

### Deal Summary

<b>Asking Price:</b>	\$595,000	<b>Listing ID:</b>	AVPJ
<b>Down Payment:</b>	\$59,500	<b>Company Type:</b>	Audio / Video Installation
<b>Inventory:</b>	\$65,000*	<b>Location:</b>	Dallas County
<b>Revenue:</b>	\$614,000**	<b>Adjusted EBITDA:</b>	\$207,000**

\* Included in Asking Price

\*\* Represents 2020 financials

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

### Terms

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 \$535,500 (excludes any SBA and/or deal fees) and an interest rate of 6%; the monthly loan payments would be approximately \$5,945/month or \$71,340 annually. The SBA loan will be personally guaranteed by Buyer.

### Legal Organization

<b>Type of Corporation:</b>	S Corporation	<b>SIC Code:</b>	5963
<b>Year-End:</b>	December	<b>Accounting Method:</b>	Cash

### Top Things to Know About This Business

- **Business Model:** Designs and installs custom residential and small business entertainment and technology systems (home theaters, automation, commercial-grade networks, etc.)
- **Established Brand:** Excellent reputation for outstanding on-time and on budget work
- **Longevity:** Established in 2002, the company has been an industry leader for 19 years
- **Turnkey Operations:** Company is guided by well-defined systems and processes
- **Workforce:** Excluding the owner, the company has 4 employees - 3 full-time and 1 part-time
- **No Customer Concentration:** The largest customer only represents 4% of revenue.
- **Training:** Seller will train free of charge for 30 days to ensure smooth transition.

## Business Activity

Established in 2002, for the past 19 years, the company has specialized in designing and installing custom residential and small business entertainment and technology systems (home theaters, automation, commercial-grade networks, etc.). The company specifies custom mid- to high-end electronic systems to fulfill the lifestyle and entertainment needs/wants of our discerning clients. This includes all phases: design, installation, programming, and service of these systems. “Systems” range from a simple TV and sound bar installation to a full-blown cinema room. For small businesses, the company will design and install conference room systems, and whole-office music for doctors’ exam rooms, for example.

### Type of Designs / Installs:

- Home Theaters
- Surround Rooms
- Kitchen and Dining
- Bed and Bath
- Patio and Outdoor
- Conference Rooms

### The typical customers are:

- Builders
- Architects
- Remodelers
- Designers
- Homeowners
- Small Business Owners

### Geographic area served:

- North Texas

## Key Strengths

- **Established Brand:** Excellent reputation for outstanding on-time and on budget work
- **High Referral Rate:** 99% of the company’s business comes from referrals / word of mouth.
- **Experienced Labor Force:** The average tenure of the employees is 17 years
- **Loyal Client Base:** The company is now doing work for 3<sup>rd</sup> generation family members
- **Growing Market:** With the constant change in technologies, there’s always a constant need for equipment upgrades or new equipment.

## Marketing Strategy

The company does minimal marketing. To ensure a streamlined process, the company's designer serves as the primary salesperson to ensure what is sold can be produced by the company.

- 99% - Word of Mouth / Referrals
- 1% - Walk Ins

## History

The Company was started in 2002 and the current owner is the original founder.

### Days and Hours:

Monday - Friday: 7:30 AM To 4:30 PM

Saturday - Sunday: Closed / By Appointment

## Sales and Adjusted EBITDA

Fiscal Year End	Revenue	Adjusted EBITDA*	As a % of Sales
2021 Annualized	\$1,361,000	\$214,000	16%
2020	\$614,000	\$207,000	34%
2019	\$829,000	\$150,000	18%
2018	\$704,000	\$87,000	12%

\* All adjustments to EBITDA were provided by seller

## Employees

Excluding the owner, the company has three (3) full-time employees:

- Technician / Programmer
- Installer / Warehouse
- Designer / Salesperson

Additionally, the owner's wife works part-time in the business and handles administrative tasks such as bookkeeping and human resources.

The owner serves as the general manager and handles the purchasing.

The average employee tenure of 17 years is remarkable as the company was established 18 years ago.

### **Assets and Liabilities**

An asset list is available for the furniture, fixtures and equipment. All cash and accounts receivable will be retained by the Seller. All debts on the company will be paid off by the Seller at closing. If there is any owner financing as determined by SBA underwriting, any such debt is to be personally guaranteed by the buyer.

### **Facilities**

The business occupies a 2,100 sq ft building and pays \$2,300 per month. The latest lease commenced on January 1, 2020, for a period of 2 years and is set to expire on December 31, 2021.

### **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 in San Marcos, TX.

**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: Audio / Video Installation**

**Asking Price: \$595,000**

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 \_\_\_\_\_ 2021

\_\_\_\_\_  
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



**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