

302 Bridgeland Avenue, Suite 100, Toronto, ON M6A 1Z4

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SUMMARY of the PROPOSED SALE of CLOTHING BUSINESS

November 2009

<u>Purchase Price</u>	\$1,770,000	Owners will sell between 70% & 100% of the company
<u>Sales Volumes:</u>	\$5,500,000	2008
<u>Gross Profit:</u>	\$1,580,000	
<u>Net Profit</u>	\$215,000	
<u>Estimated Owners' Compensation:</u>	\$355,000	
<u>Rent:</u>	\$170,000	23,000 s.f. leased industrial building in the Dufferin Fashion District. Lease ends July, 2010. Negotiations underway for an additional 3 to 5 year term. Over \$200,000 spent on leasehold improvements to offices and showrooms.

Description of Business

Buying and Manufacturing

End of season clothing from North American companies.

Surplus clothing from factories.

Manufacturing for private label and in-house labels.

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Selling and Distribution network:

Sell to national Canadian retailers and other chain stores.

Sell to company affiliated stores.

Sell in bulk to overseas buyers.

Human Resource Details:

At least one of the Selling partners remains active in the business for a minimum of 4 months after the sale.

Key members of the current staff; including the buying and sales managers to remain with the business.

Non-competition clause to be signed

Seller Retains:

Cash

Inventory

Buyer to repay Seller for the current inventory from the proceeds of the sale of this inventory in the future.

Receivables

The Seller to collect all outstanding receivables. Seller is responsible for any bad debts.

Clive Levitt B.Arch OAA

Sales Representative

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All information in this summary has been obtained from the business owners and has not been verified by RE/MAX Commercial Advisors Inc.