ - | \$ - | \$ - | \$ - | \$ - | |
| Total Cash Paid Out | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 202,700.43 | \$ 195,270.44 | \$ 211,758.63 | \$ 214,129.90 | \$ 218,462.58 | \$ 218,221.75 | |
| Cash Position | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 222,226.45 | \$ 276,742.03 | \$ 98,457.59 | \$ (109,761.97) | \$ (10,923.06) | \$ (10,682.23) | |



CONTRACT FOR THE PURCHASE AND SUPPLY OF GOODS

This Deed of Agreement is entered into as of the Effective Date identified below.

BETWEEN Empire Promotions and Advertisings of Santa Ana, California. To be known as Empire in this Agreement AND: Wal-Mart Corporation of Bentonville, Arkansas. To be known as Wal-Mart Corporation in this agreement.

WHEREAS: Empire desires to enter into an agreement to supply Wal-Mart with Clothing for their Employees such as polo shirts and t-shirt. To be known as Employee Uniforms In this Agreement.

NOW IT IS HEREBY AGREED: That Empire and Wal-Mart shall enter into an agreement subject to the following terms and conditions:

1. Definitions and Interpretations

1.1 Price, will only be in dollars of the United States of America unless otherwise stated.

1.2 This agreement shall be governed by United States law, and the parties hereby agree to submit to the jurisdiction of the Courts of the United States with respect to this agreement.

2. Commencement and Completion

The commencement date is scheduled as December 1, 2015. The completion date is scheduled as April 30, 2016. The schedule may be modified by agreement as defined in Section 9. Effective date of this agreement: The twenty-sixth day of November 2012

Gregory Marzilli
Vice President of New Employee Training
1401 S. Grand Avenue
Bentonville, AR 72716

Eden Cruz
Vice President of Sales
702 SW 8th St.
Santa Ana, CA 92705

3. Purchase Orders

3.1 Wal-Mart Corporation shall follow the Empire's price lists.

3.2 Wal-Mart Corporation shall present Empire with a purchase order for the provision of Employee Uniform within 7 days of the commencement date.

3.3 The purchase order shall nominate the method of delivery as defined in Section 4.

3.4 Purchase orders are to be sent electronically, and are to be interpreted under standards and guidelines outlined in Supplement A.

3.5 When complications occur with purchasing orders or other event your direct contact will be Eden Cruz, Vice President of Sale.

4. Delivery

4.1 The Wal-Mart Corporation shall arrange for delivery to be made according to one of the following terms: (a) The shipping and insurance of the Employee Uniforms shall be the sole responsibility of and entirely at the expense of Wal-Mart Corporation. (b) The shipping and insurance of the Employee Uniforms shall be the responsibility of Empire. Wal-Mart Corporation shall provide Empire at least 7 days notice and pay the carriage



and insurance costs from the Empire delivery price list.

5. Payment

5.1 The payment terms shall be in full upon receipt of invoice. Interest shall be charged at [percentage] on accounts not paid within 14 days of the invoice date. The prices shall be as stated in the sales order unless otherwise agreed in writing by Empire.

5.2 Payments are to be sent electronically, and are to be performed under standards and guidelines outlined in Supplement B.

6. Rejection

6.1 If the electronic devices and accessories do not comply with the Order or Empire does not comply with any of the conditions, then the Wal-Mart Corporation shall at its sole discretion be entitled to reject the Employee Uniforms and the Order. Wal-Mart Corporation shall return the rejected Employee Uniforms to the Empire at the Corporation risk and expense or notify Empire to collect the Employee Uniforms Empire may use its discretion to replace the Employee Uniforms according to the invoice or refund of the money that is paid.

7. Termination

7.1 If Wal-Mart Corporation fails to carry out any of its obligations and duties under this agreement Empire may issue a notice specifying the breach and request that it be remedied within 14 days after receipt of such notice.

7.2 If Wal-Mart Corporation fails to provide adequate remedy within the specified 14 days the agreement may be terminated forthwith.

8. Disputes

8.1 Empire and Wal-Mart Corporation shall attempt to settle all disputes, claims or controversies arising under or in connection with the agreement through consultation and negotiations in good faith and a spirit of mutual cooperation.

8.2 This method of determination of any dispute is without prejudice to the right of any party to have the matter judicially determined by a United States Court of competent jurisdiction. Before reaching to this extent all dispute will be solved through mediation.

9. Amendment

9.1 This agreement may only be amended in writing signed by both parties.

SIGNATURES

In witness whereof Empire and Wal-Mart Corporation have caused this agreement to be entered into by their duly authorized representatives as of the effective date written below.

Eden Cruz, Vice President of Sales Date

Gregory Marzilli, VP of New Employee Training Date



Reference Files

Virtual Enterprises International Loan Amortization Table

Loan Information

| | |
|-------------------------|---------------------|
| Loan Amount (Principal) | 200,000 |
| Annual Interest Rate | 4.75% |
| Term of Loan in Years | 5 |
| # of Payments per Year | 12 |
| Payment Type | end of period |
| Monthly Payment | (\$3,751.38) |

Summary

| | |
|--------------------|--|
| Rate (per period) | |
| Number of Payments | |
| Total of Payments | |
| Total Interest | |

| No. | Principal | Interest for the Period | Total Balance Outstanding | Payment for the period | Principal Reduction |
|-----|-----------|-------------------------|---------------------------|------------------------|---------------------|
| 1 | 200,000 | 791.67 | 200,791.67 | 3751.38 | 2959.72 |
| 2 | 197040.28 | 779.95 | 197,820.24 | 3751.38 | 2971.43 |
| 3 | 194068.85 | 768.19 | 194,837.04 | 3751.38 | 2983.19 |
| 4 | 191085.66 | 756.38 | 191,842.04 | 3751.38 | 2995.00 |
| 5 | 188090.66 | 744.53 | 188,835.18 | 3751.38 | 3006.86 |
| 6 | 185083.80 | 732.62 | 185,816.42 | 3751.38 | 3018.76 |
| 7 | 182065.04 | 720.67 | 182,785.72 | 3751.38 | 3030.71 |
| 8 | 179034.33 | 708.68 | 179,743.01 | 3751.38 | 3042.70 |
| 9 | 175991.63 | 696.63 | 176,688.26 | 3751.38 | 3054.75 |
| 10 | 172936.88 | 684.54 | 173,621.42 | 3751.38 | 3066.84 |
| 11 | 169870.04 | 672.40 | 170,542.44 | 3751.38 | 3078.98 |
| 12 | 166791.06 | 660.21 | 167,451.27 | 3751.38 | 3091.17 |
| 13 | 163699.89 | 647.98 | 164,347.87 | 3751.38 | 3103.40 |
| 14 | 160596.49 | 635.69 | 161,232.18 | 3751.38 | 3115.69 |
| 15 | 157480.80 | 623.36 | 158,104.16 | 3751.38 | 3128.02 |
| 16 | 154352.78 | 610.98 | 154,963.76 | 3751.38 | 3140.40 |
| 17 | 151212.38 | 598.55 | 151,810.93 | 3751.38 | 3152.83 |
| 18 | 148059.54 | 586.07 | 148,645.61 | 3751.38 | 3165.31 |
| 19 | 144894.23 | 573.54 | 145,467.77 | 3751.38 | 3177.84 |
| 20 | 141716.39 | 560.96 | 142,277.35 | 3751.38 | 3190.42 |
| 21 | 138525.97 | 548.33 | 139,074.30 | 3751.38 | 3203.05 |
| 22 | 135322.91 | 535.65 | 135,858.57 | 3751.38 | 3215.73 |
| 23 | 132107.19 | 522.92 | 132,630.11 | 3751.38 | 3228.46 |
| 24 | 128878.73 | 510.14 | 129,388.87 | 3751.38 | 3241.24 |
| 25 | 125637.49 | 497.32 | 126,134.81 | 3751.38 | 3254.07 |
| 26 | 122383.42 | 484.43 | 122,867.86 | 3751.38 | 3266.95 |
| 27 | 119116.47 | 471.50 | 119,587.98 | 3751.38 | 3279.88 |
| 28 | 115836.60 | 458.52 | 116,295.12 | 3751.38 | 3292.86 |
| 29 | 112543.73 | 445.49 | 112,989.22 | 3751.38 | 3305.90 |
| 30 | 109237.84 | 432.40 | 109,670.24 | 3751.38 | 3318.98 |
| 31 | 105918.85 | 419.26 | 106,338.12 | 3751.38 | 3332.12 |
| 32 | 102586.73 | 406.07 | 102,992.81 | 3751.38 | 3345.31 |
| 33 | 99241.42 | 392.83 | 99,634.25 | 3751.38 | 3358.55 |
| 34 | 95882.87 | 379.54 | 96,262.41 | 3751.38 | 3371.85 |
| 35 | 92511.03 | 366.19 | 92,877.21 | 3751.38 | 3385.19 |
| 36 | 89125.83 | 352.79 | 89,478.62 | 3751.38 | 3398.59 |
| 37 | 85727.24 | 339.34 | 86,066.58 | 3751.38 | 3412.05 |
| 38 | 82315.19 | 325.83 | 82,641.03 | 3751.38 | 3425.55 |
| 39 | 78889.64 | 312.27 | 79,201.91 | 3751.38 | 3439.11 |
| 40 | 75450.53 | 298.66 | 75,749.19 | 3751.38 | 3452.72 |
| 41 | 71997.81 | 284.99 | 72,282.80 | 3751.38 | 3466.39 |
| 42 | 68531.42 | 271.27 | 68,802.69 | 3751.38 | 3480.11 |
| 43 | 65051.30 | 257.49 | 65,308.80 | 3751.38 | 3493.89 |





EMPIRE
PROMOTIONS & ADVERTISING
1401 S. Grand Avenue Santa Ana, California