

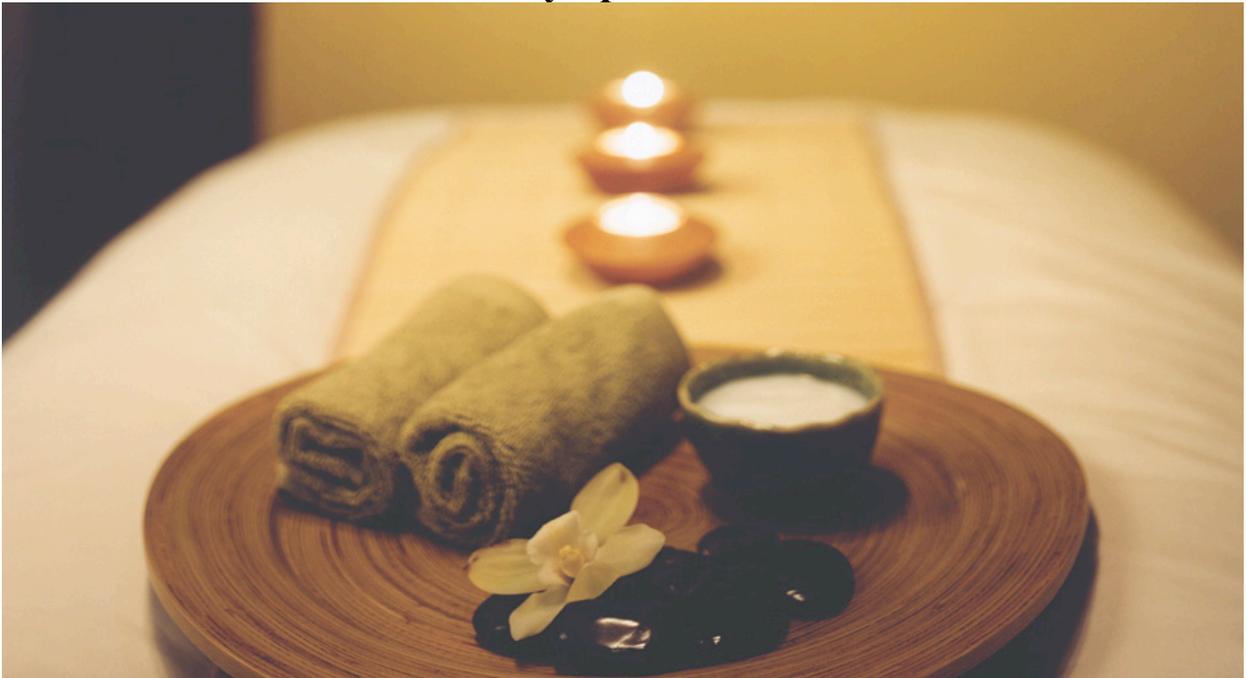
Business 5

Daisy XXXXXX

Jennifer XXXXXX

May 12, 2009

Platinum Day Spa and Salon



26 April 2009

Chase
401 Davis St # B
Vacaville, CA 95688

Dear Mr. Jones:

We are currently seeking an investor for our company, Platinum Day Spa and Salon, which provides a variety of upscale spa and salon services.

Based on your interest in providing SBA loans for upcoming small businesses, we strongly believe that our business plan may be of immense interest to you. Enclosed is a copy of our business plan.

The company will become an industry leader in spa and salon services. Our mission is to run a profitable business by providing high-end therapeutic massage and aesthetician services in a compassionate, upscale, professional environment. We have targeted potential clients seeking injury recovery, self-pampering/relaxation, alternative care users, and beauty care users. Our competitive advantage stems from our ability to market affectively and ingeniously attract customers. We have a strong management team, which includes Daisy XXXXXX and Jennifer XXXXXX, who are both owners of the business.

We are seeking \$100,000 for our company. The funds will be used for our start up expenses in the company.

Thank you for your consideration and interest in Platinum Day Spa and Salon. Please contact us with any questions or concerns you have, and we will be pleased to provide you with any additional information you require. If, upon completing your review, you would like to discuss this matter further, please do not hesitate to contact us, by telephone at (707)823-8184.

Sincerely,

Platinum Day Spa and Salon

Daisy XXXXXX
Owner

Jennifer XXXXXX
Owner

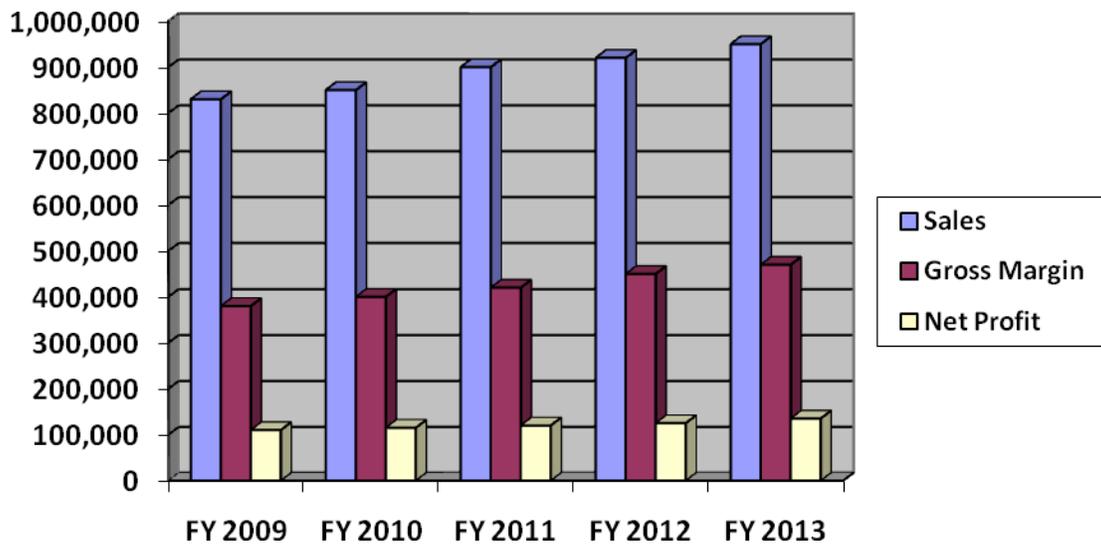
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Executive Summary

Platinum Day Spa and Salon is a luxurious destination in Suisun City specializing in a variety of services. We offer four ultra-chic, ultra-comfortable treatment rooms with the finest spa linens and equipment and we offer four state of the art tanning beds. There are a variety of massage styles available-traditional Swedish Massage, Deep Tissue work, Hot Stone Massage, and Reflexology. We also offer facial and body treatments, like a Vitamin C Antioxidant Facial and Seafoam Body Wrap Treatment. The day spa and salon has the latest in anti-aging products and techniques. We also offer services on hair such as cutting, styling and coloring.

This business plan has been developed to track progress prior to opening and following through with a five-year projection.



Objectives

1. Achieve \$39,000 in sales the third month after opening by performing 18 services per day.

2. Achieve \$80,000 in sales the six month after opening by performing 34 services per day.
3. Become an established community Spa and Salon destination by the end of the first 12 months.
4. Perform 69 services per day by the end of the first year.

Mission

Our mission is to run a profitable business by providing high-end therapeutic massage and aesthetician services in a compassionate, upscale, professional environment.

Company Summary

Platinum Day Spa and Salon is a new destination offering customers the combination massage, body treatments, facials, tanning, acupuncture, hair care, nail care, body hair removal, and beauty products. The atmosphere settings are upscale, beautiful and serene. We cater to both men and women and offer the latest in skin care products, hair care products and therapies.

Start-up Summary

The following table outlines start-up expenses related to leasing, build-out and start-up expenses in opening Platinum Day Spa and Salon. The majority of the start-up costs will be funded through short-term financing and the remainder will be invested by the owners.

Start-up

Requirements	
Start-up Expenses	
Legal	\$2,000
Printing, Stationary, bags, grand opening coupons	\$3,500
Brochures	\$500
Construction/Design	\$55,000
Insurance	\$2,000
Rent	\$3,500
Water Bill	\$300
PG&E	\$500
Accountant	\$1,000
Advertising	\$2,000
Linens	\$1,500
Capital Expenses (Please see chart under Products and Services)	\$34,867
Total Start-up Expenses	\$106,667

History of the Salon and Spa

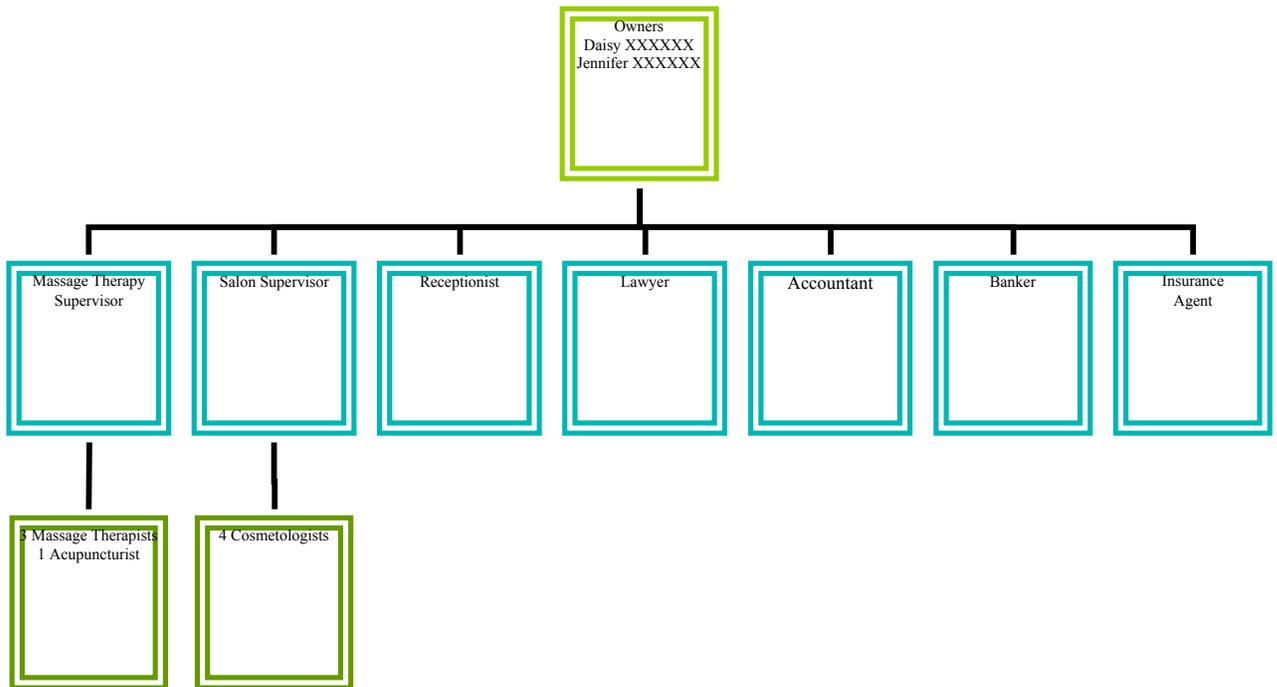
The history of the day spa traces all the way back to Early Civilization. Due to controversy as to where the term "spa" originated from, it is in actuality considered unknown. There are two main theories that it is said to fall under. Through out history, spa is referred to as "the waters." The first theory suggests that it's an acronym for the Latin phrase, "salus per aquae." Translated, the phrase means "health through water," hence "the waters." The second theory relates the word "spa" to a Belgian town famous for its baths used to restore health and pamper oneself.

The history of the beauty salon dates back to ancient civilization. Beauty styles and trends change through out time as to what is considered not only attractive but also appropriate. For example, 200 years ago, a short hair cut was only acceptable for a woman if she had just recovered from a severe illness. Nowadays, several women wear their hair short. Hair is not the only beauty ideal that modifies drastically through out history. Today, people will pay money to have their skin tanned, where as, a century ago, pale skin was the fashion. Women would buy powder to make their faces whiter and more fragile looking rather than wanting more color from a fake tan. Another beauty ideal that has been around throughout history is the manicure. People have been manicuring their nails for over 4,000 years. Looking briefly at the history of Beauty salons and the beauty ideals, it shows how beauty criteria modifies with time.

Industry Background

Platinum Day Spa and Salon is a general partnership owned by Daisy XXXXXX and Jennifer XXXXXX. It's a newly started, upcoming day spa and salon that represents the health, beauty and spa industry. Both Daisy XXXXXX and Jennifer XXXXXX have previous management experience. Daisy XXXXXX was an assistant manager at a day spa located in Texas for two years. Then moved on to become a manager at a dry cleaner in Texas for one year. Jennifer XXXXXX worked as a teller in a payday loans company located in Colorado. After a year, Jennifer moved up to managing a Checkmate store for two years.

Management Summary



Most employees are licensed, contract massage therapists, aestheticians, and cosmetologists. The employees are 1099 and get paid one hundred percent commission. This alleviates huge overhead for salaries as employees are only paid when sales are generated. Employees are paid on a sliding scale based off of production and percent service sales to retail. There are an increasing number of employees of this type available than there are jobs to fill them so this is an employers market which is considered a positive.

Since there are two owners managing Platinum Day Spa and Salon; Daisy XXXXXX and Jennifer XXXXXX, their responsibilities include the duties of an opening manager and a closing manager. This way, there is a manager present at the salon and spa at all times during business hours. The closing manager will relieve the opening manager when they come in for their work shift. Each manager will take on the roles of a front desk person and obtain cashier and phone duties.

A front person will be hired within two months of the grand-opening of Platinum Day Spa and Salon. This person will relieve some of the phone, front desk and cashier duties from the manager. By the end of six months, depending on business, it will be determined if a second person is needed to handle these duties. The owners draw and

front desk are the only salaries. The rest of the payroll is commission and is only paid when the business is generating sales.

Financial Plan

The premier element to our financial plan is initiating, maintaining, and improving the factors that create, stabilize and increase our cash flow. Because of the commission structure of our contractor payments, our variable costs will exceed fixed costs for all years of this plan, which should help stabilize the cash flow. We only pay commission when we make a sale. We will surpass the break- even point by month four, and end the first year with a net profit margin of almost 11%. By quickly repaying our loan while increasing sales, and managing costs, we will increase the net worth of the business substantially in the first year, and continue increasing it for the foreseeable future.

Important Assumptions

The financial plan depends on important assumptions. We assume cash payments for all services, except for the 1% of sales projected as insurance reimbursements, with collection days at 90. The collection days are for insurance billings only. Interest rates, tax rates, and personnel burden are based on conservative assumptions.

Two of the more important underlying assumptions are:

1. We assume that due to the economy, our affordable prices will attract more customers.
2. We assume that there are no changes to the medical/insurance industry, such as the nationalization of health care.

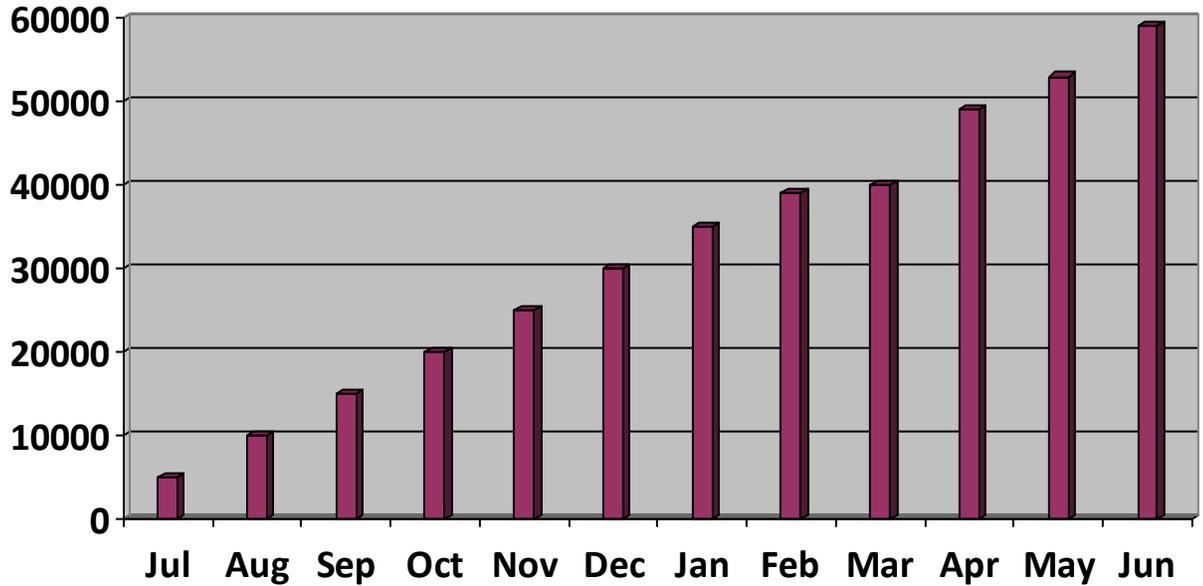
Projected Profit and Loss

Because we are paying our service-provider on commission, our variable costs will exceed our fixed costs. This keeps our overhead low, and means were paying ONLY for hours when they actually provide services. Keeping such a large pool of reliable massage therapists and aestheticians as we are recruiting will keep us from losing business with no-shows, especially since we will schedule our contractors, as much as possible, for full days or half-day, rather than individual appointments.

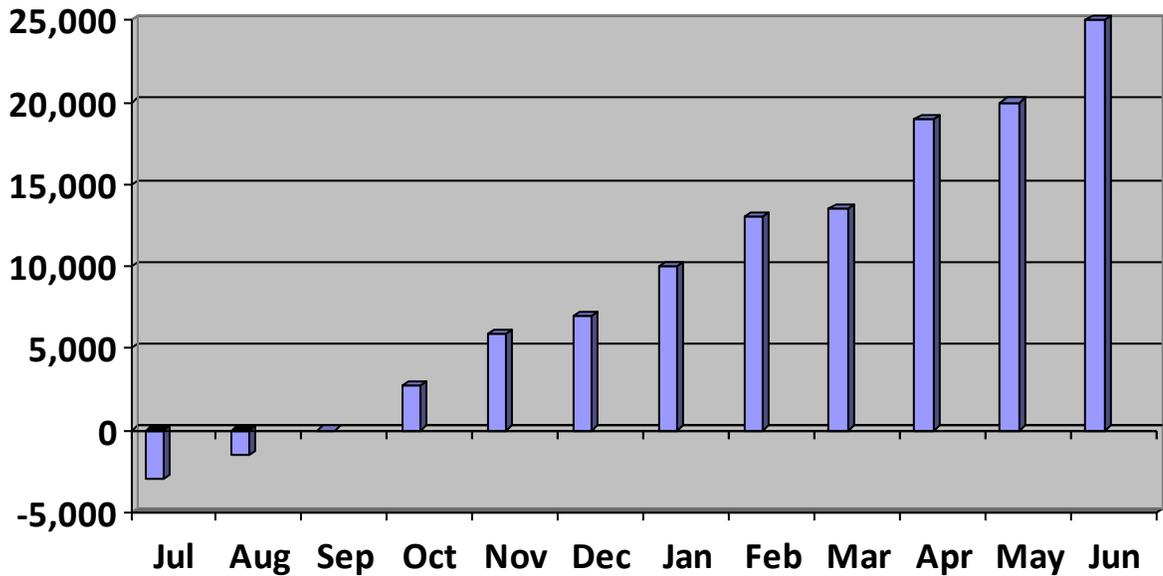
Fixed expenses are the customary: rent, electric, advertising, insurance. There are four main areas of income which include massage, aesthetician, retail, and out call. Massage and aesthetician services are \$65 per service minimum, with 55% of that going to the service provider. The basis for the sales projections is a conservative estimate of seven services per day the first month in business and fifty three services per day by the end of the first year. At fifty three services per day we would still only be operating 75% to capacity with seven treatment rooms operating seven days a week, eight to ten hours per day.

On retail products, the gross margin is consistently 50% across the board. The retail lines go in conjunction with the spa services as an extension of the spa experience. The more customers, the more retail sales that will be driven. These high-end cosmetics and spa products are hard to find items that generate repeat purchases.

Gross Margin Monthly

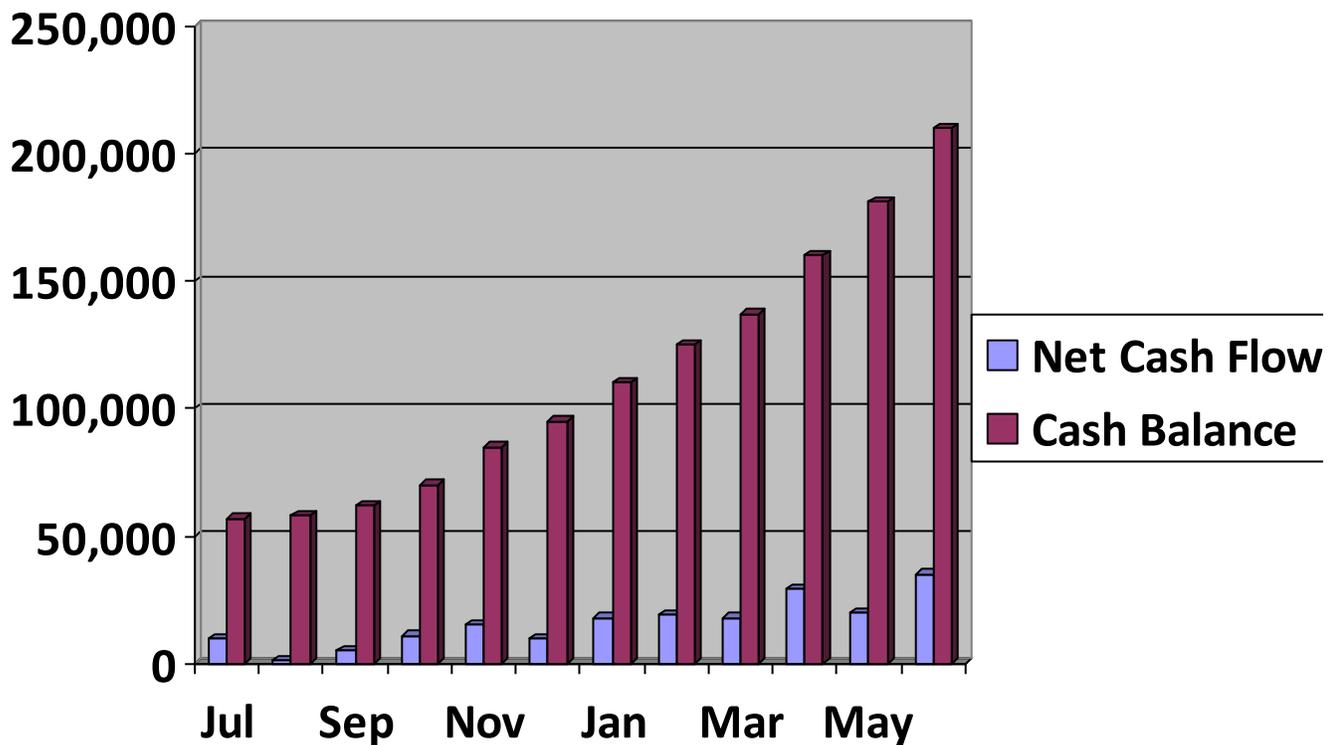


Profit Monthly



Projected Cash Flow

Based on our conservative sales forecasts, the following Cash Flow table shows Platinum Day Spa and Salon with a consistent increase in the cash balance. Because the business is a general partnership, the owner's draw is obviously the area of cash flow where adjustments can be made if cash flow becomes tight.



Products and Services

Platinum Day Spa and Salon offers massages, body treatments, tanning, acupuncture, facials, body hair removal, hair care, nail care, and beauty products. Services are provided by licensed and experienced therapist, aestheticians, and cosmetologists who are paid on commission. The advantage of the commissioned employee is that there is very little overhead without sales; employees only make money when the business makes money.

We also offer a full retail line that complements the service menu. Products included are hair products, high-end cosmetics, creams, tanning lotions, and other beauty products. These high-end items tend to retail at a minimum of \$20-\$40 per item.

Capital Required

Massage Table Equipment	\$1,375 (5 complete)
Décor and Furnishings	\$13,000
Styling Chair	\$1,240 (4 complete)
Work Stations	\$1,600 (4 complete)
Magnifying Lamp	\$218 (2 complete)
Display Stands	\$350 (2 complete)
Towel Warmer	\$180
Paraffin Bath	\$258 (2 complete)
Nail Desks	\$600 (3 complete)
Nail Dryer	\$150 (3 complete)
Nail Products	\$700
Nail Drills	\$600 (3 complete)
Pedicure Chairs with Foot Bath	\$1,500 (3 complete)
Shampoo Chairs	\$2,100 (3 complete)
Tanning Bed	\$9,196 (4 complete)
Hair Products	\$1,000
Tanning Products	\$800
Total Capital Expenses	\$34,867

Marketing Plan

There are about 18,100 spas in the United States as of June 2008 according to International Spa Association.

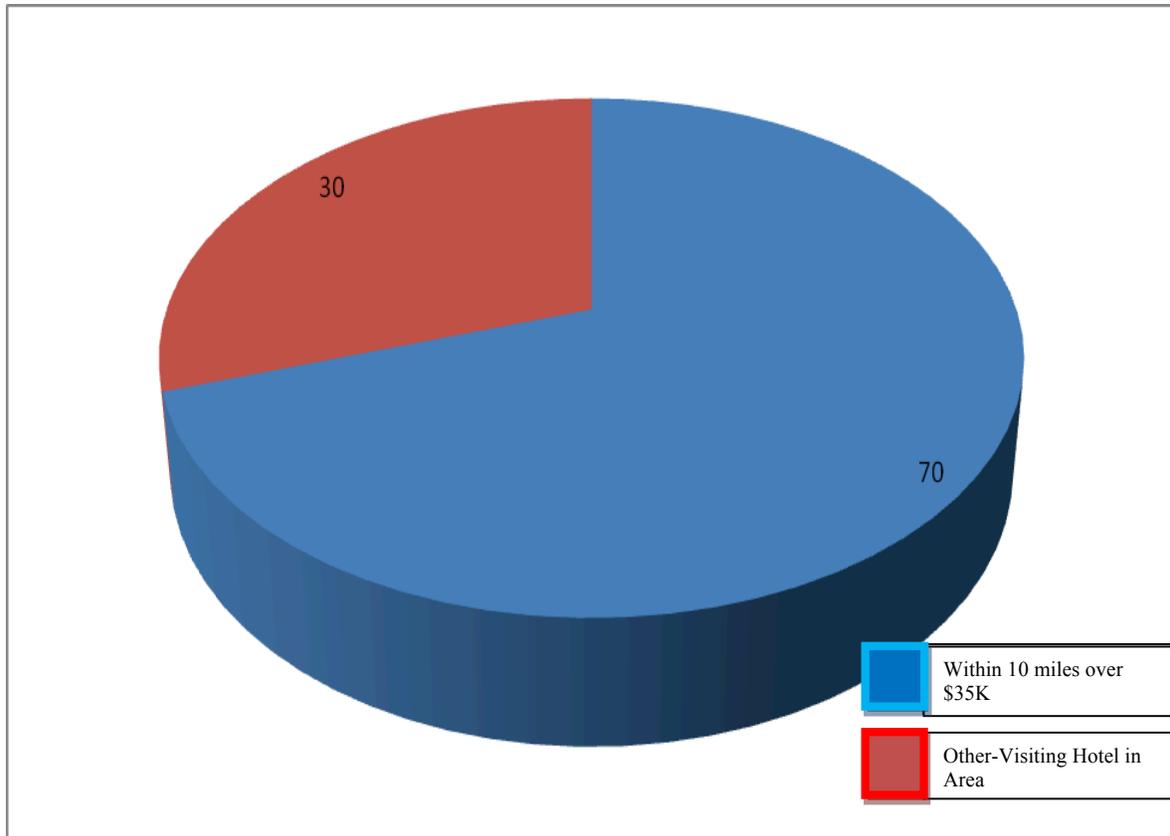
- Seven out of ten are day spas.
- 1 in 4 Americans have been to a spa.
- There are more than 32 million active spa-goers.
- In 2007, \$10.9 billion of revenue was generated by the U.S. spa industry

Currently there is one other spa in Suisun City. The closest competitor is Tokyo Spa which only offers massages. It does not offer the additional services that our spa and salon offers for example tanning, body hair removal, hair care, nail care, and acupuncture. Our competitor charges 60 dollars per hour and 40 dollars for half an hour.

To locate such a comprehensive day spa and/or salon, residents currently have to travel into the San Francisco or Sacramento area. Another disadvantage, besides the distance, of a day spa or salon located in the city, the same services available at those salons are highly over priced. Whereas the services we offer are more affordable with the same quality service and experience as the ones at a greater distance.

Market Segmentation

We are first and foremost targeting potential clients within a ten mile radius of the Suisun Marina with a household income of over \$60,848. Our secondary market will include visitors staying at a local hotel. Approximately 15% of the population in the United States has never tried a massage. We will assume that a conservative 70% of these two categories has tried a massage and would experience one again, if offered appealing services at the right place.



Within this group, clients who use spa and salon services fall into four basic categories:

1. Clients recovering from injuries and accidents/ massage therapy
 - Often also seeing a chiropractor or physical therapist (more often referral from chiropractor.)
 - Frequently paid by insurance.
 - Usually insurance will pay for short-term therapy only, although clients will sometimes supplement out-of-pocket.
 - Our spa and salon will be set up to take insurance patients and bill to insurance when prescribed by a qualified physician.

2. Clients pampering themselves/ Massage Therapy, Body and Facial Treatments
 - Individuals with high disposable income
 - Sometimes have chronic pain or old injury issues
 - Massage 1-4 occasions a month for relaxation
 - Huge anti-aging and beauty market potential
 - Traffic continues to be a small problem in the community and our therapies are valuable for this segment of the population.
 - Local hotels that do not offer spa services will be able to refer to our local facility or use our out-call services.

3. Clients who prefer alternate health care
 - Use massage as preventative health care
 - Use other alternative practices-e.g. acupuncture
 - Try to have a massage as regularly as one can afford-actually once per month.
4. Clients who seek beauty care
 - Use high-end beauty products
 - Experience beauty and salon service through a professional cosmetologist.
 - Try and have beauty services on a basis of once a month-e.g. tanning, hair services, and nail services.

Target Market Segment Strategy

As individual as our customers are, they seem to fall into one of the four general categories: Injury Recovery, Self-Pampering/Relaxation, Beauty Care Users, and Alternative Care Users. Besides the obvious differences in the style of massage and treatments each of these prefer, they also represent separate groups for marketing and retention purposes. In addition, the booming anti-aging market is an additional momentum builder.

The injury recovery category is usually referred by a chiropractor, referred by another client who found massage beneficial during an injury recovery. Marketing to this audience is done indirectly, through the referring parties. While car insurance typically pay for massage for only a limited time, many health insurance policies now have Alternative Care coverage with a renewable annual maximum. Most people do not know that regular massage therapy is covered on their insurance when prescribed by a physician. We will work to educate clients of their benefits and be able to bill to insurance on the appropriate patients.

Clients who have the disposable income to indulge in massage and body treatments for self-pampering or relaxation are the core of our long-term repeat customers. These clients will come once a month for years, and often refer other potential clients. This type of client can be difficult to find- an ad in the local alternative news weekly or a donation to a charity auction may result in a one-time visit, or a long-term client. Another source of usually one-time visitors is the Gift Certificate. Friends pampering friends for a special occasion. Our desired location will provide an excellent demographic to provide this type of client.

The third category is Alternative Care Users. These are people who mistrust allopathic medicine and prefer to use chiropractors, herbalists, and acupuncturists. A local networking group of alternative care providers is a great way to get referrals, as well as placing posters on other practitioner's offices, and ads in the local alternative newspaper.

Our last and final group is the Beauty Care users. These are clients who use beauty care products such as tanning lotions, hair products, and nail products. These clients also seek services such as cuts, relaxers, perms, colors, shampoo, conditioning, curling, reconstructing, weaving, waving, manicures, pedicures, polish, sculptured nails, and tanning.

Service Business Analysis

We are part of the retail health and beauty industry, which has four major types:

1. Salon with Day Spa Services: Hair, nail, and beauty salons that offer limited spa services like massage and facials.
2. Health and Beauty Products: Stores selling only merchandise products covering the wide range of products available, but not inclusive of those sold by salons and spas.
3. Hotels with Spa Services: Major hotels with on-site spas.
4. Medical Spa: Focus mainly on non surgical cosmetic but also have massage therapy, facials and microdermabrasion.

Competition

Our competitive strategy is to implement the most aggressive marketing and networking in the area. Our personnel plan consists of a pool of skilled and licensed commissioned therapists, aestheticians and cosmetologists. Our day spa and salon financial plan includes competitive yet reasonable prices that will attract customers and put our business at a financial advantage.

Our competitive edge is our ability to market effectively and creatively attract customers. Which is also followed by the best service and products provided in the business. In addition, our combination of unique services, exceptional location and our customer service and interaction with the clients are setting us up to be a successful day spa and salon in the community.

People choose spa and salon services based on proximity to their daily commute, quality products and a satisfying experience. With the numerous services we provide, we have the potential to dominate the day spa and salon business. There is not one direct competitor of this nature within the community where we are intending to target.

The closest competitor is Tokyo Spa which only offers massages. It does not offer the additional services that our spa and salon offers for example tanning, body hair removal, hair care, nail care, and acupuncture. Our competitor charges 60 dollars per hour and 40 dollars for half an hour. Tokyo Spa has been in business for 8 years.

Strategy and Implementation Summary

Our strategy is to implement the most aggressive marketing and networking in the community---followed by the best services in the business. Our prices are competitive for the area, and our personnel plan, which includes a pool of skilled, commissioned therapists and aestheticians, will give us a financial advantage.

Competitive Edge

Our competitive edge is our ability to market effectively and creatively to bring in the clients and then back that up with the best service and products in the business. In addition, our combination of unique services, outstanding location and our interaction with the customers are setting us up for huge success.

Marketing Strategy

Local Advertising and Seasonal Promotions- Local newspaper advertising, local fliers, grand opening party kick-off and promotion for the first thirty days. Continue regular advertising and plan for seasonal events like Christmas, Valentine's, Mother's Day, Prom, and New Year's.

Health Care Referrals- prior to opening, work current contacts and create new contacts with health care providers, especially chiropractors. Also, become a Provider with health insurance companies that offer Alternative Care to their members. Most people don't know that massage therapy is usually paid by insurance when billed correctly and when prescribed by a physician. Platinum Day Spa and Salon already has practice management software to handle medically billable massage. When the insurance does not cover the entire amount of a service the client will pay the difference. For that reason, we will not want to participate with any PPO's that require write-off for amounts over the usual and customary fee. A list of acceptable insurance company plans will be maintained and those clients will be able to handle massage therapy through their insurance. Any opportunity to convince allopathic physicians to see massage as having long-term healing benefits for their patients will also be taken, since they hold the key to having massage paid for as "medically necessary." The client will also help drive that with the physicians if they are properly educated.

Hotel Referrals- Hotels that do not offer their own spa services will send their guests to our spa or use our out-call spa services. Prior to opening, contacts with managers at local hotels will be made to ensure they are aware of the services available. Promotions will be offered to professionals in these industries to create buzz and build relationships.

Online Website-Our spa will show up on every major search engine and in the phone directory. The website will have a full menu of services and eventually have the ability to schedule appointments on-line. The spa software we are using will allow a user to see the schedule and make an appointment without making a phone call.

Location Traffic-It is imperative that we are located in a high-traffic area. The Suisun Water Front has restaurants, small boutiques, and theaters that attract many patrons.

Sales Strategy- If, as it has been said, the top three top items which determine success in business are location, location, location, then a busy location at the Suisun City Water Front in a thriving residential community represents our top marketing strategy. With the owners focusing on the sales, marketing and management and delegating the massage and aesthetician therapies to employees—business profitability potential is exponentially maximized over a one or two person operation by a direct care-giver without any marketing, management or sales background.

Sales Forecast—the startup table assumes a realistic growth trend. There are four main areas of income: massage, aesthetician, retail and out-call. For the forecast, massage and aesthetician **services** were conservatively estimated at \$55 per service with 35% of that going to the service provider. The basis for these projections is a conservative estimate of 8 services per day the first month in business, and 53 services per day by the end of the first year. At 53 services per day, we would still only be operating 75% to capacity with 7 treatment rooms operating 7 days a week, 8-10 hours per day. Outcall services will enhance the bottom line by allowing us to generate sales without using any of our retail space. Out call also averages a higher per service charge, averaging around \$80 per service with 65% to the therapist and virtually no overhead.

On retail products the gross margin is consistently 50% across the board. The retail lines go in conjunction with the spa services as an extension of the spa experience. The more customers, the more retail sales that will be driven. These high-end cosmetics and spa products are hard-to-find items that generate repeat purchases.

Sales Forecast

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Sales					
Massage Therapy	\$527,830	\$550,000	\$560,000	\$575,000	\$580,000
Facials and Salon Services	\$350,000	\$355,000	\$358,000	\$361,000	\$366,000
Anti-Aging Treatments	\$177,410	\$180,000	\$185,000	\$186,000	\$190,000
Tanning services	\$75,000	\$77,000	\$80,000	\$82,000	\$83,000
Outcall Services	\$23,600	\$27,000	\$30,000	\$35,000	\$37,000
Retail	\$94,845	\$100,000	\$125,000	\$150,000	\$175,000
Total Sales	\$1,248,685	\$1,289,000	\$1,338,000	\$1,389,000	\$1,431,000

Direct Cost of Sales	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Linens and Cleaning	\$3,644	\$3,785	\$3,875	\$3,980	\$4,035
Oils & Lotions	\$14,577	\$6,140	\$6,800	\$7,420	\$8,040
Cost of Retail Products / 50% of Sales	\$47,423	\$50,000	\$62,500	\$75,000	\$87,500
Subtotal Direct Cost of Sales	\$65,644	\$59,925	\$73,175	\$86,400	\$99,575

Appendix

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Daisy XXXXXX

Objective

To obtain a position where I can maximize my multilayer of management skills, program development, training experience, customer service, and a successful track record in the spa and beauty industry.

Experience

United States Air Force
Medical Logistics Journeyman, May 2007 – Present

- Order medical supplies for David Grant Medical Center.

Slater-White Dry Cleaners
Manager, 2006 – 2007

- Prepared bank deposits and daily sales reports.
- Hire, train, and coordinate a staff of 10.
- Opened/closed store; handled customer service complaints and cash control.

Heathers Day Spa
Assistant Manager, 2004 – 2006

- Opened/closed store; handled customer service complaints and cash control.
- Supervised and motivated employees.
- Prepared bank deposits and daily sales reports.

Education

Solano Community College, Fairfield, CA
Early Childhood Education, 2009 – Present

St Philips College, San Antonio, TX
Basic Studies, 2005-2007

Harlandale HS, San Antonio TX
Graduated, 1999 - 2002

JENNIFER XXXXXX

Experience

United States Air Force

Medical Logistics Apprentice, Nov. 2007 - Present

- Inspect and receive medical supplies on a daily basis.
- TMO Monitor

Checkmate

Teller/ Manager, Mar. 2005 - Nov. 2007

- Number one in return customer buy-backs on several occasions.
- Fully proficient in payday loans, check cashing, money order, and western union transactions.
- Receive inbound and make outbound phone calls.
- Correspond with customers daily
- Managing customer/loan files

Golden Corral

Waitress, Jan. 2005 - Sep 2005

- Service through waiting on customers.

Old World Bagel

Coffee bar Cashier, Jul. 2004 - Jan 2005

- Service through waiting on customers.

Education

Pikes Peak Community College, Colorado Springs, Colorado

Second Year Student, Psychology

Wide Field High School, Colorado Springs, Colorado

Graduated, General Studies