



Enviwalls, Inc. dba/



A California based Corporation doing business as.

The mission of **EDC Specialties™** is to fulfill a niche market for both men and women, by focusing specifically on the most popular items we carry every day in our pockets, purses and vehicles, with an underlying theme of preparedness and personal safety.

In accordance with our vision of a safe and prepared society, **EDC Specialties™** provides specialized products and **EDC Kits™**, both pre-selected and customized, for a variety of relevant uses and target audiences. ALL MADE IN AMERICA.

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# 1.0 Executive Summary

## 1.1 The Concept

**EDC Specialties™** is an exciting new concept realized by entrepreneur and businessman, Robert DeFeo, and a close team of talented individuals. By combining professional expertise and focused, mission oriented sales, **EDC Specialties™** will thrive in the Northern California market where innovation, leadership, and professional self awareness is of ultimate importance.

The inspiration for **EDC Specialties™** can be described as a “*desire to bring together the most functional selection of every day carry items into one specialized buying location*”.



*Left: Common items typically found in a modern EDC Kit (Every Day Carry), in a neat and classy organizer.*

*Below: EDC essentials have been around for many years.*



Photos Courtesy of Pinterest

The Every Day Carry concept is described in [Wikipedia](#) as:

*“**Everyday carry (EDC)** or **every day carry** refers to items that are carried on a consistent basis to assist in dealing with normal everyday needs of modern western society, including possible emergency situations.”*

Whereas this concept may arguably encompass thousands of products for millions of uses, **EDC Specialties™** will focus on a few specific marketplaces. Each individual has different daily needs, and EDC choices are very personal. Regardless of whether you are a minimalist, an obsessor, or somewhere in between, chances are you have certain items which you are almost never without when you leave your home.

Some of us put on stout belts with pouches and gadgets strapped to our sides; others choose to carry items in a purse or small bag; still others carry items you would never know they have on them. If you were to sample the EDC items from 100 people on the street, you would find a number of common items: *wallets, watches, money clips, pocket knives, keychains*, etc. The list is finite, yet it is nearly impossible to find all of these items in one place – and, if you did, it would be a department store of some sort, not a specialized expert to help you make the right choices for your needs.

**EDC Specialties™** sets out to change that. When you walk into our store or visit our website, you will find a selection of proven EDC items that our experts have first hand knowledge of, and stand behind. You will find guidance and information to make the right decisions for your EDC kit... or a loved one's.

A quick personal story... years ago I carried a wallet, wore a wrist watch, and pocketed my favorite keychain with little need for anything else. Then came cell phones, more keys, and greater responsibilities. At a certain point I got my concealed carry permit, and my every day carry items changed dramatically again. Today I have at least two drawers full of EDC items that I no longer use. Maybe they don't have a place anymore; maybe they were never good to begin with.

Part of the reason why I have all of those is because EDC is a lot of trial and error. I would see an item in the store that I liked for aesthetic reasons, or name brand, or even because it was highly recommended – only to find out that it didn't work for me. I would scour the internet, and every store within a hundred miles to find the right item – only to order it online many times, or even make it myself. I had trouble finding a reputable source from whom I could find all things EDC, with some level of continuity.

Because EDC is personal, we believe it is important that we expertly know each and every product that we stock, and stand behind the quality and reputation of each. Our job is to ask questions and provide information to guide you in the right direction when choosing your personal EDC items, so that you can make informed decisions and be prepared for anything the world throws at you. EVERY DAY.

### **The Most Common Every Day Carry Items**

Most of us agree that there are certain core items that people in western society carry on them each day. For many, that may consist of a cell phone, keychain, wallet, and a few other essentials that our research suggests are the most common. This varies between age, gender, occupation, social class, and many other factors, however, we all seem to have a variation of these items.

Research also indicates that people who carry these items daily are emotionally attached to them. They may have had them for years, even decades. These items may have been gifts from cherished family members, mementos from past experiences, or even priceless heirlooms. They tell a story of who we are, where we have been, or what we like or represent. They are our own – and everyone has them.

### **Tried & True EDC**

It is clear from the test of time that men and women alike have common or favorite EDC items. Although variations exist and technology changes, personal safety, preparedness and protection have always been at the heart of EDC. You don't carry something *every day* unless you need it on a regular basis.

Prehistoric humans carried basic survival kits equipped with fire making tools, a primitive knife, tinder, and other necessities. During medieval Europe, men often carried their own cup and bowl, and a knife and flint. On the American frontier it was a six-shooter, pocket watch, and flintlock to strike a spark. According to [coolmaterial.com](http://coolmaterial.com), an every day carry kit in the 1800's would have consisted of something like this: walking stick, pocket watch, corn cob pipe, Russell Barlow knife, white phosphorus matches, skeleton key, coins, tobacco, and a Colt revolver. Even Abraham Lincoln had a cache of EDC items in his pockets when he was assassinated, according to the website [everydaycarry.com](http://everydaycarry.com). These items were given to the Library of Congress in 1937 by Lincoln's granddaughter as such:

- Golden watch fob
- Leather wallet with pencil
- Confederate \$5 bill
- Ivory and silver pocket knife
- Embroidered handkerchief
- Folding eyeglasses in silver case
- Gold-rimmed eyeglasses repaired with string
- Pocket lens cleaner



Photo Courtesy of [everydaycarry.com](http://everydaycarry.com)

### Classic vs. Modern

It is said that time changes all things. Principles may remain but style, functionality, and necessity are all subjective. Classic EDC items include a pocket knife, some method of securing currency and coins, a field note pad and writing utensil, a handkerchief, and a timepiece, among others. In twenty-first century America, we might consider modern EDC items to be more like a multi-tool with several functional blades, an RFID protected phone case with storage for debit cards and ID, and a set of wireless earbuds. Regardless of the period, we still choose to carry with us the items we use the most each day, or those we don't ever want to be without when we need them.

### Custom EDC Kits™

It is difficult enough to find somewhere with all of your EDC needs under one roof, and even more difficult to coordinate an EDC set for style or color. Many people own multiple watches, pocket knives, and other EDC items from which they choose each day – whether for aesthetic reasons or specific function or design.

**EDC Specialties™** recognizes a special market in coordinated EDC sets, and will target the gift market for this very unique concept. Specialized kits will be available and marketed through the website and the store as the flagship product line. These kits will vary in content, color, materials and price point, and they will represent various style trends and functions. **See Section 3.10 for full kit information.**

#### TACTICAL



#### CLASSIC



*Examples of what EDC Coordinated Gift Sets might look like.*

Photos Courtesy of [everydaycarry.com](http://everydaycarry.com)

### Everything Else

It would be easy to get carried away and start listing all of the items we could possibly stock in an EDC store. There are thousands – literally. Some cost pennies, some cost hundreds. Some are made in the USA, other items are shipped here from overseas. In the end, some work... and some simply do not.

**EDC Specialties™** plans on having a diverse showroom of items and product lines from which to choose your perfect EDC hardware from. The inventory will be limited to only brands and models that have been carefully selected by our experts for quality, function, materials, warranty, etc. *Everything available at EDC Specialties™ will be made in the United States of America. See Section 6.13, p 49.*

*Products will include, but will not be limited to:* Phone Cases, Flashlights, Watches, Writing Instruments & Tactical Pens, Wallets & Money Clips, Keychains & Key Accessories, Pocket Knives, Pocket Tools and any acceptable accessory that lends itself to these items or others.

## 1.2 Our Mission

The mission of **EDC Specialties™** is to fulfill a niche market for both men and women, by focusing specifically on the most popular items we carry every day in our pockets, purses and vehicles, with an underlying theme of preparedness and personal safety.

In accordance with our vision of a safe and prepared society, **EDC Specialties™** provides specialized products and **EDC Kits™**, both pre-selected and customized, for a variety of relevant uses and target audiences. ALL MADE IN AMERICA.

Our service values are centrally focused on educating our target markets about every day carry items and their use, creating awareness of the benefits, and seeking out opportunities to better our business and our society. The service team will provide expert level consultation, while delivering reliable and professional quality product choices to our clients.

## 1.3 The Opportunity

This plan is prepared to obtain equity financing for the initial launch of **EDC Specialties™**. The sum of \$78,000 is required to purchase inventory, market, promote and operate the business during its first year of operation. Investors of non-managing partner status stand to make impressive margins on capital, with an accelerated repayment plan on a short-term investment schedule.

## 1.4 Cornerstones to Success

**EDC Specialties™** success is defined and supported by:

- *Differentiation*: Innovative products including **Custom** and **Pre-Selected EDC Kits™**, and an earnest desire to service our clients' needs with expert sales, service and warranty.
- *Outstanding expense management*: Our team has demonstrated with great consistency that fiscal management is a top priority at all times, and in all areas.
- *Industry leading practices*: We are committed to ensuring that every representative possesses the necessary desire and ability to provide top-quality service from both a technical proficiency and hospitable cultural standpoint.
- *High quality products*: Expertly selected, American made product choices in all EDC categories.
- *Clever, innovative and aggressive marketing and social media initiatives*.
- *Our total commitment to the community*.
- *An excellent location*: Sacramento and surrounding communities provide the perfect mix of target market opportunities, from both a business to business and business to consumer perspective.

As part of the plan, we have identified and commenced partnering with those whom we believe are the best in the business to help us distinguish **EDC Specialties™** right out of the gate. Our consultants, vendors, manufacturing partners, and marketing partners have been able to take advantage of the many well established relationships that the team has formed over the past years. To our delight, all parties have enthusiastically embraced the opportunity to work with us with sincere interest and excitement.

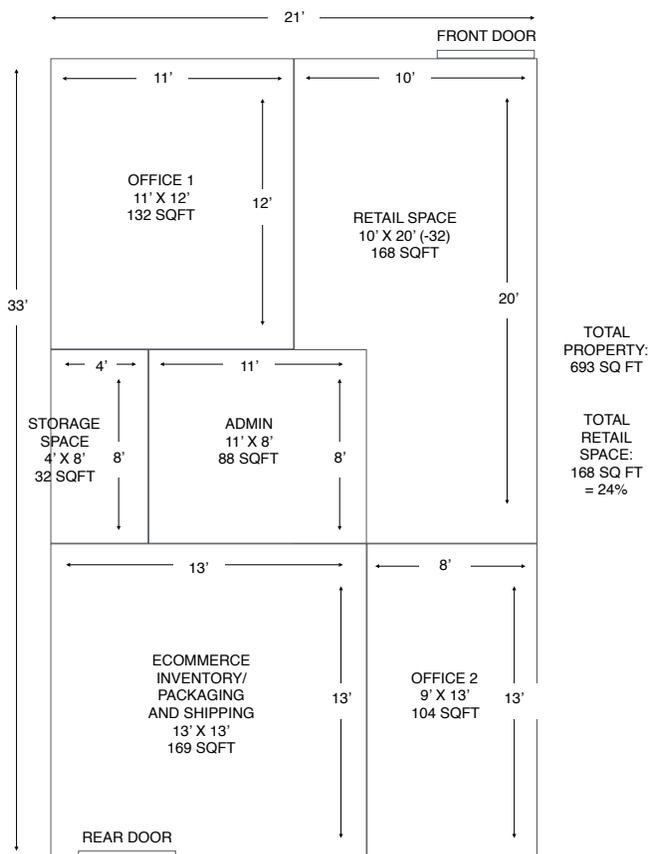
## 1.5 Location

Our emphasis was to find a property that offered a strong feeder market, easy access and visibility, security, and in close vicinity to our suppliers and service routes. Also, an excellent lease offers the business a healthy return, thereby minimizing risk.

It has been determined that 11292 Coloma Rd, Ste. C, in Gold River, California offers the ideal starter space for our concept. This convenient location offers 693 sq ft of storefront with the right combination of main road access, appropriate space for signage, multiple rooms for offices and work centers, as well as storage. It is zoned MP note 64, Industrial/Retail. The location is within a mile of US Highway 50 and the Sunrise Blvd. exit, with heavy vehicle traffic, and many surrounding businesses and feeder communities.

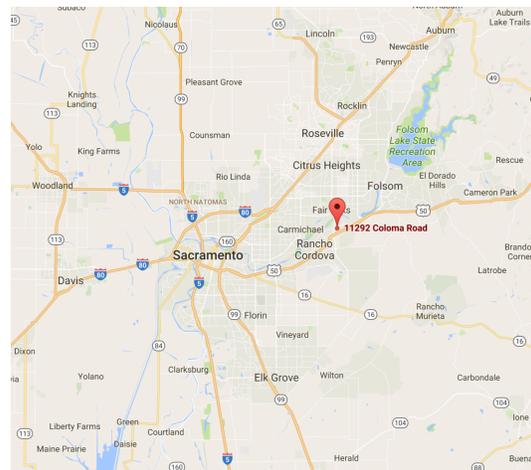


Gold River, CA is located 18 miles from downtown Sacramento. Actual storefront with signage.



TOTAL PROPERTY:  
693 SQ FT

TOTAL RETAIL SPACE:  
168 SQ FT  
= 24%



Google Maps

Proposed use for EDC Specialties, 11292 Coloma Rd, Ste C, Gold River CA 95670  
Business License Application for Enviwalls, Inc dba/ EDC Specialties

The immediate feeder market for local business is robust, as we are located within minutes of several purveyors on the fringes of our market. Local gun stores, shooting ranges and sporting goods stores attract many shoppers who cannot fulfill their needs with what is currently available at these locations. In addition, **EDC Specialties™** is set up to be the exclusive distributor in the Central California region for several of our product manufacturers. Anyone looking to buy these products locally will have to come see us.

The internet market for **EDC Specialties™** is national, and in time, global, and is scheduled to meet approximately 80% of retail product sales annually. Our website is professionally developed and maintained, with up to date inventory control, e-commerce, search engine optimization, unique shopping cart features and multiple other functions to compete in the arena of digital commerce, and be the top result for specific searches and queries. **See more about this in Section 7.0 Marketing Plan.**

## 1.6 Financing & Return on Investment

We have established the following financial needs. These will be met through private investment. Investors will be considered non-managing shareholders of the corporation's assets.

BUDGETS	AMOUNT
Advertising & Promotion	\$10,000
Business Collateral Materials	350
Cash Reserves	13,245
Computer Systems & Technology	4,500
Equipment & Tools	1,500
Graphics & Signage	3,100
Initial Inventory	22,500
Leaseholder Improvements	3,500
Legal & Accounting	2,000
Licensing and Certification Fees	530
Office Setup	2,500
Payroll Equipment, POS	650
Retail Displays & Fixtures, Etc	2,700
Safety Equipment	400
Security Deposits	1,175
Travel/R&D	950
Uniforms	650
Utility Deposits	250
Website Creation & Maintenance	7,500
<b>Total</b>	<b>\$78,000</b>

SOURCES	\$	%
<b>Equity, Class I</b>		
Managing Shareholders	\$43,000	55.13%
<b>Equity, Class II</b>		
Managing Shareholders	\$10,000	12.82%
<b>Equity, Class III</b>		
Non-Managing Shareholders	\$25,000	32.05%
<b>TOTAL EQUITY</b>	<b>\$78,000</b>	<b>100%</b>



In order to complete funding for the start up of **EDC Specialties™**, we are offering investors a 32% interest in **EDC Specialties™** (2500 shares, par value \$10 per share) to be bought at par for a one-time combined principle payment of \$25,000. In the expected scenario, the financial projections forecast a cash internal rate of return of 30.17%, and an average annual return of 10.06% over a period of 3 years. This provides the investor with a projected Return on Investment (ROI) equal to his/her investment within 2.13 years.

This quick return strategy is being offered to minimize the risk for investors. The deal structure dictates that non-managing members (Class III) will receive 100% of the distribution (while capital accounts are positive) until their initial investment is returned in full. Once returned, non-managing members will receive a 43.50% distribution after all capital investments are returned, for the remainder of the initial investment term. Reinvestment options are available after the initial term has expired.

## 2.0 Financial Summary

### 2.1 Sources and Use of Funds

SOURCES	\$	%
<b>Equity, Class I</b>		
Managing Shareholders	\$43,000	55.13%
<b>Equity, Class II</b>		
Managing Shareholders	\$10,000	12.82%
<b>Equity, Class III</b>		
Non-Managing Shareholders	\$25,000	32.05%
<b>TOTAL EQUITY</b>	<b>\$78,000</b>	<b>100%</b>



Above: *The Executive Trio*, available only from **EDC Specialties™**.

BUDGETS	AMOUNT
Advertising & Promotion	\$10,000
Business Collateral Materials	350
Cash Reserves	13,245
Computer Systems & Technology	4,500
Equipment & Tools	1,500
Graphics & Signage	3,100
Initial Inventory	22,500
Leaseholder Improvements	3,500
Legal & Accounting	2,000
Licensing and Certification Fees	530
Office Setup	2,500
Payroll Equipment, POS	650
Retail Displays & Fixtures, Etc	2,700
Safety Equipment	400
Security Deposits	1,175
Travel/R&D	950
Uniforms	650
Utility Deposits	250
Website Creation & Maintenance	7,500
<b>Total</b>	<b>\$78,000</b>

A detailed breakdown of capital budgets are supplied. See **Section 2.3 Capital Budgets, page 12**.

The financial investments needed to launch **EDC Specialties™** will come from private sources. The initial bulk investment of \$43,000 comes from the Class I Equity Managing Partner, Robert DeFeo, and secures his interest as the primary shareholder of the company's holdings with 55.13% shares.

The second source of investment comes from the Class II Managing Partner, Matthew Harris, by means of pre-launch labor and expenses associated with start-up. A monetary value of \$10,000 has been assigned to his shareholder account, which secures a 12.82% stake in **EDC Specialties™**.

The third source of funding comes from a yet unknown private investor or investors. **EDC Specialties™** is looking to secure \$25,000 in cash to use for the remaining capital budget needs. This gap investment will ensure that **EDC Specialties™** has enough operating capital to withstand initial and ongoing challenges, including meeting demand with supply. In the event that the market response is at par or greater than forecasted, it will be imperative that inventory levels can be maintained, and the lowest prices paid for manufactured goods such as the **EDC Tray™** (See **Section 2.5 Sales and Cost of Sales, page 13**).

Investors are offered a premium return on their investment, as detailed in **Section 2.8 Distributions**.

## 2.2 Projected Corporate ROI (Return on Investment)

<b>Projected Return on Investment Fiscal Year 1: 2017-2018</b>				
<b>Projected EDC Sales</b>				
Type of Sale	Units/Year	COGS	Gross Revenue	Gross Profit
Pre-Selected EDC Kits	392	\$ 63,764.64	\$ 104,100.00	\$ 40,335.36
Custom EDC Kits	189	\$ 27,168.75	\$ 47,250.00	\$ 20,081.25
Individual Items	230	\$ 12,190.00	\$ 23,000.00	\$ 10,810.00
<b>Totals</b>	<b>811</b>	<b>\$ 103,123.39</b>	<b>\$ 174,350.00</b>	<b>\$ 71,226.61</b>
Credit Card Fees 2.5% AVG		\$ 4,358.75		
<b>Total Gross Profit</b>				<b>\$ 66,867.86</b>
Overhead	\$	Years to Break-Even Point		
Direct Operating Expense	\$ 4,740.00	<b>0.97</b>		
Advertising	\$ 10,000.00			
General and Administrative	\$ 5,568.00			
Occupancy	\$ 12,420.00			
Salaries	\$ 26,000.00			
EBPT	\$ 6,084.00			
<b>Totals</b>	<b>\$ 64,812.00</b>			

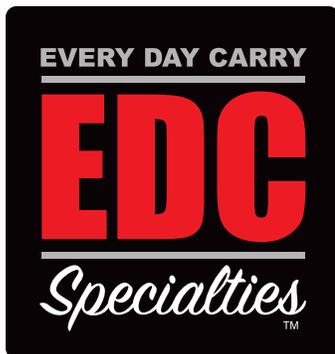
<b>Projected Return on Investment Fiscal Year 2: 2018-2019</b>				
<b>Projected EDC Sales</b>				
Type of Sale	Units/Year	COGS	Gross Revenue	Gross Profit
Pre-Selected EDC Kits	392	\$ 109,000.68	\$ 177,150.00	\$ 68,149.32
Custom EDC Kits	189	\$ 41,543.75	\$ 72,250.00	\$ 30,706.25
Individual Items	230	\$ 16,642.00	\$ 31,400.00	\$ 14,758.00
<b>Totals</b>	<b>811</b>	<b>\$ 167,186.43</b>	<b>\$ 280,800.00</b>	<b>\$ 113,613.57</b>
Credit Card Fees 2.5% AVG		\$ 7,020.00		
<b>Total Gross Profit</b>				<b>\$ 106,593.57</b>
Overhead	\$	Years to Break-Even Point		
Direct Operating Expense	\$ 4,740.00	<b>0.91</b>		
Advertising	\$ 10,000.00			
General and Administrative	\$ 5,568.00			
Occupancy	\$ 12,420.00			
Salaries	\$ 52,000.00			
EBPT	\$ 12,168.00			
<b>Totals</b>	<b>\$ 96,896.00</b>			

<b>Projected Return on Investment Fiscal Year 3: 2019-2020</b>				
<b>Projected EDC Sales</b>				
Type of Sale	Units/Year	COGS	Gross Revenue	Gross Profit
Pre-Selected EDC Kits	1,038	\$ 189,932.04	\$ 308,100.00	\$ 118,167.96
Custom EDC Kits	434	\$ 62,387.50	\$ 108,500.00	\$ 46,112.50
Individual Items	434	\$ 23,002.00	\$ 43,400.00	\$ 20,398.00
<b>Totals</b>	<b>1,906</b>	<b>\$ 275,321.54</b>	<b>\$ 460,000.00</b>	<b>\$ 184,678.46</b>
Credit Card Fees 2.5% AVG		\$ 11,500.00		
<b>Total Gross Profit</b>				<b>\$ 173,178.46</b>
Overhead	\$	Years to Break-Even Point		
Direct Operating Expense	\$ 4,740.00	<b>0.78</b>		
Advertising	\$ 10,000.00			
General and Administrative	\$ 5,568.00			
Occupancy	\$ 12,420.00			
Salaries	\$ 83,200.00			
EBPT	\$ 19,468.80			
<b>Totals</b>	<b>\$ 135,396.80</b>			

## 2.3 Capital Budgets

BUDGETS	AMOUNT
Advertising & Promotion	\$10,000
Business Collateral Materials	350
Cash Reserves	13,245
Computer Systems & Technology	4,500
Equipment & Tools	1,500
Graphics & Signage	3,100
Initial Inventory	22,500
Leaseholder Improvements	3,500
Legal & Accounting	2,000
Licensing and Certification Fees	530
Office Setup	2,500
Payroll Equipment, POS	650
Retail Displays & Fixtures, Etc	2,700
Safety Equipment	400
Security Deposits	1,175
Travel/R&D	950
Uniforms	650
Utility Deposits	250
Website Creation & Maintenance	7,500
<b>Total</b>	<b>\$78,000</b>

Standard 3/c spot or 4/c process Logo



Horizontal 2/c spot or 4/c process Logo

CAPITAL BUDGETS	AMOUNT	%
<b>ADVERTISING &amp; PROMOTION</b>	<b>\$10,000</b>	12.82%
Print advertising	5,800	7.44%
Trade shows	1,200	1.54%
Web Promotion	500	0.64%
Other	2,500	3.21%
<b>BUSINESS COLLATERAL MATERIALS</b>	<b>350</b>	0.45%
Printing/Materials	350	0.45%
<b>CASH RESERVES</b>	<b>13,245</b>	16.98%
Bank reserves	13,245	16.98%
<b>COMPUTER SYSTEMS &amp; TECH</b>	<b>4,500</b>	5.77%
Computer system/Admin	1,500	1.92%
Computer system/Sales	1,500	1.92%
Computer peripherals/POS	1,000	1.28%
Phone/Internet	500	0.64%
<b>EQUIPMENT &amp; TOOLS</b>	<b>1,500</b>	1.92%
Safe	1,200	1.54%
Miscellaneous tools	300	0.38%
<b>GRAPHICS &amp; SIGNAGE</b>	<b>3,100</b>	3.97%
Signage	2,500	3.21%
Collateral Materials	600	0.77%
<b>INITIAL INVENTORY</b>	<b>22,500</b>	28.85%
Flashlights	2,900	3.72%
Pocket Knives	5,000	6.41%
Keychains	900	1.15%
Wallets	2,200	2.82%
Phone Cases	600	0.77%
Watches	2,500	3.21%
Pens	1,400	1.79%
Multi-Tools	1,500	1.92%
Tray Fabrication	3,000	3.85%
All Other	2,500	3.21%
<b>LEASEHOLD IMPROVEMENTS</b>	<b>3,500</b>	4.49%
Construction of display room	2,500	3.21%
Renovation of office space	1,000	1.28%
<b>LEGAL &amp; ACCOUNTING</b>	<b>2,000</b>	2.56%
Legal fees	500	0.64%
Accountant fees	1,500	1.92%
<b>LICENSING &amp; CERTIFICATIONS</b>	<b>530</b>	0.68%
FFL filing	380	0.49%
DBA	150	0.19%
<b>OFFICE SETUP</b>	<b>2,500</b>	3.21%
Office supplies & furniture	1,800	2.31%
Office electronics	600	0.77%
Janitorial	100	0.13%
<b>PAYROLL EQUIPMENT, POS</b>	<b>650</b>	0.83%
Quick Books software	170	0.22%
Online payroll software	480	0.62%
<b>RETAIL DISPLAYS &amp; FIXTURES, ETC</b>	<b>2,700</b>	3.46%
Display cases	500	0.64%
New fixtures/Incl Security	2,200	2.82%
<b>SAFETY EQUIPMENT</b>	<b>400</b>	0.51%
First aid	100	0.13%
Fire extinguishers	100	0.13%
Workplace equipment	200	0.26%
<b>SECURITY DEPOSITS</b>	<b>1,175</b>	1.51%
New office location	785	1.01%
Utility Deposits	390	0.50%
<b>TRAVEL/R&amp;D</b>	<b>950</b>	1.22%
Gas and mileage	300	0.38%
Hotel	250	0.32%
Miscellaneous	400	0.51%
<b>UNIFORMS</b>	<b>650</b>	0.83%
Collared Shirts & Hats	650	0.83%
<b>UTILITY DEPOSITS</b>	<b>250</b>	0.32%
New office location	250	0.32%
<b>WEBSITE CREATION &amp; DESIGN</b>	<b>7,500</b>	9.62%
Creation and Design	7,500	9.62%
	<b>78,000</b>	100.00%

## 2.4 Expense Assumptions

<b>ONGOING EXPENSE ASSUMPTIONS</b>			
	<b>Per Month</b>	<b>% of Sales</b>	<b>Per Year</b>
<b>Direct Operating Expense</b>			
Gas and mileage	100		1,200
Janitorial	75		900
Postage (not sales related)	20		240
Repairs and maintenance	100		1,200
Miscellaneous	100		1,200
<b>Totals</b>	<b>395</b>		<b>4,740</b>
<b>General and Administrative</b>			
Bank Fees	10		120
Dues/Subs/Mems	120		1,440
Office supplies	60		720
Phone/Internet	99		1,188
Website SSL Maintenance	175		2,100
<b>Totals</b>	<b>464</b>		<b>5,568</b>
<b>Occupancy</b>			
Rent	585		7,020
Insurance	250		3,000
Utilities	200		2,400
<b>Totals</b>	<b>1,035</b>		<b>12,420</b>
<b>Payroll</b>			
Salaries and Wages	2,167		26,000
E.B.P.T.	507		6,084
<b>Totals</b>	<b>2,674</b>		<b>32,084</b>
<b>GRAND TOTALS</b>	<b>4,568</b>		<b>54,812</b>

## 2.5 Sales and Cost of Sales

In forecasting sales and cost of sales, an average is used to calculate profits and cost of goods sold due to the high volume of items in inventory, and the complex dealer pricing schedules for each line of products. By measuring average dealer cost vs. MSRP on each of the eight categories of EDC essentials, it has been determined that most manufacturers allow for keystone pricing (100% markup), and many have MAPP pricing structures (Minimum Advertised Price Policy) to maintain the integrity of their brand. **EDC Specialties™** intends to compete at the upper end of the marketplace, while still being competitive and offering discounts in appropriate situations.

The matrix on the following page represents the first three years of forecasted sales breakdowns.

## Annual Sales Projections Fiscal Years 2017-2020

MONTHLY SALES & PRODUCT LINES	\$150 Kits	\$300 Kits	\$600 Kits	Individual Item Sales	Custom Kits	TOTAL PROJECTED GROSS
				Average Item \$100	Average Price \$250	
<b>YEAR 1</b>						
MONTH 1	10	6	2	10	10	\$ 8,000
MONTH 2	10	8	2	15	10	\$ 9,100
MONTH 3	12	10	2	15	12	\$ 10,500
MONTH 4	12	10	3	15	12	\$ 11,100
MONTH 5	12	10	3	20	12	\$ 11,600
MONTH 6	15	12	4	20	15	\$ 14,000
MONTH 7	15	12	4	20	15	\$ 14,000
MONTH 8	20	12	5	20	18	\$ 16,100
MONTH 9	20	15	5	20	20	\$ 17,500
MONTH 10	22	15	6	25	20	\$ 18,900
MONTH 11	22	18	6	25	20	\$ 19,800
MONTH 12	24	18	10	25	25	\$ 23,750
<b>TOTAL UNITS</b>	<b>194</b>	<b>146</b>	<b>52</b>	<b>230</b>	<b>189</b>	<b>\$ 174,350</b>
<b>TOTAL REVENUES</b>	<b>\$29,100</b>	<b>\$43,800</b>	<b>\$31,200</b>	<b>\$23,000</b>	<b>\$47,250</b>	<b>\$ 174,350</b>
<b>AVERAGE PROFIT %</b>	38.46%	41.25%	35.50%	47.00%	42.50%	40.94%
<b>AVERAGE COGS</b>	<b>\$17,908</b>	<b>\$25,733</b>	<b>\$20,124</b>	<b>\$12,190</b>	<b>\$27,169</b>	<b>\$ 103,123</b>
<b>GROSS PROFIT</b>	<b>\$11,192</b>	<b>\$18,068</b>	<b>\$11,076</b>	<b>\$10,810</b>	<b>\$20,081</b>	<b>\$ 71,227</b>

MONTHLY SALES & PRODUCT LINES	\$150 Kits	\$300 Kits	\$600 Kits	Individual Item Sales	Custom Kits	TOTAL PROJECTED GROSS
				Average Item \$100	Average Price \$250	
<b>YEAR 2</b>						
MONTH 1	20	15	6	20	20	\$ 18,100
MONTH 2	20	15	6	20	20	\$ 18,100
MONTH 3	22	15	6	22	20	\$ 18,600
MONTH 4	22	18	8	22	24	\$ 21,700
MONTH 5	25	18	8	25	24	\$ 22,450
MONTH 6	25	18	8	25	24	\$ 22,450
MONTH 7	25	18	8	30	25	\$ 23,200
MONTH 8	28	20	10	30	25	\$ 25,450
MONTH 9	28	20	10	30	25	\$ 25,450
MONTH 10	28	20	12	30	26	\$ 26,900
MONTH 11	30	25	12	30	26	\$ 28,700
MONTH 12	30	25	12	30	30	\$ 29,700
<b>TOTAL UNITS</b>	<b>303</b>	<b>227</b>	<b>106</b>	<b>314</b>	<b>289</b>	<b>\$ 280,800</b>
<b>TOTAL REVENUES</b>	<b>\$45,450</b>	<b>\$68,100</b>	<b>\$63,600</b>	<b>\$31,400</b>	<b>\$72,250</b>	<b>\$ 280,800</b>
<b>AVERAGE PROFIT %</b>	38.46%	41.25%	35.50%	47.00%	42.50%	40.94%
<b>AVERAGE COGS</b>	<b>\$27,970</b>	<b>\$40,009</b>	<b>\$41,022</b>	<b>\$16,642</b>	<b>\$41,544</b>	<b>\$ 167,186</b>
<b>GROSS PROFIT</b>	<b>\$17,480</b>	<b>\$28,091</b>	<b>\$22,578</b>	<b>\$14,758</b>	<b>\$30,706</b>	<b>\$ 113,614</b>

MONTHLY SALES & PRODUCT LINES	\$150 Kits	\$300 Kits	\$600 Kits	Individual Item Sales	Custom Kits	TOTAL PROJECTED GROSS
				Average Item \$100	Average Price \$250	
<b>YEAR 3</b>						
MONTH 1	30	25	12	30	30	\$ 29,700
MONTH 2	30	25	12	30	30	\$ 29,700
MONTH 3	35	30	15	35	35	\$ 35,500
MONTH 4	35	30	15	35	35	\$ 35,500
MONTH 5	36	32	18	36	36	\$ 38,400
MONTH 6	36	32	18	36	36	\$ 38,400
MONTH 7	40	40	20	40	40	\$ 44,000
MONTH 8	36	32	18	36	36	\$ 38,400
MONTH 9	36	32	18	36	36	\$ 38,400
MONTH 10	40	40	20	40	40	\$ 44,000
MONTH 11	40	40	20	40	40	\$ 44,000
MONTH 12	40	40	20	40	40	\$ 44,000
<b>TOTAL UNITS</b>	<b>434</b>	<b>398</b>	<b>206</b>	<b>434</b>	<b>434</b>	<b>\$ 460,000</b>
<b>TOTAL REVENUES</b>	<b>\$65,100</b>	<b>\$119,400</b>	<b>\$123,600</b>	<b>\$43,400</b>	<b>\$108,500</b>	<b>\$ 460,000</b>
<b>AVERAGE PROFIT %</b>	38.46%	41.25%	35.50%	47.00%	42.50%	40.94%
<b>AVERAGE COGS</b>	<b>\$40,063</b>	<b>\$70,148</b>	<b>\$79,722</b>	<b>\$23,002</b>	<b>\$62,388</b>	<b>\$ 275,322</b>
<b>GROSS PROFIT</b>	<b>\$25,037</b>	<b>\$49,253</b>	<b>\$43,878</b>	<b>\$20,398</b>	<b>\$46,113</b>	<b>\$ 184,678</b>

## 2.6 Labor Schedule

The managing partners feel strongly that all labor under forecasted conditions will be handled by them personally, thereby eliminating the need to schedule additional labor. If demand for the product exceeds projections, then contract labor will be obtained to fulfill the necessary positions.

The corporation is obligated to pay reasonable salaries to each of its managing partners, as well as any other party involved in production of goods for sale, or services for hire. Both managing partners commit to maintaining the store hours full time, the website and its sales, and to utilize standard business practices regardless of financial reward or return *until all outside shareholder obligations have been met*.

YEAR 1 POSITION	QUANTITY	AVERAGE PAY	WEEKLY	MONTHLY	ANNUAL	ANNUAL PER EMPLOYEE
EXECUTIVE 1	1	\$250.00	\$250.00	\$1,083.33	\$13,000.00	\$13,000.00
EXECUTIVE 2	1	\$250.00	\$250.00	\$1,083.33	\$13,000.00	\$13,000.00
<b>SUBTOTALS</b>	2		\$500.00	\$2,166.67	\$26,000.00	
EBPT	23.40%		\$117.00	\$507.00	\$6,084.00	
<b>LABOR TOTAL</b>			\$617.00	\$2,673.67	\$32,084.00	

YEAR 2 POSITION	QUANTITY	AVERAGE PAY	WEEKLY	MONTHLY	ANNUAL	ANNUAL PER EMPLOYEE
EXECUTIVE 1	1	\$500.00	\$500.00	\$2,166.67	\$26,000.00	\$26,000.00
EXECUTIVE 2	1	\$500.00	\$500.00	\$2,166.67	\$26,000.00	\$26,000.00
<b>SUBTOTALS</b>	2		\$1,000.00	\$4,333.33	\$52,000.00	
EBPT	23.40%		\$234.00	\$1,014.00	\$12,168.00	
<b>LABOR TOTAL</b>			\$1,234.00	\$5,347.33	\$64,168.00	

YEAR 3-5 POSITION	QUANTITY	AVERAGE PAY	WEEKLY	MONTHLY	ANNUAL	ANNUAL PER EMPLOYEE
EXECUTIVE 1	1	\$800.00	\$800.00	\$3,200.00	\$41,600.00	\$41,600.00
EXECUTIVE 2	1	\$800.00	\$800.00	\$3,200.00	\$41,600.00	\$41,600.00
<b>SUBTOTALS</b>	2		\$1,600.00	\$6,400.00	\$83,200.00	
EBPT	23.40%		\$374.40	\$1,497.60	\$19,468.80	
<b>LABOR TOTAL</b>			\$1,974.40	\$7,897.60	\$102,668.80	

## 2.7 Pro Forma Financial Statements

**EDC Specialties™**, *pro forma* financial statements have been prepared in anticipation of a new capital investment, new debt or issuance of stock. The *pro forma* models the anticipated results of the company, with particular emphasis on the projected cash flows, net revenues and taxes.

These statements summarize the projected future status of the company and demonstrate the expected effect of the proposed transaction on the company's financial viability. Lenders and investors may require such statements to structure or confirm compliance with debt covenants such as debt service reserve coverage and debt to equity ratios.

*Pro forma* figures are based mainly on projections, and should be clearly understood as such. Reasons for any deviation from projected figures will be clearly explained.

The following Pro Forma Financial Statements have been prepared for **EDC Specialties™**:  
**Pro Forma 3-Year Income Statement, 3-Year Balance Sheet and 3-Year Cash Flow Statement.**

# Pro-Forma Income Statement

## EDC Specialties

For Fiscal Years 2017 to 2019

	YEAR 1	%	YEAR 2	%	YEAR 3	%
<b>SALES REVENUES</b>						
Pre-Selected Kit Sales	\$104,100	59.7%	\$177,150	63.1%	\$308,100	67.0%
Custom Kit Sales	\$47,250	27.1%	\$72,250	25.7%	\$108,500	23.6%
Individual Item Sales	\$23,000	13.2%	\$31,400	11.2%	\$43,400	9.4%
Less sales returns and allowances		0.0%		0.0%		0.0%
<b>Net Sales</b>	<b>\$174,350</b>	<b>100.0%</b>	<b>\$280,800</b>	<b>100.0%</b>	<b>\$460,000</b>	<b>100.0%</b>
<b>COST OF SALES</b>						
COGS Pre-Selected Kits	\$63,765	61.3%	\$109,001	61.5%	\$189,932	61.6%
COGS Custom Kits	\$27,169	26.1%	\$41,544	23.5%	\$62,388	20.2%
COGS Individual Items	\$12,190	7.0%	\$16,642	5.9%	\$23,002	5.0%
Less ending inventory						
Credit Card Fees	\$4,359	2.5%	\$7,020	2.5%	\$11,500	2.5%
<b>Total Cost of Goods Sold</b>	<b>\$107,482</b>	<b>61.6%</b>	<b>\$174,206</b>	<b>62.0%</b>	<b>\$286,822</b>	<b>62.4%</b>
<i>Gross Profit (Loss)</i>	<i>\$66,868</i>	<i>38.4%</i>	<i>\$106,594</i>	<i>38.0%</i>	<i>\$173,178</i>	<i>37.6%</i>
<b>CONTROLLABLE EXPENSES</b>						
Salaries and Wages	\$26,000	14.9%	\$52,000	18.5%	\$83,200	18.1%
Employee Benefits & Payroll Taxes	\$6,084	3.5%	\$12,168	4.3%	\$19,469	4.2%
Direct Operating Expenses	\$4,740	2.7%	\$4,740	1.7%	\$4,740	1.0%
General and Administration	\$5,568	3.2%	\$5,568	2.0%	\$5,568	1.2%
Advertising & Sales Promotion	\$10,000	5.7%	\$10,000	3.6%	\$10,000	2.2%
Other						
<b>Total Controllable Expenses</b>	<b>\$52,392</b>	<b>30.0%</b>	<b>\$84,476</b>	<b>30.1%</b>	<b>\$122,977</b>	<b>26.7%</b>
<i>Subtotal Before Occupancy</i>	<i>\$14,476</i>	<i>8.3%</i>	<i>\$22,118</i>	<i>7.9%</i>	<i>\$50,202</i>	<i>10.9%</i>
<b>OCCUPANCY</b>						
Insurance	\$3,000	1.7%	\$3,000	1.1%	\$3,000	0.7%
Rent	\$7,020	4.0%	\$7,020	2.5%	\$7,020	1.5%
Utilities	\$2,400	1.4%	\$2,400	0.9%	\$2,400	0.5%
<b>Total Occupancy Expenses</b>	<b>\$12,420</b>	<b>7.1%</b>	<b>\$12,420</b>	<b>4.4%</b>	<b>\$12,420</b>	<b>2.7%</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$64,812</b>	<b>37.2%</b>	<b>\$96,896</b>	<b>34.5%</b>	<b>\$135,397</b>	<b>29.4%</b>
<i>EBITDA</i>	<i>\$2,056</i>	<i>1.2%</i>	<i>\$9,698</i>	<i>3.5%</i>	<i>\$37,782</i>	<i>8.2%</i>
Depreciation & Amortization	\$0	0.0%	\$0	0.0%	\$0	0.0%
<b>NET INCOME BEFORE DIST</b>	<b>\$2,056</b>	<b>1.2%</b>	<b>\$9,698</b>	<b>3.5%</b>	<b>\$37,782</b>	<b>8.2%</b>
Distributions	\$10,833	6.2%	\$10,833	3.9%	\$25,000	5.4%
Annual Retained Earnings	(\$8,777)	-5.0%	(\$1,136)	-0.4%	\$12,782	2.8%
<b>CASH RESERVES</b>	<b>\$13,245</b>		<b>\$4,468</b>		<b>\$3,332</b>	
<b>ENDING BALANCE</b>	<b>\$4,468</b>		<b>\$3,332</b>		<b>\$16,113</b>	



# Pro-Forma Balance Sheet

## EDC Specialties

For Fiscal Years 2017 through 2019

	INCEPTION	YEAR 1	YEAR 2	YEAR 3
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash	\$13,245	\$4,468	\$3,332	\$16,113
Inventories	22,500	45,000	78,750	96,750
<i>Other</i>				
<b>Total</b>	<b>35,745</b>	<b>49,468</b>	<b>82,082</b>	<b>112,863</b>
<b>FIXED ASSETS</b>				
Leaseholder Improvements	3,500	3,500	3,500	3,500
HD Equipment & Tools	4,200	4,200	4,200	4,200
Other	0	0	0	0
<b>Total</b>	<b>7,700</b>	<b>7,700</b>	<b>7,700</b>	<b>7,700</b>
Less Accumulated Depreciation		0	1,155	1,540
<b>Net Fixed Assets</b>	<b>7,700</b>	<b>7,700</b>	<b>6,545</b>	<b>6,160</b>
<b>OTHER ASSETS</b>				
Deposits	1,425	1,425	1,425	1,425
Development Expenses	32,730	32,730	32,730	32,730
Other	0	0	0	0
<b>Total Other Assets</b>	<b>34,155</b>	<b>34,155</b>	<b>34,155</b>	<b>34,155</b>
<b>TOTAL ASSETS</b>	<b>77,600</b>	<b>91,323</b>	<b>122,782</b>	<b>153,178</b>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Accounts Payable	-	0	0	0
Other	-	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>EQUITY</b>				
Equity Class I	43,000	43,000	43,000	43,000
Equity Class II	10,000	10,000	10,000	10,000
Equity Class III	25,000	25,000	25,000	25,000
Cumulative Retained Earnings (After Tax)	0	4,468	3,332	16,113
<b>Total Equity</b>	<b>78,000</b>	<b>82,468</b>	<b>81,332</b>	<b>94,113</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>78,000</b>	<b>82,468</b>	<b>81,332</b>	<b>94,113</b>



TuffWriter Operator Tactical Pen

# Pro-Forma Cash Flow

## EDC Specialties

For Fiscal Years 2017 through 2019

	YEAR 1	YEAR 2	YEAR 3
<b>OPERATIONS</b>			
Pre-tax Net Income	\$2,056	\$9,698	\$37,782
Change in Non-Cash Current Assets	22,500	33,750	18,000
Change in Current Liabilities	0	0	0
<i>Cash From Operations</i>	24,556	43,448	55,782
<b>INVESTING</b>			
Ongoing Capital Improvements	0	0	0
Property, Plant & Equipment	15,100	0	0
Inventory	22,500	33,750	18,000
Organizational Expenses	32,730	0	0
<i>Cash Used For Investing</i>	70,330	33,750	18,000
<b>PROCEEDS FROM</b>			
Investors	78,000	0	0
Other			
<i>Cash From / Used For Financing</i>	78,000	0	0
<i>Net Change In Cash</i>	32,226	9,698	37,782
<i>Beginning Cash Balance</i>	13,245	4,468	3,332
<i>Cash Available For Distributions</i>	15,301	14,165	41,113
<i>Working Capital Needed</i>	10,000	10,000	10,000
<i>Total Before Distributions</i>	5,301	4,165	31,113
<i>Shareholder Distributions</i>	10,833	10,833	25,000
Annual Retained Earnings (Minus Non-Cash Assets)	4,468	3,332	16,113
<b>ENDING CASH BALANCE</b>	4,468	3,332	16,113



**EDC Specialties™**  
FlexFit Cap for  
uniformed  
employees, retail  
sales, and  
promotions.

## 2.8 Distributions

Shareholders will be issued certificates of stock in the company, and have many options available for reinvestment of capital after the initial five years.

CASH FLOW CALCULATION	YEAR 1	YEAR 2	YEAR 3
<b>ANNUAL SALES</b>	\$174,350	\$280,800	\$460,000
<b>ASSUMED CASH FLOW</b>	1.18%	3.45%	8.21%
<b>DISTRIBUTIONS</b>	10,833	10,833	25,000
<b>CORP UNITS</b>	<b>78,000</b>		
Managing Members Class I	43,000		
Managing Members Class II	10,000		
Non-Managing Members	(25,000)		
<b>DISTRIBUTION SCHEDULE</b>			
<b>While Capital Accounts Are Positive</b>			
Managing Members	0.00%	0.00%	
Non-Managing Members	100.00%	100.00%	
<b>After All Capital Is Returned</b>			
Managing Members Class I			50.00%
Managing Members Class II			7.50%
Non-Managing Members			43.50%
<b>RETURN OF CAPITAL FOR CORPORATE ASSETS</b>			
Opening Investor Capital Account	<b>78,000</b>	67,167	56,333
Non-Managing Members Account	(25,000)		
<b>Distributions To Capital Accounts</b>			
Managing Members Class I	0	0	12,500
Managing Members Class II	0	0	1,875
Non-Managing Members	10,833	10,833	10,875
<b>Ending Investor Capital Accounts</b>	67,167	56,333	38,625
Non-Managing Members	14,167	3,333	7,542
<b>EXCESS CASH FLOW</b>			
<b>After All Capital Is Returned</b>			
Non-Managing Members			<b>7,542</b>

DISTRIBUTION SCHEDULE		YEAR 1	YEAR 2	YEAR 3	TOTALS
<b>ANNUAL PROJ DIST</b>	<b>COST</b>	\$10,833	\$10,833	\$25,000	\$46,667
<b>SINGLE INVESTMENT UNIT</b>	<b>\$25,000</b>	<b>\$10,833</b>	<b>\$10,833</b>	<b>\$10,875</b>	<b>\$32,542</b>
<b>SIMPLE INTEREST POST-FLIP</b>		--	--	\$7,542	30.17%
<b>CUMULATIVE RETURN</b>		<b>INVESTOR B.E.P. = 2.13 YRS</b>			<b>10.06 APR%</b>

## 3.0 In-Depth Analysis: The 8 Essential Categories

**EDC Specialties™** has identified eight core categories of every day carry essentials. Our research has proven that the vast majority of active adults carry some variety of these items with them each day on their person. All of these categories will be covered by our inventory of American made, high quality products.

### 3.1 Wallets

Currency in one form or another is something that more than 9 out of 10 people carry on their person whenever they leave their homes. Without it, we cannot get far in today's world. Although each individual has different preferences on how or where they carry currency and cards, everyone agrees that it should be secure.

Wallets for men and women traditionally differ in styles, materials, and function. For this reason, a wallet that suits a person's daily needs is a very important choice. **EDC Specialties™** will focus on wallets that provide options for consumers, based on their individual preferences.

Looking for a secure, modern, minimalist wallet for your identification, credit cards and a few bills? Or maybe you work or play in harsh weather, and need a 100% waterproof wallet? How about a beautiful, hand-stitched leather wallet for your purse or pocket? Passport or badge holders? We have those, too...

U.S.A. made wallets at **EDC Specialties™** will range from approximately \$30 to over \$150.



**From left to right:** Machine-Era Ti5 Titanium Slim Wallet, DPTR Clamshell wallet, FormFunctionForm hand-stitched leather wallet, and Flowfold Traveler Trifold 100% waterproof wallet.

### 3.2 Phone Cases

As many people who carry wallets, also carry cell phones. It is quite possible that the cell phone will even replace the wallet, as e-commerce and phone payments become ever more the norm. Cell phones used to be enormous, heavy machines - even packed in shoulder bags for transport during the early era of wireless communications. Only doctors and high flying business executives could afford one. Today, even young children know how to use cell phones, and ask for them as gifts. The popularity of the device has brought convenience and efficiency to our entire existence - the world over.

Though technology has brought us many forms of the pocket powerhouse, the smartphone is something that is here to stay. People use it for almost anything imaginable, from playing games, to paying bills, to calling Mom. Because of that diversity, the cell phone seems to be a permanent fixture in the hands of almost everyone in the free world.

Anything we use that much takes a beating. They get dropped, spilled on, and shoved in and out of pockets all day long. Many people who carry a cell phone choose to protect their product with a case. Protective cell phone cases, like wallets and other products, are made with form and function in mind. They can represent a person's individuality through color, material, style, or purpose. This category also includes applicable tablet cases, and notepad cases (produced by some of our manufacturers).

U.S.A. made phone/tablet cases at **EDC Specialties™** will range from approximately \$20 to over \$100.



**First three, from left to right:** FormFunctionForm hand-stitched leather Aeris iPhone Case, Field Notes Wallet, and Velius iPad Case. **Far right:** Magpul Field Case Galaxy 5 in various colors.

### 3.3 Keychains

Another one of the top essentials that a majority of people carry every day on their person is a keychain. This category rounds out the top three most popular items in people's pockets. A keychain could be as simple as a metal split ring, or it could be a complex web of elaborately coded keys, clips and lanyards.

Like the first two categories, keychains are chosen by consumers for their functionality and style. A nice feature of keychains in general is that they can be altered or changed in many ways without affecting the usage. Keychain accessories come in seemingly limitless forms, and many people have more than one. They are easy to purchase, carry, give as gifts, and can be considered an impulse buy in some cases.

**EDC Specialties™** will offer keychain products that are both stylish and utilitarian. With so many varieties available, our product line will focus on keychains that will appeal to our core demographics.

U.S.A. made keychains at **EDC Specialties™** will range from under \$10 to over \$50.



**From left to right:** American Benchcraft Trigger Snap Key Fob, Key-Bak KK2 Quick-Release Belt Clip, Tec Accessories UFO, and the Photon II Keychain Light.

### 3.4 Pocket Knives

A vast section of the EDC marketplace is in pocket knives. Though not as popular (mainly due to a gender preference) as the previously discussed items in this section, the pocket knife still maintains its value as one of the most essential survival and multi-use tools known to man. It is a core life-saving device, and even if a person chooses not to carry one in their pocket every day, they should have one close by at all times.

Today's pocket knives are made with exceptional quality. American knife manufacturers use high strength steel blades, G10 or anodized scales (grips), vault-like locking mechanisms, and torture tests to ensure that your life can depend on the product... literally. Their products are lightweight, easy to access and wield, and come in a large variety of shapes and sizes, depending upon purpose and intent.

Pocket knives come in such variety in fact, that **EDC Specialties™** will concentrate mainly on folders and small blades made specifically for every day carry and utilitarian purposes. In addition, many knives carried by **EDC Specialties™** will qualify as collector knives.

U.S.A. made knives at **EDC Specialties™** will range from under \$60 to over \$700.



**Above:** Benchmade Gold Class Axis Stryker with black and red carbon fiber, anodized red hardware accents and a Damasteel® Odin Heim™ blade.

### 3.5 Pocket Tools

The category of Pocket Tools is expanding quickly. Multi-tools are finding their way into the pockets of those who are active and need access to many different tools without carrying around a heavy bag of thumb-busters. Tools for every day carry are popular with working men and women, outdoor lovers, gadget gurus, and many others.

Tools aren't just for the working man... they are found in car consoles, on keychains, belt holsters, and in purses and backpacks. Many can be kept right in your wallet, eliminating an additional accessory. Classic pocket multi-tools such as the *Swiss Army Knife* or the *Leatherman* containing pliers, blades, etc. are still considered the cornerstone of the duty carry tools market; however, companies such as *Practical American's* line of *Zootility Tools* is bringing a new look and feel to pocket tools - and a new demographic as well - appealing to younger generations of both men and women.

U.S.A. made pocket tools at **EDC Specialties™** will range from under \$15 to over \$100.



**First two, from left to right:** Zootility Tools Pocket Monkey and Headhog Multitools.  
**Far right:** Leatherman Micra Multitool.

### 3.6 Writing Instruments and Tactical Pens

A writing instrument should be on the list of essentials for everyone; especially one that is durable, reliable and of convenient size. A tactical pen, much like a tactical knife, is an often overlooked item that provides a means to document ideas and notes – and can also save a life.

Tactical pens typically feature a heavy duty machined metal construction of titanium, steel, or aluminum, and are outfitted with pressurized ink cartridges. They are suited for writing in inclement weather and at odd angles, and fit easily in a pocket or on a belt. Outdoorsmen and first responders are known for pairing their pens with weatherproof pads for the ultimate in no-failure note taking.

Because of their bold construction, tactical pens can also serve as a self defense weapon and provide enough leverage to pull yourself out of trouble. In the right hands, a seemingly innocuous pen can be used to impale and slash at an attacker, or hammered into a tree to stand on. Among the top brands of tactical pens are made in America using precision CNC machining and innovative designs to create beautiful and multi-functional writing instruments.

For those looking to expand their carrying options, a tactical pen is a top choice for anyone from the businessman to the operator.

U.S.A. made writing instruments at **EDC Specialties™** will range from under \$40 to over \$200.



**Far left top and bottom:** Machine-Era Original Brass Pen.

**Middle two:** Benchmade Tactical Pens in Titanium and Aluminum.

**Right top and bottom:** TuffWriter Precision Press in brushed titanium and purple .

### 3.7 Flashlights

Flashlights can be considered a fairly new essential to the every day carry realm, simply because flashlights of the past were too bulky and heavy to keep on your person - mainly due to battery technology. We've all had a keychain sized light that lasted less than an hour before fading to black... and we've all had a household flashlight that eats "D" cell batteries for lunch. Today, powerful and compact rechargeable batteries are lighter and smaller, and emit more energy from high-tech light sources like CREE and LED emitters. **See Section 6.13 Made in America Pledge, page 49.**

Although lower on the every day carry popularity chart, flashlights are a safety essential which can aid in many situations. Used to attract attention, fix a disabled vehicle, or temporarily blind an assailant, a flashlight can mean the difference between getting through a situation, or having to rely on someone else for help.

Flashlights made for every day carry come in many shapes and sizes. Popular keychain versions are small and always available to help with tasking in the dark, while larger and more powerful lights are usually carried in cars, on duty belts and in pockets for quick access when needed to illuminate a dark alley, signal for help or let a shady figure know he has been seen.

U.S.A. made flashlights at **EDC Specialties™** will range from under \$20 to over \$300.

**TEC 1** NEW

The newest handheld lights from Princeton Tec are inspired by our decades of experience creating lights for the most demanding users. These lights have a heart of metal, wrapped by an outside made of the highest quality injection molded polymers. The TEC 1 is powered by a single CR123 cell, blasting out 250 lumens in a focused spot beam pattern. The tailcap switch is conveniently located; tap for momentary light or press for constant light. The 1" diameter makes this light compatible with many available mounts on the market.

SPECS		TECHNOLOGY	
POWER	250 Lumens	3500	47
LAMP	1 Hour, 15min LED	IPX7	90g
BURN TIME	1 hour, 15 minutes	CR123	RECHARGEABLE
BATTERIES	1 CR123 (Included)	IPX7	TECH
WEIGHT	80g With Batteries		
WATERPROOF	IPX7 (1 Meter)		

**PERFORMANCE**

I Mode	Time	T = Total Run Time / R = Regulated Run Time
HIGH SPOT	T, 1h, 15min	

DISTANCE (m) 0 25 50



**Left:** Princeton Tec's Tec 1. **Right Top:** Photon Micro Covert Keychain Lamp with EDC Specialties™ branding for promotional items and kit accessories. **Right Bottom:** Surefire Defender.

### 3.8 Watches

There is nothing more traditional or classic in our every day carry core categories than the standard timepiece. Men and women have enjoyed wearing wrist and pocket watches for centuries. Today, we have the time displayed on our phones, our dashboards, our stoves, and seemingly everywhere we look, though the watch is still an indispensable every day carry item for aesthetic as well as practical purposes.

Watches can compliment what a person is wearing, aid a pilot in flying, time a race car in split second increments, or coordinate a perfect rendezvous with your team 100 feet under the ocean surface.

Whatever the purpose, there is a watch made for it – some multitools even incorporate time pieces into their array of uses. Collectors may have many, ranging in form, function and price.

The technical aspects of a watch go beyond style and purpose. In order to keep accurate time, a watch must be constructed of quality materials by an expert watchmaker. Most quality timepieces today are made with Swiss movements, which tend to be some of the finest in the world; though many manufacturers use these to design and assemble their products here in America. Finding time pieces which are 100% American made is close to impossible, considering our initial budget available for the product, and our target audience income and price points. Due to this restriction, we must be clear to our consumers about the origin of these items. **See Section 6.13 Made in America Pledge, page 49.**

U.S.A. made\* watches at **EDC Specialties™** will range from approximately \$165 to over \$400.



**From left to right:** Smith & Bradley's Classic Field Watch with interchangeable bands for numerous options, and Smith & Bradley's Sans 13 PVD black watch. \*Designed and manufactured in USA; Swiss movements.

### 3.9 All Other EDC Items

**EDC Specialties™** has identified eight core categories of every day carry essentials, however, there are thousands of items that could be considered for every day carry, depending upon one's needs. While our focus will primarily be on preparedness and personal safety, **EDC Specialties™** will carry any number of appropriate products, provided they are made in America and in demand by our target audiences.

*Examples of these items may include the following types of products:*

- |                   |              |                |                  |
|-------------------|--------------|----------------|------------------|
| Pepper Spray      | Firestarters | Batteries      | Knife Sharpeners |
| Holsters          | Purses       | Go-Bags        | Belts            |
| Chargers          | Bracelets    | Paracord       | Lip Balm         |
| Gloves            | Sunglasses   | USB Drives     | Clothing Items   |
| Replacement Parts | Tiger Lady   | First Aid Kits | Etc.             |

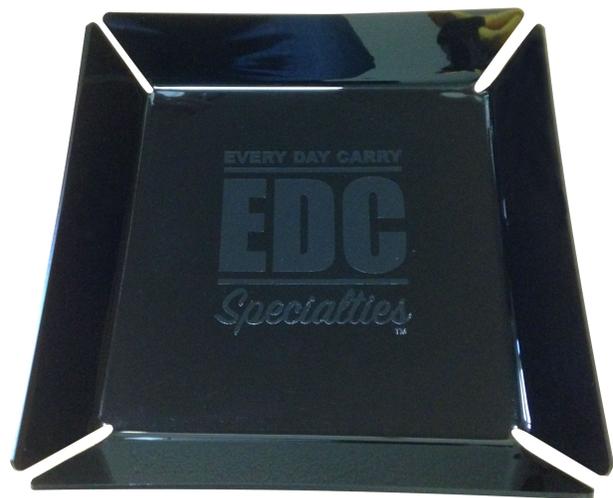
### 3.10 The **EDC Tray™** and **EDC Kits™**

**EDC Specialties™** has engineered a product for local fabrication which is designed to catch a person's every day carry items when they empty their pockets each day. The **EDC Tray™** is a rectangular acrylic tray measuring approximately 10"x10" when finished, inspired by an old Italian designed metal serving tray. The corners are folded up towards each other yet do not touch, creating a cornerless tray design. The aesthetics are interesting, and the design requires very little fabrication work. The **EDC Specialties™** brand identifier will be silk screened in the center of the tray in black enamel for a subdued look.

The **EDC Tray™** fills a very important niche in our product line up. It is the basis for our flagship series of **Custom and Pre-Selected EDC Kits™** – a product currently unavailable in the marketplace. Upon entering our store or website, one of the first things presented to the consumer is the ability to choose a **Pre-Selected EDC Kit™** or build a **Custom EDC Kit™**. The consumer begins with the tray (required to be considered a “kit”, and qualify for discounts), and then chooses items from the core eight categories (previously discussed) to complete the kit. Pre-designed kits for Tactical, Classic, Ladies and many others will also be offered. The entire kit is bundled together and shipped to the consumer as a single product. The **EDC Tray™** can also be purchased as a stand alone item from our store.

Individual **EDC Trays™** will be offered only in black acrylic, however, the material is available in a variety of colors, lending to the possibility of future offerings in several color options. The **EDC Specialties™** brand identifier, approximately 4”x4” in size, will be centered on the tray bed in black enamel, via silk screen process. The black-on-black look is subdued yet appropriately tactical, without appearing as being too heavily branded.

Because the **EDC Tray™** is our own product, they can also be sold in a wholesale capacity. It is possible to manufacture these trays in a variety of colors, with custom logos or brands silk screened on them. Research is underway to determine whether or not a patent application is appropriate at this time, and to ensure that no existing patents are infringed upon.



**Left:** An early prototype of the **EDC Tray™**. **Right:** The final product from the fabrication facility.

### 3.11 Summary of In-Depth Product Analysis

After months of research, planning and theorizing, **EDC Specialties™** has determined that the most common every day carry items among men and women alike can be broken down into a few main categories. Almost everyone in the developed nations carry cell phones (w/ **cases**), keys (w/ **keychains**), and a currency holder (**wallet**) of some sort. Many others carry **pocket knives** and **pocket tools**, **pens**, **watches** and even **flashlights**.

Although the possibilities are almost endless, in order for **EDC Specialties™** to have a centralized focus, our inventory will reflect an emphasis on preparedness and personal safety, while still offering beautiful, custom products in each of the eight categories identified above. All our products must maintain the standards of being “EDC” friendly; the right size, weight and functionality to want to carry every day. Most noticeably, all of the inventory at **EDC Specialties™** will be proudly made in the U.S.A. This is both a seal of quality, and a conscientious effort to support American businesses.

## 4.0 Company Overview



**“It is not often that a man can make opportunities for himself. But he can put himself in such shape that when or if the opportunities come he is ready.”**

**– Theodore Roosevelt**

### 4.1 Legal Structure

**EDC Specialties™** is an existing entity, filed with Sacramento County as a Fictitious Name on December 15, 2016, as a dba/ of Enviwalls, Inc, a California C-Corp, with S-Status. The principle party on the corporation papers (Robert DeFeo) is shielded from issues of personal liability and excess taxation. Investors will be treated as shareholders, and therefore will not be liable for more than the amount of their individual personal investments. It is our intention to offer outside ownership interests in **EDC Specialties™** on an equity, debt, or combination basis in order to facilitate the startup and growth of the business.

### 4.2 Location Analysis

The initial site for **EDC Specialties™** is 11292 Coloma Rd. Ste C, Gold River, California 95670, approximately 18 miles east of the state capitol in downtown Sacramento, and within 100 miles of Napa Valley, the San Francisco Bay Area and Silicon Valley to the west, and Lake Tahoe/Reno to the east. The location sits within a half mile of freeway access to Highway 50/I-80. The location offers close proximity to target markets, major roadways, product suppliers, and shipping services. Numerous high-end communities, shopping centers and corporate headquarters surround the immediate area.

This commercial retail property is zoned MP, and permits incidental retail use not to exceed 25% of the gross floor area, which is in proportion to our estimations of sales for retail vs. e-commerce. The location has main road frontage on Coloma Road, where thousands of vehicles pass each day. There is illuminated signage at the street, and three large picture windows in the front which will be used for signage. The gross floor area is 693 square feet, with 24% (164 sqft) being designated as retail space, in accordance with the Sacramento County Planning Commission.

The existing parent company of **EDC Specialties™**, *Enviwalls, Inc.* has been in business since 2012, and has had a commercial lease on Ste L in the same building for the past 2.5 years. The existing relationship with Streng Realty (the building owner) is excellent, with a 100% on-time payment record. For this reason, when Ste C became available, it was a natural opportunity for **EDC Specialties™** to take advantage of the space.

The initial lease was signed for the month of December 2016, and the subsequent 12 months of 2017, for a negotiated deal of \$250/mo for the first month, \$500/mo for the next six months, and the full rate of \$585/mo for the last six months. **EDC Specialties™** can utilize as much of Ste L (*Enviwalls, Inc.*) as necessary for extra storage, etc.

In addition to being in excellent proximity of new business opportunities and support services, the location is close to the managing partner’s residence, making it convenient and secure.

*Key features included in building lease at 11292 Coloma Rd, Ste C, Gold River, CA 95670:*

- 21' x 33' includes office and retail space.
- MP Zoning.
- 1/2 mile from Highway 50.
- Signage permitted on building and at street.
- High speed internet and phone services.
- Within 500ft of fire station.
- Security alarm and cameras.
- Parking, water, trash, heat and A/C.
- Large front windows.
- Access to suppliers and shipping services.
- \$0.8441 per sqft / monthly lease.
- ADA compliant ramps and facilities.

*Planned Capital Improvements:*

- New light fixtures
- New 1/4" tempered glass in front windows (completed 1-5-2017)
- Office furnishings & display cases
- Signage at road (illuminated), front main windows, side of building, and inside retail area.

### **Proposed Renovation Concepts**

All renovation features will be created with eco-friendly accessories and low-energy appliances.

### **Area Competition (Also see Section 4.7 SWOT Analysis 2x2 page 33)**

The greatest competition for any company is always the *status quo*. What people are doing currently, and how they think about their everyday practices impacts the way they make buying decisions. Currently it is not possible to order a specialized or customized **EDC Kit™** with a custom tray, compiled from high quality, American made products from the same purveyor, and encompass all of the core category items identified by **EDC Specialties™**. To set ourselves apart even further, our staff's expertise in the field of every day carry, and our intensive product research makes our store the go-to authority for everything pertaining to EDC essentials.

We can find no other company in our immediate area or elsewhere that specializes in, produces, markets, or is licensed to sell all American made every day carry essentials and custom kits. The status quo for the current EDC market is to find your every day carry essentials as you come across them. For example, a person may be in a sporting goods store and pick up a pocket knife they need or want, simply because they see it there and make the purchase. The same person may find his wallet two months later in a department store; his keychain on vacation; a flashlight at a register stand at the hardware store. Those looking for a particular brand or model of accessory will commonly price shop the internet if they are familiar with the item.

The closest competitors for our walk-in business when it comes to single category sales (ie., pocket knives, wallets, flashlights, etc.) is the common sporting goods stores and the department stores. These outlets carry foreign and domestic brands, typically made with inexpensive materials in order to meet the price points necessary to appeal to their customer base. They do not offer expertise in every day carry essentials to aid customers in making informed buying decisions, and they certainly do not offer specialized or customizable **EDC Kits™**, complete with a tray for storage. The entire concept of **EDC Specialties™** was to set ourselves apart from those places by being the one and only resource for all of these items.

Someone who is only looking for a wallet, a pocket knife, or any other single category item will find a highly specialized line of American made products at **EDC Specialties™**. In addition to innovative domestic options for the item they were looking for, our customers will likely enjoy the other categories of every day carry items that we offer. Some of the more obscure products that we offer at **EDC Specialties™** can only be found online at the manufacturer's store, making us an exclusive dealer in the area for these product lines.

### 4.3 Relationships with Vendors

EDC Specialties™ will be utilizing a complex network of vendors in order to fulfill the store’s inventory goals. Every manufacturer that is considered by EDC Specialties™ is vetted for products which are fully designed, sourced, manufactured, assembled and sold in the United States of America. Only product lines which meet these strict standards will be considered for stock, except some flashlights and watches, which is explained in detail in **Section 6.13 Made in America Pledge, page 49.**

Vendor relationships with numerous well known and smaller brands have already been established through diligent product research and development. The search for new products is a continuous process in order to maintain the newest models and innovations, for the life of the business. The following companies have approved retail contracts with EDC Specialties™ for their American made product lines:

**APPROVED AND CONTRACTED VENDORS TO DATE:**



WALLETS	WATCHES	PENS	PHONE CASES	POCKET KNIVES	POCKET TOOLS	FLASHLIGHTS	KEYCHAINS
Machine-Era	Smith & Bradley	Machine-Era	Magpul	Benchmade	Zootility	Princeton Tec	Tec Accessories
American Benchcraft		Tuff Writer	FormFunctionForm	Hinderer	Elite Outfitting Solutions	Surefire	Key Bak
Hitch & Timber		Hinderer		Zero Tolerance	Gerber USA	TekTite	Zootility
DPTR		Benchmade		Kershaw	Leatherman		FormFunctionForm
Flowfold		Surefire		SpyderCo	Brouse		Brouse
American Recycled Leather				Brouse			American Benchcraft
FormFunctionForm				Bear & Son			



*\*Note: This list is organically growing and changing. We are always looking for new and innovative American made products.*

## Roles

The role of our vendors is as follows:

- Development of new products and service offerings.
- Provide product warranties and assurances so that **EDC Specialties™** customers have the opportunity to obtain full product warranties. **See Section 6.9 Product Warranty Service p49.**
- Provide product support, marketing support and technical data to **EDC Specialties™**.

The role of **EDC Specialties™** is as follows:

- To serve as the primary entity charged with managing the business model for commercial markets.
- To develop marketing, sales, production, distribution, and service strategies for the market while maintaining compliance with all manufacturers' rules.

## Relationships

**EDC Specialties™** may work with network partners in either vendor/purchaser agreements, licensor/licensee agreements or in some cases both, however at all times all parties are and will remain independent contractors, and is not and will not be deemed to be an employee, joint venture, partner or franchisee of **EDC Specialties™** for any purpose whatsoever.

Market analysis and forecasting will be expected as a continuous effort to ensure we match supply with demand and offerings with needs.

## Relationships with other Approved Network Partners

Other vendor relationships will be based on reliability, accessibility, cost effectiveness and service, including prior buying experience.

## 4.4 EDC Specialties™ Trademarks, Brand Identity & Awareness

**EDC Specialties™** is a registered trademark (TM) in the state of California. The brand represents a mixture of attributes, tangible and intangible, symbolized in a trademark, which, when managed properly, creates value and influence. The outward expression of the brand, including its name and visual appearance is its fundamental means of consumer recognition and symbolizes the brand's differentiation from competitors.

**EDC Specialties™** brand identity refers to the visual identity of the company (its logo, signage, etc.), and also to the organization's presentation to its stakeholders and the means by which it differentiates itself from other organizations. It additionally refers to the corporation's (1) Intangible assets - trademarks, copyrights, patents, design rights, proprietary expertise, databases, etc. (2) Intangible brand attributes - brand names, logos, graphics, colors, shapes, etc.



*Main Brand Identifier*

The focus of our identity is on brand emphasis. To help communicate this we have created a consumer facing strapline – **Every Day Carry Essentials and Custom Kits™**. It ensures consistency and credibility for our key stakeholders and acts as an anchor for all communications and activities around the brand. **Every Day Carry Essentials and Custom Kits™** is a registered service mark (SM) in the state of California. The service mark represents the image that **EDC Specialties™** projects to its clients, stakeholders, and to the environment.

At the heart of our identity is our *brand essence*. This represents both our organization, and the people who have contact with **EDC Specialties™** and its work. It is a way of articulating an emotional

connection and lasting impression that defines the qualities, personality and uniqueness of our brand. What **EDC Specialties™** stands for in the minds of customers and stakeholders embodies our core competencies, advantages, culture and values.

### **Brand Awareness (Also see Section 7.0 Marketing Plan, page 50)**

Research indicates that the primary impact advertising has on brands is to build awareness for those brands. In addition to advertising, **EDC Specialties™** plans to build strong brand awareness through repeated exposure to the brand and a strong brand identity consistently presented. Any of the following will lead to repeated exposure:

- *Publicity on “EDC” related stories, articles, press releases, interviews, forums, websites, etc.*
- *Product awareness campaign placement and strategic project focus.*
- *Talented sales force and direct marketing/presentation capabilities.*
- *Educational programs and videos promoting product benefits.*
- *Build relationships with local business partners.*
- *Strong web presence on all social media, mass selling sites, and our own website.*
- *Referrals from customers and network partners.*
- *Word of mouth marketing.*
- *E-commerce and fulfillment of **Custom EDC Kits™** and **Pre-Selected EDC Kits™**.*
- *Online marketing techniques, including viral-type videos and commercials.*
- *An unmatched presence at trade shows and in trade magazines.*
- *Leadership in the industry; innovation, discussions, conferences, best practice benchmarking, etc.*
- *Branding on employee uniforms, sides of vehicles, in front of buildings, etc.*
- *Brand signature on all email messages.*

The brand identifier (logo) is created using the following color specifications for reproduction:

- *Pantone 485C Red or C:0, M:100, Y:100, K:0 for large logotype.*
- *Pantone 428C Gray or C:10, M:4, Y:4, K:14 for small logotype.*
- *White or C:0, M:0, Y:0, K:0 for script logotype.*
- *Pantone Process Black or C:0, M:0, Y:0, K:100 for background.*



The **EDC Specialties™** brand identifier was designed to be used in several variations, depending upon the application. It can be used in a stacked format or a horizontal format; and it can be used on a white backdrop or a black backdrop. It can also be used in a single color version.





Generic Company Business Cards Front (left) and Back (right). Officers' cards have name, cell phone and email.

### Signage at Physical Location

EDC Specialties™ has already installed road visible signage (illuminated at night), and window perfs on the front of the building to raise awareness before opening. These are permanent signs, and have been approved by zoning and our landlord. Temporary signs will be displayed at street side for our grand opening to attract walk-in business.



### 4.5 Market Analysis

EDC Specialties™ general market covers a large area of diverse and densely populated groups. In the immediate locale, Sacramento is the state capitol and has proven to have numerous groups with interests relating to every day carry concepts and a prepared society. Sacramento is the perfect city to begin raising market awareness and targeting the demographics necessary to make an immediate impact on the business launch.

There are four main focal points to the plan and five policy areas that will lead the initiative. The focal points are raising awareness among targeted demographic groups, creating concept interest and education, attracting potential business from regional partnerships, and promoting American business and manufacturing. The five policy areas are unsurpassed expertise and technical proficiency with all products, commitment to the perceptual winning sales based approach, complete satisfaction guarantee on all products and services, an unbiased and hospitable cultural outlook, and a complete commitment to our surrounding community, and the safety of all Americans.

## 4.6 Target Markets

**EDC Specialties™** will focus intently on the following markets to maximize our sales potential. Many of our target customers are highly educated in the field, and require little awareness campaigning toward every day carry items. For those who are not as well versed on the subject, we offer **Pre-Selected EDC Kits™** to aid in choosing effective EDC bundles, with in-depth explanations and instructional videos.

### Proponents with Influence

*(Capability to integrate every day carry items into their existing daily use, product lines, and/or professions).*

1. Police Officers and Sheriff's Deputies
2. Fire and Rescue Personnel
3. Active and Retired Military
4. Security Guards
5. Corrections Officers
6. CCW Holders
7. All other First Responders and Duty Officials

### General Public Markets

1. Men and women ages 18 and up, in almost every aspect of American society.
2. People interested in upgrading their current every day carry essentials to innovative, high-quality American made products.
3. Gift givers.
4. People looking for exclusive every day carry specialty items that cannot be found elsewhere together.
5. People looking to enter into the every day carry realm, but don't know where to start.
6. Collectors of high-end knives, tools and other items.

## 4.7 SWOT Analysis (Strengths, Weaknesses, Opportunities, Threats) 2x2 Format

### STRENGTHS (Internal)

- Detailed business plan.
- End user sales control and direction.
- Dealer status with multiple well known American made manufacturers:
  - Allows for sales, marketing, and retail opportunities with these brands, capturing the largest portion of dollars per sale/largest profit potential for **EDC Specialties™**.
  - International leaders in the industry.
  - Designed for greatest return on investment to end user.
  - American made products with proven quality and reliability.
  - Lifetime Warranty service on all applicable products.
  - Limited marketing materials.
- Over 25 years of professional experience encompassing; sales, design, implementation, leadership and business development.
- Experienced, reliable, committed and confident management team.
- Ongoing product innovation, and integration/implementation of new ideas into existing systems.
- In-house creative/marketing capabilities.
- Excellent location with existing warehousing capability.
- We are EDC people! We feel a responsibility to do something towards our own preparedness.

**WEAKNESSES (Internal)**

- Still existing gaps in inventory.
  - We will always need to work with Approved Network Partners in some capacity.
    - We do not have a fully completed inventory list at this time.
- We are a startup player; no one has heard of **EDC Specialties™** yet.
- Cash poor; need startup financing.
- Vulnerabilities include:
  - Exploring unknown areas.
- Distraction in the workplace.
- Need to get accredited with additional manufacturers.
- No true customer lists yet.
- No direct delivery capability yet.
- Modest equipment needs.

**OPPORTUNITIES (External)**

- New way of thinking about every day carry.
- Lack of direct competition in the marketplace; we can be one of the first in the area to specialize.
- Fits industry and lifestyle trends.
- Numerous niche markets.
- New market opportunities; both vertical and horizontal.
- Global influence towards safety and preparedness.
- Geographic location is excellent for diverse, sustainable client base.
- Multiple trade show opportunities in the area throughout the year.
- Suppliers/Partners situated throughout the region.
- Viral/Electronic marketing opportunities, i.e.. social media, etc.
- Develop new business through “Proponents of Influence”, i.e.. First Responders, etc.
- Become an EDC authority and an inspiration for future generations.
- Profit margins, especially as a Certified Dealer, can be very lucrative.
- End user response to new ideas.
- E-Commerce and retail business opportunities with all product lines.

**THREATS (External)**

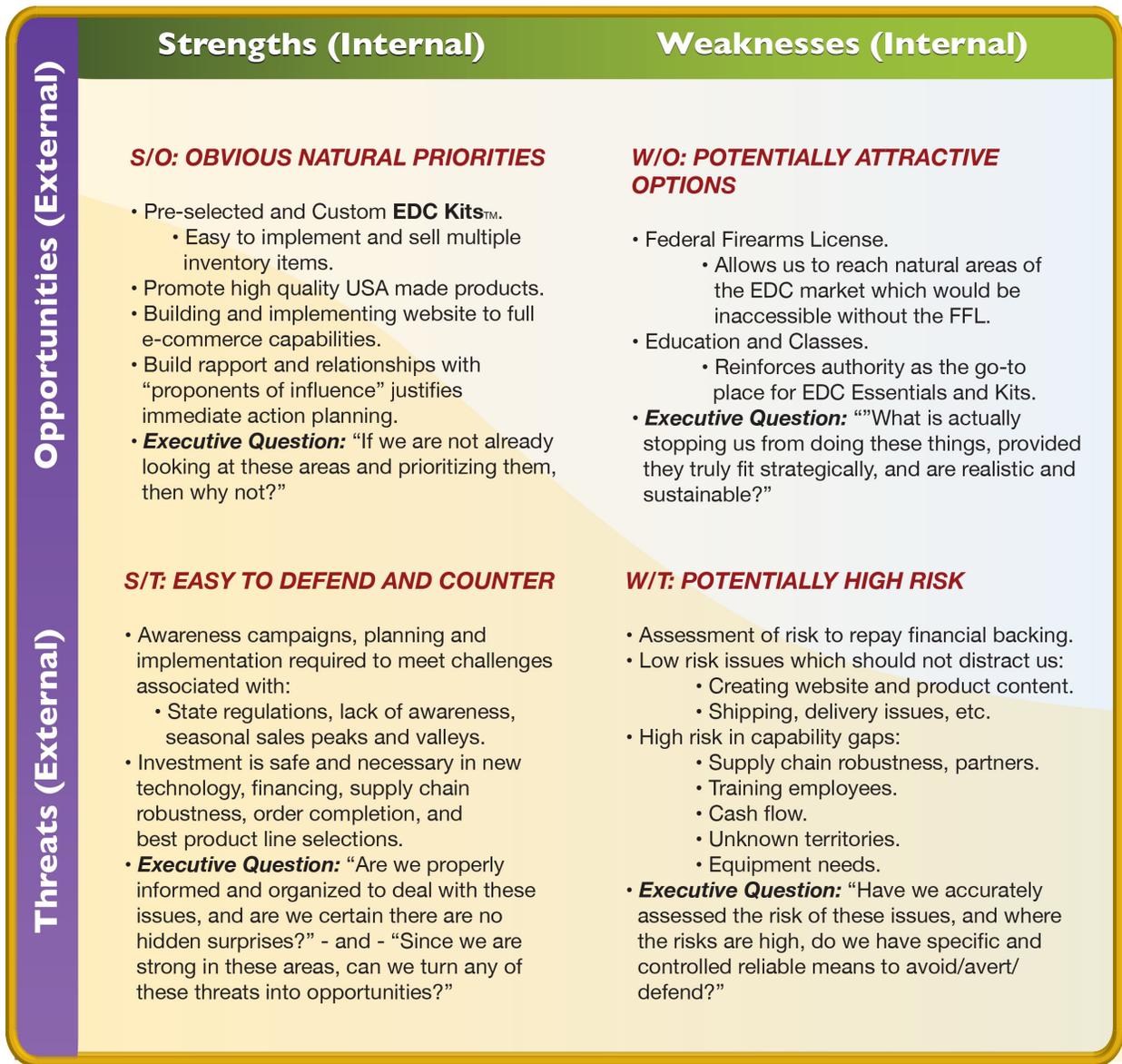
- Regulations by the state of California.
- Lack of awareness; many people do not know what EDC is, or who we are.
- Relatively new items could see changes in technology or innovation.
- Ownership by outside parties; no substantial financial backing.
- Continuity of supply chain robustness.

The SWOT 2x2 matrix shown on the following page is a typical extension of the basic SWOT analysis into a useful, action-based, decision making tool. This matrix suggests actions for issues arising from SWOT analysis, and allows for assessment of risk more accurately.

*“By sorting the SWOT issues into the six planning categories one can obtain a system which presents a practical way of assimilating the internal and external information about the business unit, delineating short and long term priorities, and allowing an easy way to build the management team which can achieve the objectives of profit growth.”*

*– Albert S. Humphrey, August 2004*

**SWOT 2x2 MATRIX ANALYSIS**



**4.8 Capitalization Needs**

EDC Specialties™ startup expenses cover a wide range of items detailed in the section below:

**Initial Deposits \$735**

This expense is for security deposits, utilities deposits, and liability insurance for the building and all of its contents.

**Licenses, Dues & Certifications \$530**

This expense covers the cost of business licenses, permits and any training classes, manuals or materials associated with these endorsements, and the training of all employees.

**Advertising, Promotion, Graphics & Signage \$13,450**

This expense is for the development and execution of a marketing campaign, press kit, advertising, and public relations materials. It includes budget for print ads in local and national venues, billboard advertising locally, and numerous social media affiliations. This budget also includes trade show set up and booth fees for various events. Signage for the inside and outside of the building and at the street is also included in this cost. Business cards and other collateral materials are included as well.

**Cash Reserves \$13,245**

This capital would be used to fund the business during the startup and first year of operation, and is projected to reach at least \$16,113 within the first three years to accommodate for the proportionate amount of cash reserves for overall corporate health.

**Legal, Accounting & Consulting \$2,000**

This expense is for legal services pertaining to startup, and also retention of legal representation, accounting services, and business consultants. Professional preparation of end of year taxes, monthly bookkeeping and other services included. Also, contract development for investor shareholders.

**Travel for Research & Development \$950**

This expense covers the managing partners' travel related expenses during the research and development stages of startup. Gas, air fare, hotel, mileage, etc.

**Office Furniture & Equipment \$4,900**

This expense is for the purchase of new office furniture, fixtures and design elements vital to ensuring a pleasant, unique and energetic experience. This includes the cost of secure display cases, slatwall, register stand, sitting area, lighting, and all other interior fixtures. Also included in this budget is white boards, cork boards, and general office equipment.

**Leaseholder Improvements & Display Fixtures \$3,500**

This capital covers any structural changes to the existing facility. This includes the cost of new tempered glass windows for the front of the store, display room, fresh paint, carpet, electric, security etc.

**Payroll/POS \$650**

This cost is to program the company's Payroll and Point of Sale (POS) system. This hardware and software is responsible for facilitating sales, online e-commerce, accounting reconciliation and payroll administration.

**Pre-Launch Labor \$10,000**

This cost covers the preparation and organization of the facility, target market campaigns, and business administration practices. It accounts for four months (sixteen weeks) of preliminary work by both full time employees. This will count towards the officers' shareholder equity.

**Uniforms & Safety Equipment \$1,050**

Uniform expenses cover the first year of purchases necessary for both the management and staff. This includes personal safety equipment for each employee (i.e., pocket knives, etc).

**Initial Inventory \$22,500**

This expense is for the initial purchase of all inventory components, and other related materials necessary to operate the company and launch sales. This budget includes the prototyping of the **EDC Tray™**, and the fabrication of the first production run.

**Office Setup \$300**

This expense is for the initial supplies needed for the administration of the company. Consumables, office supplies, and other related items.

**Computer Systems & Technology \$4,500**

This cost would be for the purchase of new computer hardware and software to run the company.

**Website Creation, Design & Maintenance \$9,600**

This cost would be for the design, development and execution of the company's website, which will drive new business and e-commerce. Our unique, "build-it-yourself" feature will be prominent, and requires special coding to ensure continuity and successful integration with our inventory and point of sale systems. The initial cost to code the website is \$7500, payable in three monthly installments over the course of the development period. A maintenance cost of \$175 per month is required to maintain the site, domain, servers, and subscription services. The total above includes the developmental fee (which qualifies as initial capital outlay), and the first year of maintenance (which is an ongoing expense).

**Contingencies \$5,000**

This cost would be used to cover unforeseen expenses and/or overages.

## 4.9 Company Culture

**EDC Specialties™** company culture is one of our differentiating distinctions amongst our competitive set. We are committed to operating with an emphasis on providing solutions to every day carry needs.

*The following initiatives will contribute to a culture that leads to a motivated and engaged team.*

- We value our team's opinions and encourage them to share their points of view.
- To facilitate this, we:
  - Practice an open door policy, where employees know their concerns are taken seriously, with recognizable action steps taken when appropriate.
  - Routinely encourage the team to come up with better ways to succeed at the jobs, or improve services or efficiency. Ideas put into action will be rewarded with recognition, and when appropriate, monetary rewards.
- We will promote from within whenever possible. A team that knows that their hard work will pay off strives to perform and impress.
- We will communicate a clear vision and direction to our team in order to build consensus.
- We will keep employees informed and in-the-know about changes, initiatives, new hires and promotions. Communication makes everyone feel as though they are "part of something".
- We will create bonus incentives for the management team that are directly tied to the company's qualitative and quantitative objectives and results.
- We will continually innovate using the SWOT analysis, brainstorming sessions and industry research.
- We will each take a role in our responsibility to minimize our ecological footprint, including using paperless systems, conserving energy, reducing waste, composting, and other means.
- We will strive to provide a safe working environment, with ensured longevity, developmental opportunities, and high employee satisfaction scores.

**Employee Welfare**

Employee welfare will be equally important to our success. Our employees are the key component to the success of **EDC Specialties™**. Our goal is to ensure longevity, developmental opportunities and high employee satisfaction survey scores. All will be treated fairly and with great respect.

**Service Evolutions**

An integral part of our concept includes the need and desire to consistently improve upon our services and business model. Once we are established, this commitment to evolve as a business will help us sustain our position as a market leader and help fuel further expansion projects.

We will use several approaches to determine where opportunities exist and then act on them systematically, being careful to only add new programs when we are able to handle the additional

burden. Through this process, we will be able to phase improvements in and prove that we are focused on consistently providing a greater value, thereby strengthening both our relationships and financial model for the long term.

Ways in which we will discover opportunities for evolution include reviewing client feedback, listening to employee input, benchmarking other highly successful businesses, recruiting staff and management from highly successful companies, utilizing professional consultants when appropriate, and through our own necessity and innovation.

### **Better Hiring Practices**

Our staff will be hired with tremendous weight being placed on attitude. Staff selected will be able to deliver personalized technically-proficient service, while displaying an earnest concern for the client's needs and desires. Other staff members will be chosen based on a blend of technical skills and their ability to harmoniously function as a team unit. Managers will be selected based on their ability to lead, inspire, communicate, think critically, administrate and deliver our company culture. Thorough interviews will be conducted, complete with multiple reference checks for all employees.

### **Value Proposition**

Since value is subjective, it will be our ability to weave together the total experience (ease and comfort through the buying process, quality of product, and quality of ongoing service), that will weigh in the minds of our clients.

*We strive to offer this exceptional value through five basic connections:*

1. **Competitive Pricing:** Pricing has been thoroughly researched and strategically set.
2. **Outstanding Product Selection:** All products are made in the USA and fully backed by warranties.
3. **Reliable Shipment Scheduling:** We will strive to maintain reliable timelines for shipping, and ensure that handling schedules are kept with prompt timing and reliability.
4. **Lasting Impact:** **EDC Specialties™** products are virtually timeless, and will last indefinitely with proper maintenance and care, providing many years of tangible and intangible benefits.
5. **Consistency:** Only with an unwavering commitment to consistency, will we ever achieve success.

### **Noteworthy Offerings**

**EDC Specialties™** will flourish and impress with our innovative *Pre-Selected* and *Custom EDC Kits™* created from hand selected high-quality items. Our team's rigorous selection process and systematic approach to operational levels will allow **EDC Specialties™** to differentiate itself from the competitive set in very short time by offering kits for various lifestyles and levels of expertise. As one example, the **TACTICAL EDC KITS™** are created from black and steel essentials and comes in an *Entry* level kit, an *Advanced* level kit, and an *Expert* level kit – each one progressively higher in quality and price. This same concept holds true for the **CLASSIC EDC KITS™** and others. **LADIES' EDC KITS™** are color coordinated. **EDC Specialties™** products have been designed with three primary goals in mind:

#### **1. Varied Approachable Options**

With many people not having experience with every day carry, our website, product line and sales staff are all geared towards providing varied options for potential clients' needs and desires – from simple and cost effective, to spectacular works of hand crafted art.

#### **2. Execution Efficiency**

In order to maximize sales without compromising quality or consistency, our team must be able to produce up to 600 trays for kits in the first year. **EDC Specialties™** will engineer the product to be produced as efficiently as possible, and work well in any number of applications.

#### **3. Profitability**

The products offered by **EDC Specialties™** have been specifically selected with profitability in mind as well as providing an exceptional value.

## 4.10 Product Offerings

**EDC Specialties™** will focus on two main offerings; **EDC Kit™ Sales** and **Individual Item Sales**.

### Individual Item Sales of Every Day Carry Essentials

Most of our manufacturers require sales to stay above MAPP pricing on their products, thereby maintaining the integrity of the brand and the dealers who are authorized to sell them. With that said, competitive pricing on all our products will allow us to compete with online sales, and still make substantial profit margins.

Individual items in the eight categories identified by **EDC Specialties™** will be sold through our retail outlet, our e-commerce based website, and any other applicable outlets which are in compliance with the manufacturers' dealer agreements and restrictions. The following chart shows the initial inventory manufacturers chosen by **EDC Specialties™** to complete the first kits and have a base of stock for sale. Items in stock may range from under \$10.00 to over \$1000.00 depending upon the category and intent.

WALLETS	WATCHES	PENS	PHONE CASES	POCKET KNIVES	POCKET TOOLS	FLASHLIGHTS	KEYCHAINS
Machine-Era	Smith & Bradley	Machine-Era	Magpul	Benchmade	Zootility	Princeton Tec	Tec Accessories
American Benchcraft		Tuff Writer	FormFunctionForm	Hinderer	Elite Outfitting Solutions	Surefire	Key Bak
Hitch & Timber		Hinderer		Zero Tolerance	Gerber USA	TekTite	Zootility
DPTR		Benchmade		Kershaw	Leatherman		FormFunctionForm
Flowfold		Surefire		SpyderCo	Brouse		Brouse
American Recycled Leather				Brouse			American Benchcraft
FormFunctionForm				Bear & Son			

### Pre-Selected and Customized EDC Kits™

There are several reasons why customers may prefer to purchase an **EDC Kit™** over an individual item or items. First and foremost, customers can take advantage of savings otherwise unavailable on individual products. The incentive to purchase a kit ranges from 12-22% savings over purchasing each item individually, as detailed in the **Expanded Kit Table** on page 40.

In addition to the monetary savings, anyone purchasing an **EDC Kit™** from our store or website can be sure that every item has been carefully researched and hand-selected by our staff to meet the needs of each kit owner. Each kit is designed with a certain level of user in mind, and each carry essential included in the kit is made from materials and standards suitable for the recommended use described. Items are selected according to size, style, quality, price, function, and overall value.

The table on page 40 shows the initial offerings of the **EDC Kit™**. Each category of kit (*Tactical*, *Classic*, or *Ladies*) has three choices. The *Tactical* and *Classic* kits are rated as *Entry Level*, *Advanced*, and *Expert*. The *Ladies* kits come in three style variations, a *Pink* scheme, a *Purple* scheme, and a *Classy* scheme (comprised of brass and leather items). Additional kits may include a waterproof diver's kit, a hunter's kit, a military kit, and many others.

**Custom EDC Kits™** can be made to order by starting with the **EDC Tray™**, and building a custom selection of essential items from the eight categories. A minimum of three every day carry essentials constitutes a kit order, and there is no limit on how many items you can include in a kit. A tiered discount structure will serve as the incentive to purchase additional items, or items of higher quality.

The **Expanded Kit Table** on page 40 shows the MSRP of each item separately, the total value of the kit, the kit price as offered by **EDC Specialties™** and the savings offered to the customer in dollars and percentage. In addition, the profit in dollars and percentage is also determined in the green fields. See **Table 2.5 Sales and Cost of Sales** on page 13 for more information.

**Table 17: Expanded Kit Table (Primary Kit Options)**

TACTICAL														
	ENTRY LEVEL	\$	COG	NET		ADVANCED	\$	COG	NET		EXPERT	\$	COG	NET
EDC TRAY	BLACK	25	12.5	12.5		BLACK	25	12.5	12.5		BLACK	25	12.5	12.5
WALLET	MAGPUL DAKA BK	17	12.71	4.29		H&T FLAT JKT BK	49	26.17	22.83		ME T15 BLK	58	29	29
KNIFE	KERSHAW SC BLK	70	32.01	37.99		BM GRIP 551SBK	135	67.50	67.5		BM 943SBK	230	115	115
FLASHLIGHT	PHOTON COVERT	10	4.99	5.01		PTEC TEC 1	60	36.25	23.75		SF DEFENDER	240	144	96
PEN	TEC PICO PEN	20	10	10		TEC PICO PEN	20	10	10		TW OPERATOR	96	60	36
POCKET TOOL	POCKET MONKEY	12	6	6		LMAN MICRA BK	33	16.50	16.5		LMAN MICRA BK	30	16.50	13.5
KEYCHAIN	KEY BAK KK2	6	3.52	2.48		KEY BAK KK2	6	3.52	2.48		KEY BAK KK2	6	3.52	2.48
OTHER	SABRE HARDCESE	15	5.98	9.02		PHOTON COVERT	10	4.99	5.01		PHOTON COVERT	10	4.99	5.01
<b>TOTAL VALUE</b>		175	87.71	87.29			338	177.43	160.57			695	385.51	309.49
<b>KIT PRICE</b>		150					300					600		
<b>SAVINGS</b>		25	17%				38	13%				95	16%	
<b>PROFIT \$ %</b>			<b>62.29</b>	<b>41.5%</b>				<b>122.57</b>	<b>40.9%</b>				<b>214.49</b>	<b>35.7%</b>

CLASSIC														
	ENTRY LEVEL	\$	COG	NET		ADVANCED	\$	COG	NET		EXPERT	\$	COG	NET
EDC TRAY	BLACK	25	12.5	12.5		BLACK	25	12.5	12.5		BLACK	25	12.5	12.5
WALLET	US87 MONEY CLP	20	9	11		H&T CRD CADY TAN	54	28.31	25.69		ME T15 GOLD	58	29	29
KNIFE	B&S TRAPPR 3.5"	66.50	33.25	33.25		BM SM SUMMIT LK	140	70	70		BM MEGUMI	245	122.50	122.5
FLASHLIGHT	PHOTON COVERT	10	4.99	5.01		TEC TI PIXL LIGHT	47	26	21		SF TITAN	70	48.99	21.01
PEN	TEC PICO PEN	20	10	10		ME BRASS PEN	38	19	19		ME BRASS PEN	38	19	19
POCKET TOOL	HEADGEHOG	12	6	6		HEADGEHOG	12	6	6		HEADGEHOG	12	6	6
KEYCHAIN	AB TRGR SNP FOB	27	13.50	13.5		AB TRGR SNP FOB	27	13.50	13.5		AB TRGR SNP FOB	27	13.50	13.5
OTHER											S&B SPRGNFLD	165	115.50	49.5
OTHER											H&T POCKET RNT	33	21.45	11.55
<b>TOTAL VALUE</b>		180.5	89.24	91.26			343	175.31	167.69			673	388.44	284.56
<b>KIT PRICE</b>		150					300					600		
<b>SAVINGS</b>		30.5	20%				43	14%				73	12%	
<b>PROFIT \$ %</b>			<b>60.76</b>	<b>40.5%</b>				<b>124.69</b>	<b>41.6%</b>				<b>211.56</b>	<b>35.3%</b>

LADIES														
	BLACK & PINK	\$	COG	NET		GRAY & PURPLE	\$	COG	NET		CLASSY	\$	COG	NET
EDC TRAY	BLACK	25	12.5	12.5		BLACK	25	12.5	12.5		BLACK	25	12.5	12.5
WALLET	DAKA POUCH BK	19	14.21	4.79		DAKA POUCH GRY	19	14.21	4.79		AB CARD KEY TAN	49	24.50	24.5
KNIFE	KERSHAW CH PNK	75	37.50	37.5		KERSHAW SC PUR	80	40	40		B&S 240R RSWD	38	19	19
FLASHLIGHT	PHOTON FRDM PK	16	7.99	8.01		PHOTON FRDM PLT	16	7.99	8.01		-			
PEN	TEC PICO PEN	20	10	10		TEC PICO PEN	20	10	10		ME BRASS PEN	38	19	19
POCKET TOOL	HEADGEHOG MAG	12	6	6		HEADGEHOG MAG	12	6	6		-			
KEYCHAIN	-					-					-			
OTHER	DESIGNER SABRE	10	4.58	5.42		DESIGNER SABRE	10	4.58	5.42		HT POCKET RNT	33	21.45	11.55
<b>TOTAL VALUE</b>		177	92.78	84.22			182	95.28	86.72			183	96.45	86.55
<b>KIT PRICE</b>		150					150					150		
<b>SAVINGS</b>		27	18%				32	21%				33	22%	
<b>PROFIT \$ %</b>			<b>57.22</b>	<b>38.1%</b>				<b>54.72</b>	<b>36.5%</b>				<b>53.55</b>	<b>35.7%</b>

## 5.0 Team Overview

With a great task at hand and a short window of time to build a successful formula, minimizing the associated risks of a venture like this is our single greatest motivating factor. With this in mind, great time and care has been placed into the selection of our team. By recruiting an “all star” team of managers and support services, we believe we have secured the best possible turn-key players to get our standards, systems and culture in place in a short timeframe.

### 5.1 Leadership Team Introductions

"The role of leadership is to transform the complex situation into small pieces and prioritize them." – Carlos Ghosn

#### Robert A. DeFeo, Jr., President, CEO & COO

Rob DeFeo is a professional businessman who brings a shrewd and seasoned perspective to several aspects of the corporation. Rob has an exceptional knowledge base and understanding of sustainable business practices, including experience with many industries and well known companies. His high level of expertise has also led to instruction and authoring of articles for publication.

Rob grew up in Norwalk, Connecticut, and is a first-born, first-generation Italian American – a fact that he is very proud of, and one which has shaped both his personal and professional life. Holding true to a family history of entrepreneurs and hard working artisans, Rob possesses an insatiable desire to succeed, partnered with a creative flair that consistently differentiates his work from all others around him.

Rob is a graphic designer by education and trade, achieving a *Bachelors of Arts* degree from Marietta College in 1991. Since childhood, Rob’s creativity has played a major role in his life, leading to many successful campaigns as a marketing professional and creative consultant for over twenty years. His work for high-profile clients such as *Abercrombie & Fitch*, *The Limited*, *Victoria’s Secret*, *Eli Lilly* and many others has been featured on some of the nation's highest profile venues, and has won acclaims for creativity and technical proficiency.

Rob has also enjoyed a successful career in sales, utilizing his experience and knowledge base to create seamless relationships between clients and production facilities. Since 1999, Rob has undergone extensive professional sales training in corporate environments, and fully comprehends the concept of “*Perceptual Winning*”, a study which concentrates on a powerful process for maximizing business and personal relationships. His success in the classroom, and consequently in the field has earned Rob several significant accolades, most notably since his relocation to Sacramento in 2003.

Upon arriving to the area, Rob founded and published a national, full-color glossy magazine for Italian Americans and anyone interested in the food, language, art and culture of Italy. The publication, *In Buona Salute (In Good Health) Magazine*, reached national status within one year and had several



thousand subscribers. In 2008, Rob was awarded the rare distinction of receiving a *Special Recognition Achievement Award* from the Italian American Heritage Foundation, a *Commendation* from the City of San Jose, and *Resolutions* from the California State Senate and the Santa Clara County Board of Supervisors for his work and contributions to the Italian American community.

Today, Rob uses his creativity to fuel innovative and stimulating opportunities for growth. His desire to work within his passion has led to the pursuit of several successful business ventures, which legitimize his already existing skills. He has been the CEO & COO of Enviwalls, Inc. since 2012. **EDC Specialties™** is a diversification of his business portfolio, and has the possibility to take him into retirement.

While consistently seeking to enhance the depth and expertise of his business acumen, Rob also sees the tremendous value in contributing locally to the community. Through regular support of local and national organizations, and by donating his time to various community and charitable events, he is committed to lending his support and giving back in any way he can.

### **Matthew Ross Harris, Vice President, Director of Sales & Marketing**

Matt Harris brings a long list of marketing, sales, and every day carry experience to **EDC Specialties™**, including relationships with a number of industry insiders.

Born in Florida, Matt's outward presence has always been at the forefront of his persona. A musician at his core, Matt is no stranger to developing something out of nothing. As a young man, Matt found a passion for music and began composing and playing original works on bass guitar. Over the years, he has propelled his own career as an entertainer, along with the promotion of others.

More recently, Matt has acquired a good deal of corporate experience with *T-Bird Restaurant Group, Inc.*, a franchise company of *Outback Steakhouse*, and others. Matt has worked his way up the ladder from server to head waiter, and is now the manager of *Outback Steakhouse* in Roseville, CA. He manages one of the most profitable stores in the region, and has provided the company with an excellent record of service.



Matt has vast knowledge of marketing tactics from street-level to professional. His expertise in relationship building has enabled him to become an effective consumer-level marketing professional, focusing on contact with several demographic groups simultaneously. Today, Matt's skill sets bring a valued perspective to **EDC Specialties™**, as he leads the sales efforts of the company.

As the *Vice President and Director of Sales and Marketing* at **EDC Specialties™** Matt is responsible for the project management of all sales, marketing and advertising initiatives for the company, including electronic media and direct marketing. He will manage the website content, social media, as well as the creative, production and distribution processes of all promotional items. Matt will hold an equity position in the company, allowing for lucrative assets in the future and retaining his dedication and commitment to **EDC Specialties™**.

Matt Harris and Rob DeFeo have known each other for six years. The two have a close bond, forged through hard work and a deep desire to succeed, and based on mutual trust and respect. Matt is married, with a young daughter and another on the way at the time of this writing.

## 5.2 Professional Services & Advisory Teams

**Alan J. Donato, Esq.**  
**Attorney at Law**  
[alanjdonato@gmail.com](mailto:alanjdonato@gmail.com)



Alan J. Donato, Attorney at Law is a practicing criminal defense attorney in Sacramento, who has expertise in a number of areas, including business litigation and professional contracts.

Alan received his Juris Doctorate from the University of the Pacific, McGeorge School of Law, where he graduated Order of the Coif (top 10% of the class) with Great Distinction. He also received a Certificate in Oral Advocacy and was nominated to the Order of the Barristers for excellence in trial skills and oral advocacy.

In law school, Alan competed on the Mock Trial Competition Team and won the Northern California Regional Mock Trial Championship, beating Hastings and Stanford for the title. Alan knows both sides of criminal law, as he previously worked for the Sacramento County District Attorney's office before leaving to pursue a career in criminal defense. He was admitted to the California State Bar in 2009.

Alan has been associated with Rob DeFeo and his business team since 2010, having assisted with the setup and facilitation of numerous contracts, processing of legal documents and general counsel. Alan's youthful appearance and refreshing attitude makes him easy to communicate with, yet should not be taken as a sign of weakness – his tenacity and expert litigation skills make him a powerful asset on the side of **EDC Specialties™**.

**Shelly Gomez, CPA**  
**Certified Public Accountant**  
**Gomez Accountancy**  
[shelly@gomezaccountancy.net](mailto:shelly@gomezaccountancy.net)

Due to the size of the firm, Gomez Accountancy is uniquely positioned to offer extensive services normally associated with larger firms, coupled with the personal relationship of a local firm. By combining expertise, experience and the energy of their staff, they are able to provide a full spectrum of financial services to individuals, and large and small businesses.

General Contact Info:

**Gomez Accountancy Inc**

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2244 Carbine Ct  
Elverta, CA 95626

Telephone: (916) 628-9739  
Fax: (916) 992-0197  
Email: [shelly@gomezaccountancy.net](mailto:shelly@gomezaccountancy.net)

Gomez Accountancy has been working with Rob DeFeo and his other businesses since 2014, and has continued to reflect very high standards, which is why we have chosen Shelly Gomez as a trusted advisor who can provide insight to enable us to make informed decisions and achieve our financial objectives.

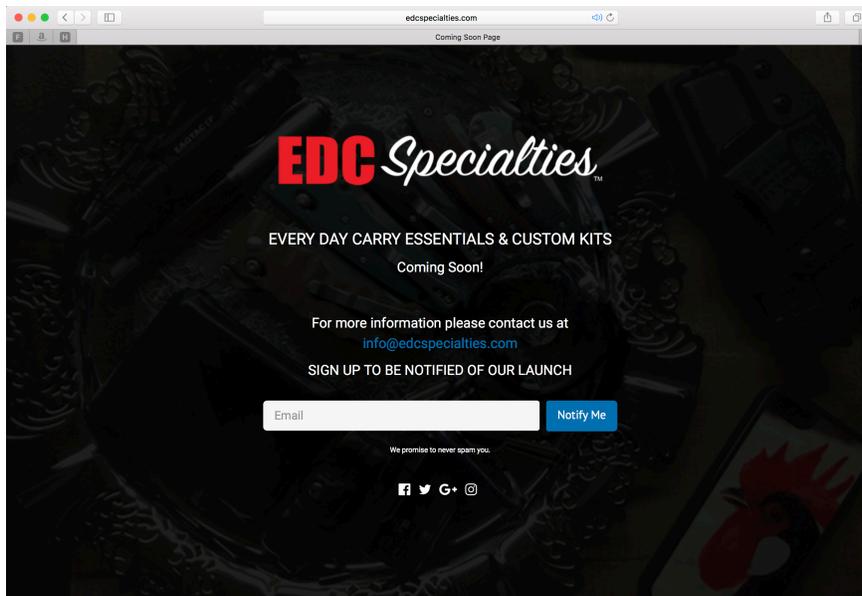
Shelly Gomez has successfully worked with the IRS and the FTB to help her clients stay in compliance of the tax laws and pay the minimum amount due.

**Brenan Greene, Senior Web Developer**  
Front Street Media, El Dorado Hills, CA



The **EDC Specialties™** website <https://edcspecialties.com> is a registered domain under the corporation *Enviwalls, Inc.* dba/ **EDC Specialties™**. In order to accommodate the traffic and back-end capabilities needed for successful integration of our product line, and the ability to create **Custom EDC Kits™**, we have chosen to have the website professionally created and programmed by a local company.

*Front Street Media* is a top provider of web development services in the local area, and has been chosen after careful consideration and competitive bidding with as many as three other companies. Brenan's competitive attitude, understanding of every day carry culture, and professional input has been extremely valuable in creating a website that is attractive to our target audiences, and still has the complete functionality necessary to achieve the company's goals. Through custom programming, an SSL certificate, and in-depth search engine optimization, we believe that *Front Street Media* will be an ongoing asset in our digital marketing and web based sales approach.



*Left: The current placeholder page for the website.*

*Website development began in January, and is scheduled for completion by April 1, 2017.*

**Clyde Green, Senior Business Consultant**  
Small Business Development Center, Sacramento, CA

Clyde Green is our one-on-one business consultant from the Northeastern California SBDC. He specializes in start-up businesses, human resources, contracts, insurance, healthcare, and also acts as the SBDC Business-Turn-Around Program Consultant.

Clyde has more than 29 years of office management, administration and operations. His experience includes managing and directing operating budgets, human resources and operations for large corporations. His proven record of accomplishment for problem solving and profitable operations focus on entrepreneur development.



### 5.3 Organizational Chart and Developmental Progression

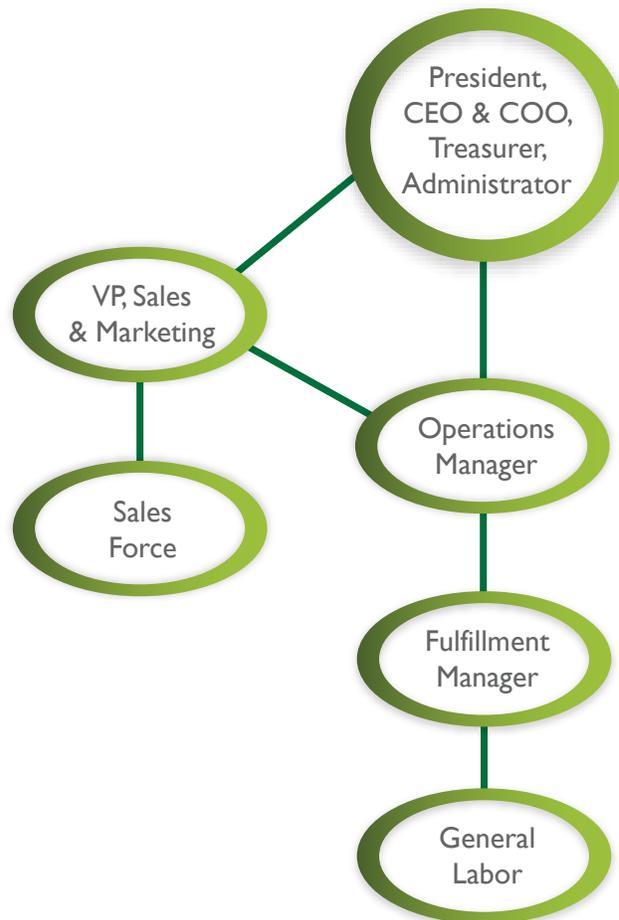
Once a member of our team has been hired, based on his or her growth potential, dedication, attitude and technical proficiencies, he or she will be given ample opportunity to be promoted into positions of escalating responsibility.

Currently, the position of *President, CEO & COO* of the California corporation **Enviwalls, Inc.** is held by its founding officer, *Robert DeFeo*, of Rancho Cordova, California. Because **EDC Specialties™** is a registered fictitious name to the above named corporation, Mr. DeFeo retains his position, title, and 100% shareholder equity over the corporation, with full control. Rob will also hold the responsibilities of *Treasurer and Administrator*.

At this time, *Matthew Harris* is acting *Vice President and Director of Marketing* for **EDC Specialties™**, and his title is not affiliated with the California corporation **Enviwalls, Inc.**, nor does he have any interaction with the corporation other than receiving payroll through the associated service. His responsibilities are solely to **EDC Specialties™**, and he retains an equity position as a managing shareholder detailed in **Section 2 Sources and Use of Funds, page 10**.

Both Rob and Matt will act as *Operations Managers, Fulfillment Managers, General Laborers, and the Sales Force* until such a time when revenues clearly outline how many staff should be working based on forecasts and historical data.

*The progression steps and organizational chart are outlined below:*



## 6.0 Operations Plan

### 6.1 Policies and Procedures

To help us achieve consistent messaging and standards, we will clearly outline all of our policies and procedures in written format to facilitate training new employees. As employees learn the various aspects of their responsibilities, P&Ps will be reviewed and employees will be tested on the information to ensure retention.

Full time employees can expect benefits in the way of annual paid vacations, personal/sick days and many other fringe benefits.

#### Returns, Exchanges & Refunds

Our return policy is good for thirty (30) days. To be eligible for a return, your item must be unused and in the same condition as you received it, with its original packaging. A receipt or proof of purchase within 30 days of the return ship date is required to complete a return.

Please do not send your items back to the manufacturer. Partial refunds may be granted on any items not in original condition, damaged or missing parts for reasons not due to manufacturer error. Several items are exempt from being returned, including batteries. For a complete list, please contact us via email at [info@edcspecialties.com](mailto:info@edcspecialties.com).

To request a refund or exchange, send your return item to: *EDC Specialties, 11292 Coloma Rd., Ste C, Gold River, CA, 95670, USA*. Once your return has been received and inspected, we will send you an email to notify you that we have received your item, and update you of its status. Once your refund or exchange is approved, then the amount will be processed and a credit will automatically be applied to your credit card or original method of payment within 14 days, or the exchange item will be sent out within 24 hours (provided it is in stock).

We are only able to replace items that are defective or damaged from the manufacturer. If you would like to exchange for the same item, send us an email at [info@edcspecialties.com](mailto:info@edcspecialties.com) or call us at 916-476-5094 and send your item to: *EDC Specialties, 11292 Coloma Rd., Ste C, Gold River, CA, 95670, USA*.

#### Sale Item And Kit Item Returns

Sale items will be refunded to the amount of the sale price. Some items marked for sale will have a no return policy attached to those specific items. Individual items purchased as part of **Pre-Selected EDC Kits™** are not available for return, exchange or refund unless defective from the manufacturer, in which case a replacement will be sent upon receipt of the defective item. Opened kits cannot be returned.

#### Shipping

To return your item due to manufacturer defect, or other acceptable reason, first contact us by calling 916-476-5094 or emailing us at [info@edcspecialties.com](mailto:info@edcspecialties.com) to explain in detail the issue you are experiencing with your product. If it is determined that the item is defective, a shipping label will be sent to you at no cost. Once the item is received and inspected, a replacement item will be sent to you, or a refund issued within 48 hours.

### 6.2 Staffing, Scheduling and Training

Strict staffing guidelines will be in place based on a percentage of revenue that will clearly outline how many staff should be working based on forecasts and historical data. Adjustments to the guidelines may be made after the initial launch, based on balancing the appropriate service levels with that of our financial objectives. Schedules will be consistent, and any changes will be posted five days prior to the scheduled week. The level of staffing will be based solely on forecasted business.

Training for new hires will be highly organized and conducted in four stages. Once hired, we will teach our associate guidebook, operating philosophy and orientation classes. After that we will focus on technical proficiency classroom training, on-the-job training and lastly, shadow training.

During the classroom training, employees will learn about our operating philosophy, service and standards, safety, and etiquette. Each class will feature a workbook, PowerPoint presentation and exam. Employees will be required to pass all exams prior to working full time. Completion of a training competency checklist will also be required prior to the staff member receiving full wages.

### **6.3 Preferred Suppliers**

Vendor relationships are of great value and importance to the **EDC Specialties™** team. Relationships will be built on mutual trust, parity, cost and quality. In order to ensure supply is able to meet demand, **EDC Specialties™** will have at least two vendors capable of providing products and services for each category on our preferred lists. All accounts will be maintained with the highest standards of integrity. ***See the Vendor Matrix in Section 4.3 Relationships with Vendors, on page 29.***

### **6.4 Hours of Operation**

**EDC Specialties™** will operate during normal business hours, a minimum of six days a week. Retail staff will be at the workplace from 9am until 6pm each day. Sales staff may spend up to 95% of each day on the road, provided they are following a set sales call schedule. Most regular holidays will be observed. Hours of operation may vary depending upon demand, or seasonal business.

### **6.5 Management Controls**

#### **Point of Sale (POS) Revenue Tracking**

A POS system is considered to be the central nervous system of the day-to-day operations. It is the computer interface that provides the various software modules used to track sales, abstracts, labor costs, client recognition information, office organizational systems and much more.

#### **Payroll**

Payroll reporting and reconciliation will be done initially in-house, utilizing Quickbooks to expedite the time in which this task takes. Paychecks will be distributed bi-weekly and reports will be reviewed weekly to determine if we are using our labor resources in the most efficient manner.

#### **Check Listing**

One of the ways in which we will standardize and streamline daily operations is through the use of detailed departmental checklists. This approach has proven very successful in the past and ensures that every detail is reviewed and addressed in a proactive manner. Checklists will be submitted to the *President* on a daily basis to ensure accountability and consistency.

#### **Ordering Protocols**

The ***Cost of Goods Sold (COGS)*** is anticipated to be our largest expense, representing up to 53% of the cost of sales. Because of this, inventory ordering will be based on our vendor relationships, and on value for price paid. In order to ensure we are paying a fair price for goods, we will have numerous preferred vendors for each category. This will keep our vendors motivated to give us competitive pricing, while also building loyalty over time.

In most cases, all orders with vendors will be paid COD or at time of order. This will help us to maintain a steady flow of new inventory, and aid in limiting debt accumulation and interest charges.

## 6.6 Internal Controls

Strong internal controls are a top priority in helping us manage our expenses. Theft can certainly occur, but there are some highly effective steps we can take to minimize our exposure and potential risk. Below are some of the more common practices that we will adapt to **EDC Specialties™**.

### Security Cameras

Four security cameras are already installed at the various internal and external access points, as well as in inventory storage and cash handling areas. Cameras are highly visible in order to deter as much theft as possible. Security footage will be reviewed three hours per week, and with greater frequency should suspicious behavior be suspected.

### Inventory

Inventory control is one of the most basic of measures to ensure theft is not occurring. Complete inventories will be conducted on a weekly basis. This system will help us reconcile any lost resources, greatly narrowing the timeframe to review the security footage should a discrepancy arise. Inventory reports will be broken down into the different sub-categories so we can easily track trends to identify “red flags”.

### Payments

Transaction handling will be done strictly by the office management team. Many transactions will be billed or electronic, however, cash payments will be accepted. Cash will be placed into a register and/or safe and then deposited daily at the bank to ensure we are never holding too much money onsite.

### Safety

Our focus will be on keeping our environment as safe as possible for our employees and clients. Safety audits will be done monthly to ensure we are not missing any opportunities to improve and we will welcome any feedback. Accident-free stretches of over 100 days will be rewarded in order to say thank you for a job well done and for keeping our insurance premiums as low as possible.

### Liability

In an effort to minimize our liabilities, training will be a top priority. This training is designed to ensure that staff members never improperly handle any sharp or dangerous items. In addition to the obvious benefits of these types of training certifications, we will also be insured.

## 6.7 Purchasing and Accounts Payable

All purchases will be first approved by the *Office Administrator* or *Vice President*, and then signed off by the *President*. Non-inventory purchases of over \$250 will be subject to a vendor bid process, requiring a minimum of two bids be submitted with a corresponding purchase order.

Accounts Payable will be done in house. AP will be reconciled daily to ensure that all billed products/credits are processed expeditiously. Once we have established ourselves as a preferred vendor, we will seek a discount due to our rapid pay status. These incentives are commonplace in the industry, although they are rarely advertised. To assist us in keeping track of the various accounts, we will utilize **QuickBooks** software. This software will help us quickly and easily audit our expenditures by category.

## 6.8 Profit and Loss Reporting

A daily sales report (DSR) will be generated to track the results of our revenue streams. This report will break down (in detail) the revenues and percentage of sales. The DSR will also reflect our budgeted objectives for easy comparisons.

Profit and loss reporting will be done on a monthly basis, with a prime cost report being done on a weekly basis initially to ensure proper expense management. It is our intention to distribute P&L's to the equity investors on a quarterly basis along with a qualitative and quantitative critique of the month's performance.

## 6.9 Product Warranty Service

**EDC Specialties™** provides complete warranty service on all products, based on the manufacturers' warranty offers for each line of products. **EDC Specialties™** can and will act as the liaison between the customer and the manufacturer, and ensure that all parties are satisfied.

## 6.10 Insurance

**Enviwalls, Inc. dba/ EDC Specialties™** holds a \$1million business liability insurance policy on the facility at 11292 Coloma Rd, Ste C and Ste L, Gold River, CA 95670. The policy has been in place since 2014, and remains competitive from a price and quality standpoint. As common practice, the policy will come up for review every two years to determine if it is still the best choice for our current insurance needs at the time. Product inventory insurance will be enacted once the store is stocked.

## 6.11 Privacy Policy

An extensive privacy policy ensures that client information will be maintained with the highest standards of integrity. Although the policy itself is still in development, it will be permanently available on our website at [https://edcspecialties.com/privacy\\_policy](https://edcspecialties.com/privacy_policy).

## 6.12 Packaging and Shipping of Products

All packaging of products for walk-out or shipping must meet the standards set by **EDC Specialties™** branding and quality control measures. All new items will be sold in the original packaging from the manufacturer. Items that are leaving the store via walk-in customer base can be carried out as is, or in a small recycled paper or plastic gift bag. **EDC Specialties™** cares for the surrounding community and the environment, and therefore will refrain from using non-recycled materials in its packaging wherever possible.

The cost of packaging will be passed on to the consumer in the form of a shipping and handling fee. Flat rate shipping will be offered on all kit purchases done online, and will ship via the carrier of choice selected by **EDC Specialties™** for convenience, cost and reliability. All purchases will be packaged and shipped to the customer flat rate FOB, with price tier incentives to meet free shipping requirements.

All packages shipped from **EDC Specialties™** containing products sold on the internet or otherwise, must be inspected fully by one of the executive staff, and double checked for accuracy before leaving the building. Processes will be in place to track shipments easily through the website or automatically generated email from the tracking service. Any global shipments will be charged accordingly.

## 6.13 Made in America Pledge

All of our products are proudly produced in the United States by American companies. Some flashlight and watch internal mechanisms and materials are produced or sourced globally, however, they make up only a small percentage of the product, and contribute to the overall high quality and value of the item.

## 6.14 Discounts on Sales

Discounts of various percentages or monetary values may be extended to customers who qualify through a variety of prerequisites. These include active or retired military, first responders, security guards, and others still to be determined. No discount shall exceed MAPP pricing on any item.

## 7.0 Marketing Plan

### 7.1 Digital Footprint and Social Media Marketing

Digital marketing is the single greatest key to the success of the product launch and acquisition of the initial target audience. All social media networks will be linked and integrated into a hub used for communicating new products, updates, reviews, information and news feeds to our followers and bulletin boards. Informative videos, forums, banner ads and general networking will be common practice through our digital media campaigns.



### 7.2 Traditional Print Media Ad Campaigns

Print media is one area which requires further exploration in order to determine the amount of actual return in sales. Reaching specific niche markets is key to gaining continued market penetration, and many of the target audiences we are trying to reach utilize print media to some extent. Local newspapers such as *The Sacramento Bee*, *Carmichael Times* and others have numerous options available for reaching local audiences to attract walk-in business, while national magazines such as *Concealed Carry Magazine* provide us with a platform to reach a broad geographic range, while still targeting a specific audience who may not otherwise find us.



RATE CARD NUMBER CCMW 1.0, EFFECTIVE WITH THE JANUARY 2017 ISSUE

PRINT AD RATES					
SIZE	1 ISSUE	2 ISSUES	3 ISSUES	4 ISSUES	8 ISSUES
FULL PAGE	\$2,755	\$2,615	\$2,485	\$2,335	\$2,195
2/3	\$2,065	\$1,960	\$1,855	\$1,760	\$1,650
1/2	\$1,650	\$1,570	\$1,490	\$1,400	\$1,325
1/3	\$1,105	\$1,050	\$990	\$935	\$875
1/4	\$910	\$860	\$815	\$780	\$725
2 PAGE	\$5,165	\$4,910	\$4,670	\$4,390	\$4,135

PRICE PER AD OR PER ISSUE

RATE CARD NUMBER CCMW 1.0, EFFECTIVE WITH THE JANUARY 2017 ISSUE

COVERS					
SIZE	1 ISSUE	2 ISSUES	3 ISSUES	4 ISSUES	8 ISSUES
Cover 2	\$4,210	\$4,010	\$3,785	\$3,590	\$3,365
Page 3	\$4,030	\$3,835	\$3,625	\$3,430	\$3,230

**Non-Bleed:** 1/2 inch inside the trim measurements.  
**Full Bleed:** All bleeds must extend 1/8 inch beyond trim on all sides.  
**Trim:** The edge of the page.  
**Live Area:** 1/4 inch inside of trim edge. All images and text not intended to bleed should be within this margin.  
**Art Submissions:** Press resolution PDF (preferred); 300dpi TIFF file; EPS file; 300dpi Photoshop file with fonts; or, Illustrator, Photoshop, or InDesign files with support graphics and fonts. Sorry, we do not accept Quark ads. Images must be at least **300dpi**, CMYK.

USCCA will work with you individually to tailor an ad campaign to fit your needs and your budget. Discounted packages are also available, combining ad campaigns across print, radio and the weekly Concealed Carry Report.

**ADVERTISING INFORMATION CONTACT:**

**BRUCE WOLBERG** bruce@uscca.com  
 Mobile: (715)-281-4075 Office: (715)-445-8722  
 Sales office mailing address:  
 PO Box 276, Iola WI 54945

**ADVERTISING COORDINATOR:**

**CAROL BUSSE**  
 carol.busse@uscca.com  
 Office: (262) 806-0117

ISSUE SCHEDULE			
ISSUE	Ad Space Reservations Due	Ad Materials Due	Mail Date
January-2017	11/11/16	11/18/16	12/29/16
April-2017	2/17/17	2/24/17	3/31/17
July-2017	5/19/17	5/26/17	7/3/17
October-2017	8/18/17	9/25/17	9/29/17

### 7.3 Mass Marketing

One possible manner of effectively marketing to the general masses is local billboard advertising. There are numerous strategic billboard locations nearby **EDC Specialties™** which may make sense to rent ad space on. Due to our excellent location right at Highway 50 and Sunrise Blvd., we have access to hundreds of thousands of cars each day. There are two electronic billboards on Highway 50 near our exit, and there is a traditional print billboard only one block from our location on the corner of Sunrise Blvd. and Coloma Rd. This would be an excellent opportunity to direct traffic to our location, especially for the Grand Opening events. Cost effectiveness still needs to be determined.

### 7.4 Building A Database

As with most commerce based businesses, **EDC Specialties™** will constantly be capturing data in order to build as complete a profile of our customer base as possible. Data collection may range from simple contact info such as email address only; or it may be as complex as an *Every Day Carry Survey* to help us determine what the main products our customer base is interested in.

We may use the data to reach customers about news, new products, new posts on social media, videos, updates to manufacturers' product lines, sales, discounts, offers, etc. As with all of our captured data, we guard the privacy of our customers and their information, and never sell or share it. **See Privacy Policy Sec 6.11, page 49.**

### 7.5 Community Outreach, Awareness & Strategic Partnerships

When it comes to awareness campaigns, community outreach, sponsorships and strategic partnerships, **EDC Specialties™** believes that a lot goes a long way. Taking the time to go out on the streets and knock on doors in our local area will help us to forge business relationships, and drive local foot traffic to the door and the website.

By engaging the public through public speaking, introductory offers, sponsorships at local events such as CCW classes, trade shows, etc. we can create brand awareness among those familiar with EDC products, and reach new audiences to introduce to every day carry.

Strategic partnerships with local businesses will also be an excellent opportunity to drive referral business. **EDC Specialties™** was created to fill in the gaps that many of the surrounding businesses are unable to fulfill – *a niche of niches*. Incentive programs will be offered to create a non-competitive arena for business referrals. Examples of such strategic partnerships would be with *The Sacramento Gun Club*, where we could offer special discounts or incentives to the entire membership (over 600) via an email blast, event sponsorship, or some other campaign.

Press releases and editorial reviews are common ways of gaining additional exposure through print, video, web and many other forms of media. Many common forms of media engage in this practice.



FEATURED IN:



## 7.6 Trade Shows & Public Sales Opportunities

Trade shows or industry shows may be an excellent venue to sell products, kits, and also to create brand awareness and drive web traffic to the site. Gun shows, knife shows, and many other events and groups organize around the region throughout the year. A list of shows is being reviewed to determine which are the most targeted for our audiences, and which venues show historical data that prove a significant return on investment for exhibitors.

## 7.7 In-House Marketing

**EDC Specialties™** has the unique asset of in-house marketing capabilities. Computer design, images, branding and signage, creative writing, custom photography, basic web skills, print advertising, promotional materials, and almost all other graphic design oriented services can be done on demand in the most current Adobe Software and file formats compatible for any output device or reproduction process. No charges should ever be incurred for marketing materials with the exception of production.

## 7.8 Other Marketing Methods

**EDC Specialties™** has an open mind when it comes to reaching new audience members and potential customers. In today's marketplace, it is imperative to utilize every method available to reach out locally, regionally, nationally, and globally.

## 7.9 Marketing Budget

The marketing budget for **EDC Specialties™** consists of funds for implementation of social media marketing, traditional marketing campaigns, mass media marketing, database promotions, community outreach projects, trade show booth set up and booth fees, and any other marketing methods outlined. **See Section 2.3 Capital Budgets page 12.**