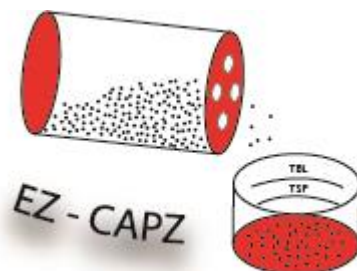


# Business Plan

## *EZ CAPZ*



104 Main Street - Willow Shade Square  
Culpeper VA 22701  
540-222-9500  
shelbyzadroga@hotmail.com

Team 12  
Shelby Zadroga  
Bryce Charapich  
Colin Glenny  
Christian Jones

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# Executive Summary

Have you ever wished for an easier way to measure your spices? We know it can be aggravating to dig through all of your cabinets to find the correct measuring device, just to end up not even finding it! Have you ever tried measuring your spices and ended up with an undesirable meal, just because you were not able to read the numbers on the measuring spoon? Well, say good-bye to the outdated forms of measuring! EZ CAPZ is here to put an end to frustration and bland or over-spiced meals in kitchens around the world!

EZ CAPZ is a simple yet effective product. By adding measuring marks inside the cap of a spice container, the consumer now has an accurate measuring device at their fingertips. When the EZ CAPZ top is removed from the spice can, the user simply looks inside the top and will see measuring unit lines ranging from ½ teaspoon to 1 tablespoon. They will then pour the required amount into the cap, place the spice into their recipe, and put the cap back on the can. This simple idea will take away the need to have separate measuring spoons when cooking. Since billions of spice cans are sold each year, we will make a significant profit by only charging a few cents for each EZ CAPZ we sell. This in turn will provide a significant return on investment for our potential venture capitalists. We know that simple ideas are attractive to venture capitalists. EZ CAPZ is simple, convenient, and low risk as our business plan will show.

**TESTIMONIAL:** Elvin Smythers, retired President/CEO of Merchants Grocery, is one of the prominent food industry executives we spoke to about our product. Mr. Smythers believes our product is viable and something that the spice industry would embrace. “EZ CAPZ is a great idea and would be a convenient tool for dispensing the proper amount of spice when preparing and cooking food at home, or for busy chefs in foodservice establishments” said Mr. Smythers.

# General Company Description

- Our mission is to create a product that simplifies the process for adding spices to home cooked meals.
- The primary goal of our company is to develop a profitable enterprise that produces a consumer-friendly product for everyday use. We also intend to create a prototype model that allows our potential consumers to visualize how the product works and how it creates efficiencies in meal preparation.
- EZ CAPZ believes in producing a high quality product while providing exceptional customer service.
- We are a growth industry. Every year, more and more spice cans are sold as consumers add to or create their own pantry. New spices are rapidly becoming popular as tastes begin to evolve. Cooking shows have been popularized on television which, in turn, has generated interest in consumers to try new methods and styles of meal preparation.
- Our only competitor, **Spice Device**, markets their cap separately and not part of a self-contained unit as we do. The **Spice Device** is costly, at over \$5.00 a cap. It is also inconvenient as consumers will need to transfer the cap from can to can. Therefore, we have no direct competition. We plan to sell our product directly to major U.S. spice manufacturers, which should limit the effectiveness of our competitor. Our objective is to demonstrate how our product will benefit spice companies financially.
- We intend to establish a Limited Liability Company (LLC) because it allows for more flexibility in business operations, tax planning, and protects our personal assets.

## Products and Services

EZ CAPZ produces a clear, plastic, one of a kind cap which contains four different pre measurements, ranging from ½ teaspoon to a full tablespoon. The product is a simple, revolutionary measuring cap that will speed up prep time for all home cooks and professional chefs. The cap will cost \$0.02/unit to manufacture and will sell for \$0.08/unit. The cap we are focusing on is round and is an industry standard that measures about 1 ¾” in diameter. This is the most common top used in the spice industry. We are open to creating other measuring devices for different style spice containers in the future.

We intend to apply for a temporary provisional patent while developing the technology to secure a 20-year utility patent.

# Marketing Plan

Our primary research was conducted through the use of a survey sent to teachers at Eastern View High School. The survey (included in the Exhibits section) consisted of three questions. We allowed teachers a week to complete the survey and return it to us. We tallied the results and came to the conclusion that 96% of respondents were in favor of our proposed product and would like to have it in their home. Only 4% of respondents said they would not be interested in having this product available to them. Through this survey, we were able to find out that approximately 82% of the respondents would prefer to have EZ CAPZ already on the spice containers before they purchased their spices. However, 18% indicated they would also like to be able to buy our product separately. An important piece of data that we discovered through these questions is that 83% of the respondents would be willing to pay an extra few cents for a self-contained measuring device on their spice bottle! This research suggests that our product is desired by many and is something that many consumers would enjoy having in their household.

## Economics

We intend to market our product directly to major spice companies like McCormick, Mrs. Dash, Morton, C.F. Sauer and Company, Goya and others listed in our Exhibits section. Our sales numbers are conservative, as we believe that our caps will be incorporated onto 100% of their home consumer spice container lines. We intend to reach less than 1% of the market between these major companies the first year. After year five, we hope to capture at least 2% of the market. Again, we believe our sales projections are conservative since each spice company would use our cap on 100% of their bottles and not just a small percentage.

In 2014, the spice companies we're targeting sold in excess of 3 billion spice containers worldwide (conservative estimates). *These numbers are based on revenue extrapolations since unit sales information is proprietary.* By targeting a conservative market share, our caps will be affixed to 62 million spice containers over a five year period. Yearly growth potential is extremely high for our company. Spice company sales are trending upward due to several factors which include the popularity of cooking shows on TV and consumers' desire to save money by cooking more meals at home. The average growth of these companies in the past 5 years was about 4%. One major challenge we face is funding the purchase of our first mold that is required to produce our caps. It will cost approximately \$600,000. We will pay for this mold by using \$120,000 included in the startup funding from our venture capitalists and through a \$480,000 loan. A payment schedule for this loan is provided in the Exhibits section. Introduction of our product to the marketplace will require extensive upfront costs to acquaint our product to the major spice companies.

## Product

Our product is simple in concept, but revolutionary to the cooking and baking market. These spice measurements between ½ teaspoon to 1 tablespoon will provide convenience in the kitchen. Never again will you have to look for a measuring spoon! Just tilt and pour the spice to the amount you desire and you have perfectly measured spices in no time for your meal preparation! Initially we will produce our cap at an industry standardized width of 1-3/4". As our company grows we will look into making measuring devices for other sized spice containers.

## Features and Benefits

- The most important feature of our product is the pre-labeled measuring marks inside the cap that indicates ½ teaspoon, 1 teaspoon, ½ tablespoon, and 1 tablespoon.
- The cap will allow customers easy access to a pre-measured device without the hassle of buying, looking for, losing, and cleaning a measuring spoon. Again, while using our product and not having to buy measuring spoons, our customers will save money. This cap will also speed up the preparation for meals by removing the previous steps.
- For the type of product we are producing a warranty plan is unnecessary. However, in order to maintain good customer relations, we will include a 1% buffer of additional caps in every order to cover any damage that may occur during shipping. This will help to eliminate return merchandise issues and costs associated with damaged products and shipping.

## Customers

We intend to sell our product to wholesale spice companies such as McCormick, Mrs. Dash, Morton, C.F. Sauer and Company, Goya and other spice companies listed in our Exhibits section. These are a few of the spice companies that have shown interest in our product through several emails. The companies that sell our product will be responsible for marketing our product to end-users. This will allow us to shift the burden of marketing and advertising away from EZ-CAPZ. The commercial restaurant business and institutional business are other markets that spice companies may promote our cap to, which will allow us to expand our target market greatly.

## Competition

The **Spice Device** is our sole competitor. The **Spice Device** is an aftermarket feature that contains only three measurements and costs the consumer \$5.02 according to online research. Our caps are less expensive and come included on each spice container, eliminating the process of having to switch the **Spice Device** cap from spice to spice. Our EZ-CAPZ top will also be more efficient and beneficial to our customers by providing them with more pre-measurable spice lines. Having our product sold directly to spice manufacturing companies, rather than trying to sell to individual consumers, will give us an advantage over our competitor.

## Niche

Self-contained measuring devices are currently unavailable in spice cans sold in stores. Our product will provide an added value for our customers that will be passed on to retail consumers.

## Strategy

We will provide a product that benefits consumers with an easier measuring device. We intend to give restaurants and individual households sample caps in order to provide spice companies a testimonial.

## Promotion

- Working directly with spice companies, we will be able to minimize our promotional costs. The spice companies will include our caps on their products and will promote our caps on cooking shows, commercials, internet ads, cooking magazines, and social media.
- Over time, our product will enjoy name recognition which will intrigue other spice companies to use our product. However, if a company is interested in exclusive distribution of our product, a royalty plan will need to be negotiated and agreed to before we move forward with any exclusive contracts. There is also the possibility that one of the larger spice companies would make an offer to buy us out. That will also need to be negotiated.
- The company will budget \$20,000 in start-up for travel and promotional funds.

## Pricing

Our product will be marketed for \$0.08/cap. As it costs \$0.02 a cap to produce and since we are selling to companies which will be buying in bulk, it will generate significant revenue in a short time. As we have limited direct competitors, our product is not price sensitive. Our customers will not be making their decision off of pricing since there is no other cap like this on the market.

## Proposed Location

104 Main St., Willow Shade Square, Culpeper VA 22701

- We will house our business in Culpeper and enjoy the convenience of proximity to train stations and airports so we can easily travel to our potential customer locations. Our facility will contain 1,615 sq./ft. We need minimal space due to the size of our product and how easily it can be stored. Our product will be shipped directly to our spice manufacturers; therefore, we will not need significant inventory space. If a rush order is required, FEDEX will be able to carry our product through any door without assistance. Anyone will be able to reach our customer help center between the hours of 7am to 4pm Eastern. However, when we are closed, companies will still be able to purchase our caps online through our website, which will be accessible around the clock.

## Distribution Channels

We will be providing our product directly to spice distribution companies from our manufacturer.

Weatherchem Corporations will package and ship our product directly from their facility in Ohio to any and all of our customers around the country.

Due to the size of our product, we intend to ship large quantities in relatively small boxes from our facility, if necessary. Therefore, we intend to use FEDEX for our primary shipping company. The reason we are using FEDEX exclusively is that their delivery track record seems to be more reliable compared to other shipping companies. We are open to using other companies if needed, but currently FEDEX will be able to satisfy all of our needs.

# Sales Forecast

## Five-Year Projected Unit Sales and Costs for a Product

EZ CAPZ											
Note		First Year 2016	%	2017	%	2018	%	2019	%	2020	%
Product #1											
Sales in <i>units</i>		5,000,000		10,000,000		12,000,000		15,000,000		20,000,000	
Selling price <i>per unit</i>		\$0.08		\$0.08		\$0.08		\$0.08		\$0.08	
Sales		\$400,000	100.0%	\$800,000	100.0%	\$960,000	100.0%	\$1,200,000	100.0%	\$1,600,000	100.0%
Direct Material cost <i>per unit</i>		\$0.02		\$0.02		\$0.02		\$0.02		\$0.02	
Direct labor cost <i>per unit</i>											
Other direct costs <i>per unit</i>											
Total <i>unit</i> cost		\$0.02		\$0.02		\$0.02		\$0.02		\$0.02	
Total Cost of Sales		\$100,000	25.0%	\$200,000	25.0%	\$240,000	25.0%	\$300,000	25.0%	\$400,000	25.0%
Gross Profit		\$300,000	75.0%	\$600,000	75.0%	\$720,000	75.0%	\$900,000	75.0%	\$1,200,000	75.0%
GRAND TOTALS											
Sales		\$400,000	#####	\$800,000	#####	\$960,000	#####	\$1,200,000	#####	\$1,600,000	#####
Direct Costs		\$100,000	25.0%	\$200,000	25.0%	\$240,000	25.0%	\$300,000	25.0%	\$400,000	25.0%
Gross Profit		\$300,000	75.0%	\$600,000	75.0%	\$720,000	75.0%	\$900,000	75.0%	\$1,200,000	75.0%

The sales projections above are based off of 2% of the market over a five year period. **We used very conservative numbers so the revenue would not look unreasonable.** We truly believe our revenue will be much higher than our projections. Our customers would undoubtedly use our product on 100% of their spice bottles, not just a small percentage of them.



# Operational Plan

## Location

Our office will be located at: 104 Main Street  
Willow Shade Square  
Culpeper VA 22701

## Owner/Managers

Shelby Zadroga- Sales/Marketing  
Colin Glenn- Controller  
Bryce Charapich- Sales/Marketing  
Christian Jones- Logistics

## Management and Organization

As a new company, ownership and responsibility will be divided evenly among the four initial members of the group. The owner/managers will run day-to-day operations.

Considering this is a start-up business, we know that everyone will have to perform tasks that are not in their job description. Everyone listed above knows what they will have to do to ensure our business is successful. We will be performing everything from cleaning the office to meeting with different spice companies.

Our Executive Management team will be made up of the following businessmen:

**Gary Lee** - Executive Vice President Sales/Marketing

**Kevin Baker** - Executive Vice President/Operations

These men have 50+ years of business experience combined and have both agreed to provide their advice and guidance at no charge. In the future, we do plan on paying them when our business gets off the ground.

## Production

We will be outsourcing the production of our product by using Weatherchem Corporation, a plastic manufacturer that has been in business over 40 years.

The EZ-CAPZ device will be produced at:  
Weatherchem Corporation  
Twinsburg OH. 44087  
Contact: Jake Wilson

Weatherchem will produce a 96-cavity mold, at a cost of \$600,000. The per unit cost will be \$17.77 per 1,000 caps. This calculates to less than 2 cents per cap. The 96-cavity mold will produce a minimum of 131

million caps before a new mold will be needed. We will place orders in minimum quantities of 10,000 caps. Weatherchem will also package our product and ship it either directly to us or to the distribution centers of the spice companies.

## Location

Physical requirements:

- At least 1,000 square feet is needed for our office, and our proposed location meets this requirement.
- While an office with some storage space is needed, due to the small size of our product a minimal amount of space is required. We intend to maintain an inventory of 1-million caps in stock at all times in case a customer needs a rush order and Weatherchem Corporation is unable to produce and ship it in a certain amount of time.
- All utilities will be needed for our business location.

Access:

- We do not need a highly visible location due to the fact that individual consumers will not be visiting our location. Having a business in Culpeper provides access to transportation systems so that we can travel easily to new customers.
- Walk-in access does not need to be expansive. We need enough access for our main workers to get in and out easily while carrying large boxes or while pushing/pulling them on a dolly.
- Our location is centered in the middle of Culpeper. This allows us to have easy access to a train station. This location is also good for transportation, due to its proximity to Washington, D.C. airports, but far enough away so we won't have to pay higher rent for our facility. Being close to airports will allow us to travel easily and save time when we need to go to our customer locations.



# Legal Environment

We intend to apply for a provisional patent which is included in our startup expenses. On the anniversary date of our provisional patent, we will apply for a full utility patent. The additional fees are included in our P&L statement for year two.

## Personnel

- We will begin our company with 4 owner/managers and no employees.
- Each owner will be paid a starting salary of \$30,000 per year. As profits increase, we will increase our salaries, but the investors will get their money back before we increase our salaries.
  - **Shelby Zadroga- Sales/Marketing-** Shelby will focus on building strong relationships with half of our customers. She will also have direct contact with our molding company in order to maintain stock and to ensure we have enough caps to be shipped for every order. Her leadership and social skills make her a great fit for the sales/marketing job.
  - **Colin Glenny- Controller-** Colin will be our accountant's assistant and office manager. Colin's mathematical expertise and organizational skills make these jobs a perfect fit for him.
  - **Bryce Charapich- Sales/ Marketing-** Bryce will focus on building strong relationships with half of our customers. He will also have direct contact with our molding company in order to maintain stock and to ensure we have enough caps to be shipped for every order. His leadership and his experience with a law firm make him a great fit for the sales/marketing job.
  - **Christian Jones – Logistics –** Christian will handle all shipping and receiving duties, as well as the packaging of our product. His strength and hard work ethic make him a good fit for the logistics position. Christian will also make periodic trips to our cap supplier to verify the quality of the product. Since our product is not complex and relatively easy to produce, we do not anticipate production problems. We do think it is still necessary to make periodic Quality Control checks on our own, in addition to the Quality Control process that is in place with our supplier.

## Inventory

Our product is very small and requires minimal storage space. It is cost effective for us to order in large quantities. We will maintain an inventory of 1-million caps at all times, and place orders with our supplier as needed. An inventory is necessary if one of our customers' needs a rush order and Weatherchem is unable to produce and ship the caps in a short amount of time. ***The lead time needed when placing orders with Weatherchem is two weeks.***

# Suppliers

- Weatherchem Corporation, 2222 Highland Rd, Twinsburg OH 44087
- Weatherchem Corporation specializes in the production of convenient plastic closures that provide easy access to products in a bottle.
- We will be paying our suppliers with a thirty day credit timeline. Credit terms will be negotiated with Weatherchem when we place our first order and a written contract will then be produced.
- Weatherchem Corporation has been in business for over 40 years. They continue to excel in customer satisfaction and in the production of high quality and high functioning custom caps.
- **Contingency Suppliers:** Mold-Rite Plastics and Stull Technologies
- Supply costs will remain stable as we have negotiated a set price with Weatherchem Corporation. This set price is \$17.77 per 1,000 caps. This price will remain the same until we reach the maximum production for our mold at 131 million caps.
- Since we will keep a million caps in stock at all times, and since Weatherchem can get the caps to us in a reasonable timeframe, we should not have short term delivery problems.

## Professional and Advisory Support

### Executive Management Team

- Gary Lee
- Kevin Baker

### General Counsel

- Bruce Clark- Fray, Hudson, Clark, and Walker LLP, 115 S. West St. Culpeper VA 22701

### Accountant

- Yount, Hyde & Barbour, PC

### Insurance agent

- Maloney and Ward – 202 W. Evans St. Culpeper VA 22701

### Banker

- Tripp Butler- VA Community Bank, 701 S. Main St, Culpeper VA

### Patent Attorney

- Michael Haynes, PLC Charlottesville VA

# Expenses and Capitalization

Manufacturing costs include purchasing a 96-cavity mold to use in the production process. We intend to purchase one mold to start our company. We are asking for a total of \$250,000 from our venture capitalists. This will cover the 20% down payment on the mold, which is \$120,000. The remaining \$130,000 is for startup expenses such as rent, salaries, utilities, and marketing.

The other \$480,000 for our mold will be obtained through a loan. To start our company we will purchase 1-million caps at 17.77 per 1,000 for a total cost of \$17,700. All packaging will be done by Weatherchem Corporation. Weatherchem will then send our caps either directly to us or our customer's storage facility. By having them shipped directly to our customers, we will be able to save money in storage. Since our product is small and easily stored, our existing building will be able to store a significant number of caps if needed.

Our legal and accounting expenses are estimated to be \$4,050 for the creation of our business structure and development of our perpetual inventory control and general ledger system. Insurance will run about \$4,000 for us to start up our business, with an additional fee of \$1,250 in utilities to start.

# Startup Expenses

## EZ CAPZ

Company begins operations in: 2016

Buildings Depreciate over 20 years Equipment Depreciates over 5 years Can generally be Mortgaged

If you plan to rent or lease an existing facility

Note

1	Deposit & rent expense prior to operation	3 mo	\$6,662
2	Remodeling expenses	paint	\$500
3	Enter item		
4	Enter item		
5	Other		

If you plan to buy an existing facility

6	Purchase cost allocated to land		
7	Purchase cost allocated to buildings		
8	Purchase cost allocated to equipment		
9	Remodeling expenses		
10	Enter item		
11	Enter item		
12	Other		

If you plan to buy land and build a facility

13	Purchase cost of the land		
14	Construction cost including parking, etc.		
15	Architectural & engineering fees		
16	Enter item (=Startup!K64*0.8)		
17	Enter item		
18	Other		

Total Facility \$7,162

Capital Equipment List

19	Furniture & fixtures		\$3,000
20	Office Equipment		\$3,500
21	Production Equipment	mold	\$120,000
22	Other (Load Payments - 3 mos)		\$28,000

Total Capital Equipment \$154,500 \$600,000

Pre-opening Administrative Expenses

23	Utility deposits		\$1,250
24	Legal and accounting fees		\$4,050
25	Prepaid insurance		\$4,000
26	Pre-opening salaries		\$15,000
27	Other		\$500

Total Preopening Administrative Expenses \$24,800

Opening Inventory

28	caps	1-mil	\$17,700
29	boxes for shipping	100	\$100
30	Enter item		
31	Enter item		
32	Enter item		

Total Opening Inventory \$17,800

Pre-opening Advertising and Promotional Expenses

33	Advertising		
34	Signage		
35	Printing		
36	Travel/entertainment		\$20,000
37	Other		

Total Advertising/Promotional Expenses \$20,000

Other Expenses

38	Provisional patent		\$4,500
39	Enter item		

Total Other Expenses \$4,500

40 Reserve for Contingencies

	\$15,000
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\$15,000

TOTAL STARTUP EXPENSES \$243,762

\$600,000

# Five-Year Profit & Loss Projection

Line

## Five-Year Projected Profit and Loss (P&L)

### EZ CAPZ

		First Year		2017		2018		2019		2020	
		2016	%		%		%		%		%
1	<b>Sales</b>	<b>\$400,000</b>	100.0%	<b>\$800,000</b>	100.0%	<b>\$960,000</b>	100.0%	<b>\$1,200,000</b>	100.0%	<b>\$1,600,000</b>	100.0%
2	<b>Direct Costs</b>	<b>\$100,000</b>	25.0%	<b>\$200,000</b>	25.0%	<b>\$240,000</b>	25.0%	<b>\$300,000</b>	25.0%	<b>\$400,000</b>	25.0%
3	<b>Gross Profit</b>	<b>\$300,000</b>	75.0%	<b>\$600,000</b>	75.0%	<b>\$720,000</b>	75.0%	<b>\$900,000</b>	75.0%	<b>\$1,200,000</b>	75.0%
<b>Expenses</b>											
	<b>Note</b>										
4	Salaries & wages	\$105,000	26.3%	\$120,000	15.0%	\$120,000	12.5%	\$120,000	10.0%	\$120,000	7.5%
5	Payroll expenses	1 year \$27,000	6.8%	\$28,500	3.6%	\$30,000	3.1%	\$31,500	2.6%	\$33,000	2.1%
6	Supplies (office & operating)	startup		\$5,000	0.6%	\$5,200	0.5%	\$5,400	0.5%	\$6,000	0.4%
7	Repairs and maintenance			\$2,000	0.3%	\$2,500	0.3%	\$3,500	0.3%	\$4,000	0.3%
8	Marketing / Advertising			\$30,000	3.8%	\$30,000	3.1%	\$30,000	2.5%	\$30,000	1.9%
9	Accounting and legal	startup		\$7,500	0.9%	\$4,000	0.4%	\$4,000	0.3%	\$5,000	0.3%
10	Technology			\$2,000	0.3%	\$2,000	0.2%	\$2,000	0.2%	\$2,000	0.1%
11	Telephone	startup		\$1,270	0.2%	\$1,270	0.1%	\$1,270	0.1%	\$1,270	0.1%
12	Utilities and vehicle fuel			\$7,200	0.9%	\$7,400	0.8%	\$7,600	0.6%	\$7,800	0.5%
13	Insurance (property & liability)	startup		\$4,000	0.5%	\$4,200	0.4%	\$4,400	0.4%	\$5,000	0.3%
14	Rent			\$19,986	5.0%	\$26,648	2.8%	\$26,648	2.2%	\$26,648	1.7%
15	Miscellaneous			\$5,000	1.3%	\$5,200	0.7%	\$5,500	0.5%	\$6,000	0.4%
16	<b>Total Expenses</b>	<b>\$195,986</b>	49.0%	<b>\$239,318</b>	29.9%	<b>\$238,718</b>	24.9%	<b>\$242,018</b>	20.2%	<b>\$246,718</b>	15.4%
17	<b>EBITD - Earnings Before Interest, Taxes, &amp; Depreciation</b>	<b>\$104,014</b>	26.0%	<b>\$360,682</b>	45.1%	<b>\$481,282</b>	50.1%	<b>\$657,982</b>	54.8%	<b>\$953,282</b>	59.6%
18	Mortgage Interest	\$28,800	7.2%	\$28,017	3.5%	\$27,187	2.8%	\$26,308	2.2%	\$25,375	1.6%
19	Depreciation on Buildings (20 years)										
20	Depreciation on Equipment (5 years)	\$120,000	30.0%	\$120,000	15.0%	\$120,000	12.5%	\$120,000	10.0%	\$120,000	7.5%
21	<b>Profit Before Taxes</b>	<b>(\$44,786)</b>	-11.2%	<b>\$212,665</b>	26.6%	<b>\$334,095</b>	34.8%	<b>\$511,674</b>	42.6%	<b>\$807,907</b>	50.5%
22	<b>Taxes @ 35%</b>			<b>\$74,433</b>	0	<b>\$116,933</b>	0	<b>\$179,086</b>	0	<b>\$282,767</b>	0
23	<b>Net profit after taxes</b>	<b>(\$44,786)</b>	-11.2%	<b>\$138,232</b>	17.3%	<b>\$217,162</b>	22.6%	<b>\$332,588</b>	27.7%	<b>\$525,140</b>	32.8%

# Projected Cash Flow

<b>Five-Year Projected Cash Flow</b>		<b>EZ CAPZ</b>				
Line		2016	2017	2018	2019	2020
1						
2	<b>CASH ON HAND - Beginning of year</b>		\$68,403	\$312,804	\$635,304	\$1,072,352
3	Cash from venture capitalists	\$250,000				
4	Less startup expenses	\$243,762				
5	Cash on hand after startup expenses	\$6,238				
	<b>CASH RECEIPTS</b>					
6	Sales	\$400,000	\$800,000	\$960,000	\$1,200,000	\$1,600,000
7	<b>Total Cash Available</b>	<b>\$406,238</b>	<b>\$868,403</b>	<b>\$1,272,804</b>	<b>\$1,835,304</b>	<b>\$2,672,352</b>
	<b>CASH PAID OUT</b>					
8	Direct costs (Material, Labor, & Other)	\$100,000	\$200,000	\$240,000	\$300,000	\$400,000
9	Salaries & wages	\$105,000	\$120,000	\$120,000	\$120,000	\$120,000
10	Payroll expenses	\$27,000	\$28,500	\$30,000	\$31,500	\$33,000
11	Supplies (office & operating)		\$5,000	\$5,200	\$5,400	\$6,000
12	Repairs and maintenance	\$1,000	\$2,000	\$2,500	\$3,500	\$4,000
13	Marketing / Advertising	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
14	Accounting and legal		\$7,500	\$4,000	\$4,000	\$5,000
15	Technology	\$3,000	\$2,000	\$2,000	\$2,000	\$2,000
16	Telephone		\$1,270	\$1,270	\$1,270	\$1,270
17	Utilities and vehicle fuel	\$5,000	\$7,200	\$7,400	\$7,600	\$7,800
18	Insurance (property & liability)		\$4,000	\$4,200	\$4,400	\$5,000
19	Rent	\$19,986	\$26,648	\$26,648	\$26,648	\$26,648
20	Miscellaneous	\$5,000	\$5,200	\$5,500	\$5,700	\$6,000
	Mortgage Interest	\$ 28,800.00	\$28,017	\$27,187	\$26,308	\$25,375
	Mortgage Principal repayment	\$ 13,048.59	\$13,832	\$14,661	\$15,541	\$16,474
	Taxes		\$74,433	\$116,933	\$179,086	\$282,767
21	<b>Total cash paid out</b>	<b>\$337,835</b>	<b>\$555,599</b>	<b>\$637,500</b>	<b>\$762,953</b>	<b>\$971,334</b>
22	<b>Cash remaining at end of year</b>	<b>\$68,403</b>	<b>\$312,804</b>	<b>\$635,304</b>	<b>\$1,072,352</b>	<b>\$1,701,018</b>



<b><u>Projected Return on Investment (ROI)</u></b>					
<b>EZ CAPZ</b>					
Year:	2016	2017	2018	2019	2020
EBITD from 5-Year P&L	\$104,014	\$360,682	\$481,282	\$657,982	\$953,282
Venture Capital Investment	\$250,000				
Percentage of stock given to Venture Capitalists	20%				
Venture Capitalists' EBITD Return on Investment (ROI)	8.3%	28.9%	38.5%	52.6%	76.3%

As you can see, the investors will recoup all of their initial investment during year 4 and will begin making a significant profit thereafter. (**REMINDER:** Our sales projections are *very* conservative)

# Exhibits

Our main supplier/packager/shipper



The Major companies we intend to sell to



## Contingency Suppliers



Shipping company we will use for rush orders



This is the survey we gave to teachers at Eastern View High School.

### **EZ CAPZ**

Our product is a spice cap that has measuring lines in the cap so you do not need to have any measuring device. The cap has pre-labeled measuring marks that consists of  $\frac{1}{4}$  teaspoon,  $\frac{1}{2}$  teaspoon,  $\frac{3}{4}$  teaspoon, 1 teaspoon,  $\frac{1}{4}$  tablespoon,  $\frac{1}{2}$  tablespoon,  $\frac{3}{4}$  tablespoon, 1 tablespoon. The cap will allow customers' easy access to a pre-measured device without the hassle of buying, looking for, losing, and cleaning a measuring device again while using this product.

### **Survey**

If this product were available today, how likely would you be to buy this product?

- **Extremely likely**
- **Very likely**
- **Moderately likely**
- **Slightly likely**
- **Not at all likely**

Would you rather have it on the spice container or buy it separately?

---

If this product were to add a few cents on to the price of the spice container would you be willing to buy the product?

- **Yes**
- **No**

\*We appreciate you completing this survey and when completed please return to Mr. Baker's mailbox, Thank you.

This is the application form for a provisional patent.

Please type a plus sign (+) inside this box ☐

PTO/SB/16 (8-00)  
Approved for use through 10/31/2002, CMB 0551-0032  
U.S. Patent and Trademark Office; U.S. DEPARTMENT OF COMMERCE

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### PROVISIONAL APPLICATION FOR PATENT COVER SHEET

This is a request for filing a PROVISIONAL APPLICATION FOR PATENT under 37 CFR 1.53(c).

INVENTOR(S)			
Given Name (first and middle [if any])	Family Name or Surname	Residence (City and either State or Foreign Country)	
<input type="checkbox"/> Additional inventors are being named on the _____ separately numbered sheets attached hereto			
TITLE OF THE INVENTION (280 characters max)			
Direct all correspondence to: CORRESPONDENCE ADDRESS			
<input type="checkbox"/> Customer Number	<input type="text"/>	<input type="checkbox"/> Place Customer Number Bar Code Label here	
OR Type Customer Number here			
<input type="checkbox"/> Firm or Individual Name			
Address			
Address			
City	State	ZIP	
Country	Telephone	Fax	
ENCLOSED APPLICATION PARTS (check all that apply)			
<input type="checkbox"/> Specification	Number of Pages <input type="text"/>	<input type="checkbox"/> CD(s), Number	<input type="text"/>
<input type="checkbox"/> Drawing(s)	Number of Sheets <input type="text"/>	<input type="checkbox"/> Other (specify)	<input type="text"/>
<input type="checkbox"/> Application Data Sheet. See 37 CFR 1.76			
METHOD OF PAYMENT OF FILING FEES FOR THIS PROVISIONAL APPLICATION FOR PATENT (check one)			
<input checked="" type="checkbox"/>	Applicant claims small entity status. See 37 CFR 1.27.	FILING FEE AMOUNT (\$)	
<input type="checkbox"/>	A check or money order is enclosed to cover the filing fees		
<input type="checkbox"/>	The Commissioner is hereby authorized to charge filing fees or credit any overpayment to Deposit Account Number: <input type="text"/>	\$75.00	
<input type="checkbox"/>	Payment by credit card. Form PTO-2038 is attached.		
The invention was made by an agency of the United States Government or under a contract with an agency of the United States Government.			
<input type="checkbox"/> No.			
<input type="checkbox"/> Yes, the name of the U.S. Government agency and the Government contract number are: _____			

Respectfully submitted,

Date

SIGNATURE

REGISTRATION NO.

TYPED or PRINTED NAME

(if appropriate)

Docket Number:

TELEPHONE

### USE ONLY FOR FILING A PROVISIONAL APPLICATION FOR PATENT

This collection of information is required by 37 CFR 1.51. The information is used by the public to file (and by the PTO to process) a provisional application. Confidentiality is governed by 35 U.S.C. 122 and 37 CFR 1.14. This collection is estimated to take 8 hours to complete, including gathering, preparing, and submitting the complete provisional application to the PTO. Time will vary depending upon the individual case. Any comments on the amount of time you require to complete this form and/or suggestions for reducing this burden, should be sent to the Chief Information Officer, U.S. Patent and Trademark Office, U.S. Department of Commerce, Washington, D.C. 20231. DO NOT SEND FEES OR COMPLETED FORMS TO THIS ADDRESS. SEND TO: Box Provisional Application, Assistant Commissioner for Patents, Washington, D.C. 20231.

P19SMALLREV05

This is the application form for a utility patent.

Form PTO-1595 (Rev. 06-12)  
OMB No. 0651-0027 (exp. 04/30/2015)

U.S. DEPARTMENT OF COMMERCE  
United States Patent and Trademark Office

<b>RECORDATION FORM COVER SHEET PATENTS ONLY</b>	
To the Director of the U.S. Patent and Trademark Office: Please record the attached documents or the new address(es) below.	
<b>1. Name of conveying party(ies)</b>  <div style="font-size: small;">Additional name(s) of conveying party(ies) attached? <input type="checkbox"/> Yes <input type="checkbox"/> No</div>	<b>2. Name and address of receiving party(ies)</b> Name: _____ Internal Address: _____ _____ Street Address: _____ _____ City: _____ State: _____ Country: _____ Zip: _____ <div style="font-size: small;">Additional name(s) &amp; address(es) attached? <input type="checkbox"/> Yes <input type="checkbox"/> No</div>
<b>3. Nature of conveyance/Execution Date(s):</b> Execution Date(s) _____ <div style="display: flex; justify-content: space-between; font-size: small;"><div><input type="checkbox"/> Assignment</div><div><input type="checkbox"/> Merger</div></div> <div style="display: flex; justify-content: space-between; font-size: small;"><div><input type="checkbox"/> Security Agreement</div><div><input type="checkbox"/> Change of Name</div></div> <div style="display: flex; justify-content: space-between; font-size: small;"><div><input type="checkbox"/> Joint Research Agreement</div><div></div></div> <div style="display: flex; justify-content: space-between; font-size: small;"><div><input type="checkbox"/> Government Interest Assignment</div><div></div></div> <div style="display: flex; justify-content: space-between; font-size: small;"><div><input type="checkbox"/> Executive Order 9424, Confirmatory License</div><div></div></div> <div style="display: flex; justify-content: space-between; font-size: small;"><div><input type="checkbox"/> Other _____</div><div></div></div>	<b>4. Application or patent number(s):</b> <input type="checkbox"/> This document serves as an Oath/Declaration (37 CFR 1.63). A. Patent Application No.(s) _____ B. Patent No.(s) _____ <div style="font-size: small; text-align: center;">Additional numbers attached? <input type="checkbox"/> Yes <input type="checkbox"/> No</div>
<b>5. Name and address to whom correspondence concerning document should be mailed:</b> Name: _____ Internal Address: _____ _____ Street Address: _____ _____ City: _____ State: _____ Zip: _____ Phone Number: _____ Docket Number: _____ Email Address: _____	<b>6. Total number of applications and patents involved:</b> _____ <b>7. Total fee</b> (37 CFR 1.21(h) & 3.41) \$ _____ <div style="display: flex; justify-content: space-between; font-size: small;"><div><input type="checkbox"/> Authorized to be charged to deposit account</div><div><input type="checkbox"/> Enclosed</div><div><input type="checkbox"/> None required (government interest not affecting title)</div></div> <b>8. Payment Information</b>  Deposit Account Number _____ Authorized User Name _____
<b>9. Signature:</b> <div style="display: flex; justify-content: space-between; margin-top: 10px;"><div style="width: 60%;">_____ Signature</div><div style="width: 20%;">_____ Date</div><div style="width: 20%; text-align: center; font-size: small;">Total number of pages including cover sheet, attachments, and documents: <span style="border: 1px solid black; display: inline-block; width: 40px; height: 20px; vertical-align: middle;"></span></div></div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"><div style="width: 60%;">_____ Name of Person Signing</div><div style="width: 40%;"></div></div> <div style="font-size: x-small; text-align: center; margin-top: 10px;">Documents to be recorded (including cover sheet) should be faxed to (571) 273-0140, or mailed to: Mail Stop Assignment Recordation Services, Director of the USPTO, P.O.Box 1450, Alexandria, V.A. 22313-1450</div>	



The following is our amortization schedule of the loan for the balance of our plastic infusion mold which will be produced by our supplier Weatherchem.

## EZ CAPZ

### Mortgage Payment Schedule

**Loan amount**    \$    **480,000.00**    (80% of mortgage-eligible capital expenditures)  
**Annual interest rate**                      **6.00 %**  
**Loan period in years**                              **20**  
**Number of payments per year**                              **1**  
**Start date of mortgage**                              **12/31/2015**

Pmt No.	Payment Date	Beginning Balance	Scheduled Payment	Total Payment	Principal	Interest	Ending Balance
1	12/31/2016	\$ 480,000.00	\$ 41,848.59	\$ 41,848.59	\$ 13,048.59	\$ 28,800.00	\$ 466,951.41
2	12/31/2017	466,951.41	41,848.59	41,848.59	13,831.50	28,017.08	453,119.91
3	12/31/2018	453,119.91	41,848.59	41,848.59	14,661.39	27,187.19	438,458.52
4	12/31/2019	438,458.52	41,848.59	41,848.59	15,541.08	26,307.51	422,917.44
5	12/31/2020	422,917.44	41,848.59	41,848.59	16,473.54	25,375.05	406,443.90
6	12/31/2021	406,443.90	41,848.59	41,848.59	17,461.95	24,386.63	388,981.95
7	12/31/2022	388,981.95	41,848.59	41,848.59	18,509.67	23,338.92	370,472.28
8	12/31/2023	370,472.28	41,848.59	41,848.59	19,620.25	22,228.34	350,852.03
9	12/31/2024	350,852.03	41,848.59	41,848.59	20,797.47	21,051.12	330,054.56
10	12/31/2025	330,054.56	41,848.59	41,848.59	22,045.31	19,803.27	308,009.25
11	12/31/2026	308,009.25	41,848.59	41,848.59	23,368.03	18,480.55	284,641.21
12	12/31/2027	284,641.21	41,848.59	41,848.59	24,770.11	17,078.47	259,871.10
13	12/31/2028	259,871.10	41,848.59	41,848.59	26,256.32	15,592.27	233,614.78
14	12/31/2029	233,614.78	41,848.59	41,848.59	27,831.70	14,016.89	205,783.08
15	12/31/2030	205,783.08	41,848.59	41,848.59	29,501.60	12,346.98	176,281.47
16	12/31/2031	176,281.47	41,848.59	41,848.59	31,271.70	10,576.89	145,009.77
17	12/31/2032	145,009.77	41,848.59	41,848.59	33,148.00	8,700.59	111,861.77
18	12/31/2033	111,861.77	41,848.59	41,848.59	35,136.88	6,711.71	76,724.89
19	12/31/2034	76,724.89	41,848.59	41,848.59	37,245.09	4,603.49	39,479.80
20	12/31/2035	39,479.80	41,848.59	39,479.80	37,111.01	2,368.79	0.00