

**Deal Summary**

<b>Asking Price:</b>	\$2,000,000*	<b>Listing ID:</b>	AVGM
<b>Down Payment:</b>	\$200,000	<b>Company Type:</b>	Dance Production / Touring
<b>Adjusted EBITDA:</b>	\$569,000**	<b>Location:</b>	Tarrant County

\* Exclusive of any prepaid deposits including inventory

\*\* Average of 2018 – 2019 (2020 excluded due to Covid)

Adjusted EBITDA is defined as EBITDA + Owner’s Salary + One-time and Discretionary expenses

**Special Notes / Terms**

The price of \$2,000,000 is the based price for the business and the final price will be subjected to the deposits and prepayments at the time of closing.

Included within the purchase price are any payments the company has received for events that occur after the closing date minus any prepayments directly tied to those future events including but not limited to inventory, merchandise, or venue deposits. For example, if the company has received \$300,000 in customer deposits but has spent \$100,000 prepping for those events, the buyer will receive \$200,000.

This opportunity has been pre-approved by an SBA banker and is eligible for an SBA loan. For full approval, a buyer will need to meet the standards of both the SBA and the bank’s credit team.

The seller will retain all the cash and retire any long-term debt. Assuming a 10-year SBA banknote in the amount of \$1,800,000 (excludes any SBA and/or deal fees) and an interest rate of 6%; the monthly loan payments would be approximately \$20,000/month or \$240,000 annually. The SBA loan will be personally guaranteed by Buyer.

**Legal Organization**

<b>Type of Corporation:</b>	S Corporation	<b>NAICS Code:</b>	711300
<b>Year-End:</b>	December	<b>Accounting Method:</b>	Accrual

**Top Things to Know About This Business**

- **Business Model:** Organizes, promotes, and manages a national tour for competitive dance teams
- **Established Brand:** Excellent reputation for outstanding work
- **Longevity:** Established in 1997, the company has been an industry leader for 24+ years
- **Turnkey Operations:** Company is guided by well-defined systems and processes
- **Workforce:** Excluding the owner, company has 2 full-time employees and 1 part-time employee
- **Turnkey Operations:** Company is guided by well-defined systems and processes
- **Training:** Seller will train free of charge for 30 days to ensure smooth transition.

### Business Activity

Established in 1997, for the past 24+ years, the company has become a nationwide leader in organizing, promoting, and managing youth dance competitions. The competition levels are local, regional, and national. The touring season is from January – July each year with a single event annually in the fall. This event is a convention / competition.

### Key Strengths

- Well established reputation
- Very experienced labor force
- Growing Industry

### Marketing Strategy

There are no outside salespeople and three inside salespeople. Sources of new business comes from:

- 50% - Word of Mouth / Referrals
- 50% - Advertisement

### Sales and Adjusted EBITDA

Fiscal Year End	Revenue	Adjusted EBITDA*	As a % of Sales
2021 (Normalized) <sup>1,2</sup>	\$2,155,000	\$630,000 <sup>2</sup>	29%
2020 <sup>3</sup>	\$826,000	\$16,000 <sup>2</sup>	2%
2019	\$1,200,000	\$2,300	0%
2018	\$1,769,000	\$607,000	34%

\* All adjustments to EBITDA were provided by seller

<sup>1</sup> The company is seasonal therefore a straight annualization of the item period would not be appropriate; therefore, we normalized the numbers based on historical performance. The season runs from January – July.

<sup>2</sup> Starting July 1<sup>st</sup>, the company starts to accept deposits for the following season. These deposits are recorded as revenue increase of a current liability. We tried to normalize this as well in our analysis. All deposits received minus any prepayments to venues and vendors will be included in the transaction.

<sup>3</sup> Due to COVID-19, the company couldn't produce a full season. Additionally, while most of the company's competitors did not issue refunds, the company fully refunded everyone who requested it and ownership feels the company will do even better post-Covid due to building up additional goodwill in the community for the refunds.

## History

The Company was started in 1997.

### **Days and Hours:**

Monday - Friday: 10:00 AM to 5:00 PM

Saturday - Sunday: Closed (Full days on weekends during the competition season).

## Employees

Excluding the owner, company has 2 full-time employees and 1 part-time employee. The key employees are the Tour Director, Registration Manager, and Administrative Assistant. The average tenure of these three employees is 12 years with longest employee being with the company for 17 years and the shortest employee being with the company for 6 years.

## Assets and Liabilities

Included within the purchase price is any payments the company has received for events that occur after the closing date minus any prepayments directly tied to those future events including but not limited to inventory, merchandise, or venue deposits. For example, if the company has received \$300,000 in customer deposits but has spent \$100,000 prepping for those events, the buyer will receive \$200,000.

## Facilities

The business occupies a 1,600 sq ft building and pays \$1,600 per month. The latest lease commenced on July 1, 2020, for a period of 2 years and is set to expire on June 30, 2022.

60% of the space is office and 40% is warehouse.

## Support and Training

The Owner genuinely desires an effective business transition with seamless customer service through to the buyer. They will train a buyer for 30 days. An additional consulting contract can be obtained.

## Reason for Selling

The owner wishes to retire.



**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	\$ _____	<b>TOTAL LIABILITIES</b>	<b>\$ _____</b>	
Other Stocks And Bonds	\$ _____			
Real Estate	\$ _____	Salary	\$ _____	
Automobiles -- Number ( )	\$ _____	Dividends & Interest	\$ _____	
Other Assets	\$ _____	Other Income	\$ _____	
<b>TOTAL ASSETS</b>	<b>\$ _____</b>	<b>TOTAL INCOME</b>	<b>\$ _____</b>	

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: Dance Production / Touring Company**

**Asking Price: \$2,000,000**

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 \_\_\_\_\_ 20XX

\_\_\_\_\_  
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