

**AVAILABLE for ACQUISITION
HEALTH SERVICE COMPANY
MISSOURI – OKLAHOMA - KANSAS**

BUSINESS ACTIVITY: This franchise is a 63 year old health service company that operates a retail franchise network of more than 1,200 locations across the United States. As a franchisee, you will enjoy the number one most recognized brand name product in the hearing aid market and a Franchisor that is ranked number 1 in the Health Services Industry.

HISTORY: The Owner grew up in the family plumbing business learning what it takes to operate a business. From this experience he was instilled with an entrepreneur spirit. The Owner graduated college with a degree in business administration and accounting and went on to work as a Controller for several large construction companies.

In February of 1988 the Owner decided to change his career path and move his family to Missouri. He started training as a Hearing Instrument Specialist in August 1988. Once he obtained his Missouri State License in June of 1989 he went to work as a Licensed Hearing Aid Consultant.

This franchise originally started in 1984 and was part of one of the large franchise territories in the U.S. This individual was one of the first 10 franchisees in the country.

The Owner was retiring after 13 years with the franchise and gave the current Owner the opportunity to purchase his franchise. With the Owner's entrepreneur spirit and operational skills he jumped on the opportunity. In November of 1998, he purchased his first franchise along with territorial rights to 9 other counties.

Since purchasing the franchise the Owner has purchased additional territories and took over existing service centers. This business model is unique to most franchisors. The Owner evaluated his area and decided what the best opportunity to provide exemplary service in the territory, control cost and to maximize profits was to build a hub around his first location.

The industry is about to mushroom open with the baby boomers getting into their 60's and needing help with their hearing. It is a great opportunity to own a thriving National Franchise backed by a company with over 60 years of experience with a recognizable household brand name in the hearing health field.

The Owner has built a turn – key operation with policies and procedures in place for a smooth transition to a new owner. It is seldom that you see a company operated at this level.

SALES AND SELLER'S DISCRETIONARY CASH FLOW:

	FY 2011 ACT.	FY 2010 ACT.	FY 2009 ACT.	FY 2008 ACT.
REVENUES	\$981,040	\$738,786	\$531,523	\$677,354
MARGINES	75.41%	74.98%	75.89%	70.16%
CASH FLOW	\$297,728	\$234,972	\$260,559	\$190,596

MARKETING STRATEGY: This Franchise has grown using the Franchisor's time proven advertising and marketing programs. The Owner utilizes a combination of Medias that includes direct mail, open house events, and contributing to the national advertising fund that sponsors national television and radio spots. This Franchise has built a profitable platform for a new buyer to take the territory to the next level.

CUSTOMER DEMOGRAPHICS: There are currently 35 million people in the U.S. with hearing loss, with only 25% wearing hearing aids. The target market consists of approximately 26 million people and rapidly increasing. The population of hearing – impaired, ages 18 – 44 appears to be decreasing, while the age 85 – plus hearing – impaired population is growing at nearly 12 times the U.S. population growth and the 75-84 population is growing at nearly 4 times population growth. (MarkeTrak VIII study published in the Hearing Re-View October 2009)

DAYS AND HOURS: Monday through Friday hours are 9:00 am to 6:00 pm.

EMPLOYEES: 2 fitter/dispensers and 2 office administrators

REASON FOR SALE: The Owner is at retirement age. He desires to have more time to work in his hobby of restoring 60's muscle cars and spend more time with his grandchildren.

TERMS: This is a SBA transaction with Buyer's cash infusion of \$135,000, Commercial Lending of \$675,000 and Owner Note of \$90,000. The term of the SBA loan is for 10 years at an interest rate of 6.50% with payments of \$7,665 per month with the Owner subordinating their note to the bank.

The term of the Owner Note will be for 10 year at an interest rate of 6.50% with payments of \$1,022 per month.

Total debt service is \$8,687 per month or \$104,244 yearly.

DIRECTIONS: Contact Bill Billingsley for more information at (503) 233-8600 or e-mail billb@thecbbgroup.com. No additional information will be released until the buyer has been pre-qualified by the Broker.

NOTE: THE BROKERS HAVE MADE NO INVESTIGATION OR VERIFICATION OF THE INFORMATION PRESENTED HEREIN

The CBB Group, Inc

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NON-DISCLOSURE AGREEMENT—Health Service Company

[Name] _____ ("Recipient")

Seller is willing to disclose Confidential Information to Recipient so that Recipient can evaluate a possible purchase of certain business assets (the "Transaction"), but only on the conditions stated in this agreement. Recipient acknowledges that the Confidential Information is of inherent substantial commercial value and has resulted from the investment of considerable time and expense by Seller and Recipient's receipt of same from Seller will place it in a position of having thereby acquired a significant amount of information about Seller, its business affairs, finances, customers, products, and the potential thereof, and consequently greater knowledge and additional advantage than would be otherwise available to Recipient. In consideration of the release of Confidential Information by Seller to Recipient, Recipient, intending to be legally bound, agrees that:

1. Recipient will keep confidential any nonpublic information about the Transaction or about Seller's existing or proposed business, products, or services ("Confidential Information"). Confidential Information may be written, oral, observed during facility tours, embodied in product samples, or in other forms and may or may not constitute the basis of a patentable invention. Examples of Confidential Information are (a) financial information, (b) business plans, (c) development, manufacturing, and pricing information, (d) marketing, customer, and supplier information, (e) the fact that Seller is considering or negotiating the Transaction, and (f) the terms and status of any proposed agreement.
2. Recipient will protect Confidential Information from disclosure by using reasonable care and at least the same care Recipient uses to protect its own Confidential Information. Recipient will notify Seller immediately of any disclosure of Confidential Information not permitted by this agreement, and will cooperate fully with Seller to recover it and limit its dissemination.
3. Recipient may disclose Confidential Information only to such of its directors, shareholders, employees, and advisors, who need to know Confidential Information to evaluate the Transaction and are obligated to comply with the restrictions imposed on Recipient by this agreement ("Reviewing Personnel"). A breach of this agreement by any Reviewing Personnel will be deemed a breach by Recipient. The representatives of any limited liability company, corporation or other kind of entity understand and agree that this agreement extends to them personally and not only in their representative capacity. Recipient shall deliver a signed copy of this agreement to each Reviewing Personnel at the time the Reviewing Personnel first receives any Confidential Information.
4. Recipient will not use or allow Reviewing Personnel to use Confidential Information, except to evaluate and negotiate the Transaction. Recipient will cease all use of Confidential Information at Seller's request. Seller retains ownership of all Confidential Information.
5. Recipient will promptly advise Seller of any decision not to proceed with the Transaction. Upon making such a decision, Recipient will either destroy the Confidential Information and all copies thereof or will return all materials furnished by Seller that contain Confidential Information to The CBB Group, Inc, 10722 SE 55th Avenue, Milwaukie Oregon 97222, and will destroy or deliver to Seller any other materials containing or referring to Confidential Information, including materials prepared by Recipient. Recipient will state in writing under oath that it has complied with this section.
6. This agreement does not apply to Confidential Information that: (a) is or becomes publicly available through no fault of Recipient or Reviewing Personnel; or (b) is or has been received in good faith by Recipient without restriction on use or disclosure from a third party having no obligation of confidentiality to Seller; or (c) is or has been independently developed by Recipient without reference to Confidential Information received from Seller, as evidenced by Recipient's written records.
7. The fact that portions of Confidential Information may be publicly available or otherwise not subject to this agreement will not affect Recipient's obligations with respect to the remaining portion or with respect to the particular formulation or compilation disclosed by Seller.
8. If Recipient is required by judicial or administrative process to disclose Confidential Information, Recipient will promptly notify Seller and allow Seller a reasonable time to oppose such process. If disclosure is nonetheless required, Recipient will use its best efforts to limit the dissemination of Confidential Information that is disclosed.
9. This Agreement shall remain in effect for three years. This agreement does not require that either party enter into the Transaction or any other business relationship, does not create any agency or partnership between the parties, and does not require that Seller disclose specific Confidential Information.
10. For two years from the date Recipient executes this agreement, Recipient will not hire or offer to hire any of Seller's employees, other than in connection with an acquisition of Seller with Seller's consent, unless such employee first approaches Recipient without any action by Recipient.
11. Recipient acknowledges that its breach of this agreement would cause irreparable harm to Seller's business and that any remedy at law would be inadequate. In the event of a breach under this agreement, Seller will be entitled to injunctive relief, without posting bond, in addition to any other available remedies, including damages. In any litigation concerning this agreement, the prevailing party will be entitled to recover all reasonable expenses of litigation, including reasonable attorney fees at trial and on any appeal or petition for review or any proceeding in bankruptcy court.
12. This agreement is governed by Missouri law, without regard to conflicts of law principles. Recipient submits to the jurisdiction of state and federal courts in Missouri in any dispute concerning this agreement, and waives any claim that another forum may be more appropriate or convenient.
13. Delivery of a signed copy of this agreement by fax or electronic signature will have the same effect as delivery of the signed original. All additions or modifications to this agreement must be in writing and executed by both parties.
14. Neither Seller nor any of its representatives or advisors make any representation or warranty as to the accuracy or completeness of the Confidential Information, nor undertake any liability to Seller resulting from Recipient's use of the Confidential Information.
15. Seller's rights under this Agreement shall inure to the benefit of and be enforceable by any party who eventually purchases all or a portion of the business or assets of Seller to which the Confidential Information relates.
16. Recipient will make requests for and receive Confidential Information only through Seller's representative, The CBB Group, Inc. Neither Recipient nor any Reviewing Personnel will contact any employee of Seller by phone, by fax, by mail, in person, or otherwise, at any time, without Seller's prior written consent. Recipient acknowledges this provision is reasonable because of the confidential nature of the Transaction and the Confidential Information.

Recipient: _____ Address _____

Print Name _____ Title: _____ Date: _____

Email Address

Telephone Number

Mobile Number