

# CONFIDENTIAL BUSINESS REVIEW

## THE FREDERICK MOVING COMPANY, INC.



Frederick Moving Company was founded in 1997 to provide clients with high quality local and long distance moving services. After thousands of moves, both local and long distance, clients have given Frederick Moving Company, Inc. the title of most trusted mover in Maryland.

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## Legal Disclaimer

King & King Business Advisors, (a King & King, LLC company), hereafter referred to as King & King, has been appointed the exclusive broker and transaction representatives for THE FREDERICK MOVING COMPANY, INC. (hereafter referred to as "FMC").

All questions and inquiries regarding this transaction should be directed to King & King. Employees of the Business shall not be contacted. By receiving this document you have been registered as a ("Recipient") of this brochure and understand the terms outlined herein.

The information in this brochure was provided by FMC or its agents and from other sources believed to be reliable. Recipient understands that the information might contain "Forward-Looking Statements." No representation or warranty is made by King & King as to the completeness or accuracy of such information including financial information, financial pro forma or interpretation of such information by King & King or subsequent information which may be supplied.

This brochure is for the confidential use of the Recipient for the sole purpose of assisting in its evaluation of the potential acquisition of the Business. The Recipient agrees that any information contained in this brochure will not be used for any other purpose than to consider the acquisition of the Business.

## Forward-Looking Statements

Such forward-looking statements are subject to a number of risks, assumptions and uncertainties that could cause the Business' actual results to differ materially from those projected in such forward-looking statements. These risks, assumptions and uncertainties include: the ability to complete systems within currently estimated time frames and budgets; the ability to compete effectively in a rapidly evolving and price competitive marketplace; changes in the nature of regulation in the United States and other countries; changes in business strategy; the successful integration of newly acquired businesses; the impact of technological change; and other risks referenced from time to time.

## Contact:

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## Business Overview

America's moving and storage industry is one of the most complex and diverse collections of businesses in the country. It consists of multi-million dollar companies and multi-thousand dollar ones; of large corporate organizations and "mom-and-pop" operations; of chief executive officers working in corporate suites and independent business people working in their trucks; and of van lines, their agency systems and independent movers. America's moving and storage industry is as diverse as the country itself. As the industry's national trade group, AMSA represents all facets of the industry: agents, forwarders, independent carriers, international movers, suppliers and van lines.

Frederick Moving Company, Inc. was founded in 1997 by Steve Westen. FMC is a Maryland domiciled closely held C Corporation. Mr Westen is the principal shareholder and hands-on General Manager of the business. After working in the moving industry for over 15 years, Mr. Westen started the company in 1997 to provide clients with high quality local and long distance moving services. After thousands of moves, both local and long distance, clients have given FMC the title of most trusted mover in the State of Maryland.

### Trust

As a second generation mover, Mr. Westen knows that trust is earned with each move. Whether moving grandmother's antiques or getting someone into your first apartment, Frederick Moving Company provides the best level of care, quality and personal attention to ensure your move is worry-free.

Nearly 75 percent of FMC's business comes from satisfied client referrals. FMC prides itself on keeping their equipment updated, their people well trained and padding every piece of furniture they move. Handling each and every item with care insures every move is a success.

### Professionalism

FMC's licensed, highly-trained professionals make the moving experience as pleasant and hassle-free as possible. All of their movers are trained and instructed to give the client, their complete attention and cooperation.

### Affordable Value

FMC takes great pride in providing each and every client with quality service and fair and honest pricing. There are no hidden fees; everything is spelled out in advance so there are no surprises on moving day. .

## Moving Industry Facts

The Industry consists of approximately 7,000 companies operating at 13,900 locations primarily providing moving and storage services for household and office goods

This number Includes van lines, van line agents, independent full-service movers, international movers, forwarders, and auto transporters

The moving industry employs approximately 122,600 people with an annual payroll of \$3.6 billion

The moving industry is composed of mostly small businesses:

47.8% of industry companies employ fewer than 5 people.

Only 8.5% of industry companies employ 100 or more people.

Industry trade groups who maintain records and conduct research for the industry report that 11.9% of all Americans (304,924,000) move every year (annual percentage):

36.4 million, or 15.6 million households @ 2.34 persons per household

9.9% moved within the same state

1.50% moved to a different state

0.357 moved from the US to another country

Of all Americans who moved in 2012 (36,488,000), 83.3% moved within the same state,

13.9% moved to a different state,

3.2% moved from the US to another country

Reason for moving (US Census questionnaire for 2011-12):

Wanted new or better home / apartment – 15.9%	Other housing reason – 14.4%
Other family reason – 12.3%	To establish own household – 10.7%
New job or transfer – 9.5%	Wanted cheaper housing – 9.0%
Change in marital status – 6.3%	To be closer to work / easier commute – 5.5%
Wanted own home, not rent – 4.7%	Wanted better neighborhood / less crime – 3.4%
To look for work or lost job – 2.7%	Other job related reason – 2.0%
Other reasons – 0.9%	To attend or leave college – 0.6%
Retired – 0.5%	Health reasons – 0.3%
Natural disaster – 0.2%	Other reasons - 1.3%

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## Testimonials

Excerpted from company website:

*Our move was a complex one, with lots of antiques and large art pieces which require sophisticated knowledge to handle effectively. Steve and his crew handled them with care and confidence. Not a scratch or ding on anything. We could not have asked for a better move. We have recommended the Frederick Moving Company to everyone we know.*  
*Haeffner Family, Frederick, MD*

*The Frederick Moving Company team was the best group of movers we have ever had. They were personable and so professional. You could tell they have worked together for a long time. It seemed like they moved the contents of our entire house in a snap.*  
*J. Honig, West Palm Beach, FL*

*Steve Westen and his crew were outstanding, the price was affordable and the quality high. From the estimate, to pre-move packing to the actual move itself, they handled every detail and kept me informed. Didn't know that a move could run as smoothly as this.*  
*R. Testroet, Durham, NC*

## Ownership Information

Legal name of business: THE FREDERICK MOVING COMPANY, INC.

Entity type: Ordinary Business - Corporation, Closely Held

Date Entity Formed: March 15, 1999

Address: 5292 Broadmoor Terrace, Ijamsville, Frederick County, MD 21754

Principal Stockholder/CEO: Steve Westen

Financial Records: Actual Financial Records and Copies of Tax Returns will be made available as required during the regular course of due-diligence.

Licenses Required: Business

Litigation and Ability to Sell Assets: Management advises this writer there are no agreements or litigation blocking the sale of these assets.

## Proposed Transaction

The Seller's objective is to transfer all right and title to all of the tangible and intangible assets of the business in an asset sale. This shall include, but not be limited to, trade name, service marks and trademarks, all operating assets, intellectual property, (including website) licenses, equipment, tools, customer accounts, phone numbers, and good-will of the business.

## Competitive Advantages

FMC has been in the Frederick market and on the internet long enough that if one were to search Google using the search term "moving company Frederick," (or with MD or Maryland appended), on any given day their website will show up number one in the search results immediately following the two or three paid ads that always appear at the top of any Google search.

## Coverage Area

Eastern Seaboard from Maine to the Florida Keys

## Terms Considered

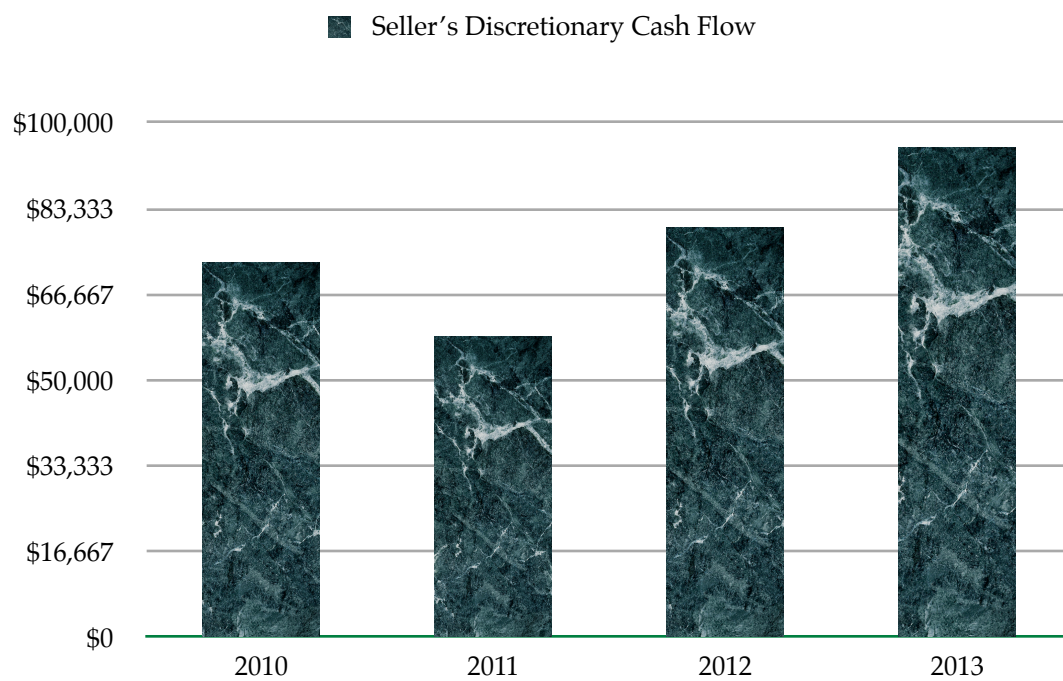
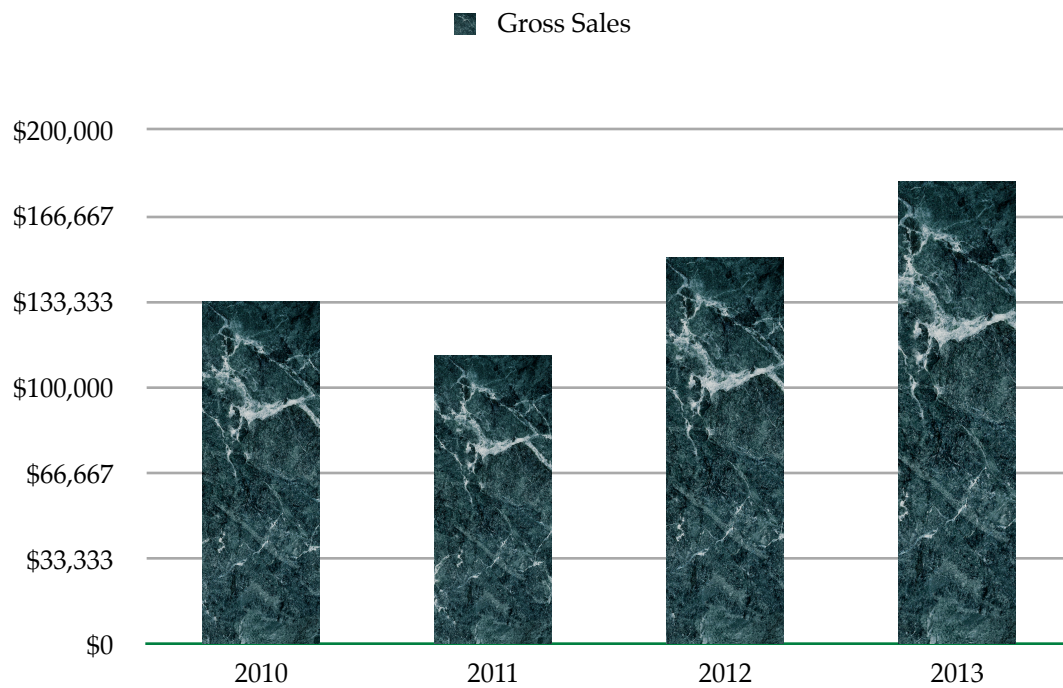
The Seller wishes to engage in an all cash transaction for the sale of the business. However, the Seller will consider, at his sole and absolute discretion, financing a portion of the purchase price of the business for a buyer(s) that meet his qualifications.

Asking Price:.....\$150,000

## Transition

The owner understands that it is in his best interest and a Buyer's best interest that he remain involved with the business for a pre negotiated period of time to assist in the transition of the business affairs.

## Business Income periods (2010, 2011, and 2012 and 2013 Pro-Forma)





## Income Statement

The Frederick Moving Company, Inc.

Income Statement

Pro-Forma 2013 and Years Ending - December 31, 2012, December 31, 2011 & December 31, 2010

	2013 Pro-Forma	2012		2011	2010
Income:					
Revenue	\$180,000	\$150,500		\$112,484	\$133,383
Expenses:					
Fuel	13140	10979		7234	6412
Insurance-Trucks	5274	4411		3784	4500
Insurance-Cargo	1260	1056		1021	1000
Insurance-Health	8226	6876		6400	5400
Insurance-Workmen's Comp.	3618	3032		2983	2324
Materials	1044	874		1013	1929
Meals-Travel	1692	1414		973	950
Mileage	2898	2425		1212	2250
Miscellaneous	7020	5875		5889	5260
Parking	1152	960		960	960
Phone	7344	6139		6650	5583
Professional Services	1656	1385		1245	1340
Salaries/Wages - Owner	45918	38400		34400	28800
Salaries/Wages - Crew	31860	26648		17715	25130
Salaries/Wages - Labor Ready	1116	927		527	1087
Taxes (SDAT)	300	300		300	300
Truck Repairs & Maintenance	5346	4466		2384	1507
Total Expenses	138864	116167		94690	94732
Net Income/(Loss)	\$41,136	\$34,333		\$17,794	\$38,651

### Seller's Discretionary Earnings (Adjusted Net Income):

Definition: The pre-tax earnings of the business before non-cash expenses, one owner's compensation, interest expense or income, as well as one-time and non-business related income and expense items.

2010 - \$72,851

2011 - \$58,594

2012 - \$79,609

2013 Projection - \$95,280

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## Trucks

1999 Freightliner FL60

Heavy Truck

VIN- 1FV3GFAC2XHA19026

Mileage 226k

2004 Isuzu FRR

Medium Truck

VIN- JALF5C13447700282

Mileage 112k

Both trucks were purchased new for a slightly over \$50,000 each.

## Notes

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