

The Blue-Collar Millionaire

Winning at Life

By

Jeff Begoon

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ISBN:

Dedication

*This book is dedicated to my loving wife Tiffany,
and our three wonderful boys Ryan, Casey, and Max.
Tiffany, you are an awesome life partner whose patience
and cooperation are far beyond any reasonable expectation.
I am eternally grateful for you sharing your love and life with
me.*

*You are also perhaps the most amazing mother on the entire
planet.*

*Ryan, Casey, and Max, you guys are our
Stanley Cup, Wimbledon Championship, and Olympic Gold
Medal, all rolled into one.*

*Nothing in the world can compare to the pride and joy
you bring to me and mom.*

We thank God every day for bringing you into our lives.



Winning at Life is simply a loving and healthy family!

That is the ultimate goal for everything in this book. No amount of success, wealth, or material possessions, can even come close to providing the rewards of these priceless relationships.

Acknowledgment

Thank you for reading our book. I am not an author, but have tried my best to bring you an amazing story. If there are any inconsistencies or other errors in grammar or any kind I apologize in advance, and appreciate your patience and understanding. Writing and editing a book is a difficult and time-consuming task, and sometimes great can be the enemy of good. Eventually you just have to say here it goes, and put it out there as is, or it may never get finished.

I have never engaged in social media of any kind. Have not had a face book or Instagram account, and not even a LinkedIn profile. I am a very private guy. The only reason I wrote this book is because many people have asked me how did you know how to buy your own company, and when I tell them the story, they say Oh my God you have got to write a book. I only share this story with you to try and provide some guidance, wisdom, and encouragement for any would be entrepreneurs out there. I hope you enjoy the experience as much as we did.

Any profits from the sale of this book will be donated to the Charity:Water foundation.

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Introduction

“Fortune Favors the Bold!” If an “Average Joe” like me can buy a company and make millions, maybe you can too! Here is how. Rich people don’t work for money they have money work for them. I realized this personally a long time ago “that nobody is going to pay me a million dollars a year except for me, so I better figure out a way to own my own company.”

You, yes you, can have anything in life that you want as long as you can imagine what that life looks like and make a detailed plan to get there. The rules of the game are as old as time and have not really changed much over the ages. 99% of the people who have achieved extraordinary success in life have literally started out with absolutely nothing. No money, no supportive family, no fancy education, and no remarkable intellect. The difference is just that they made a conscious decision to take control of their life and make their dreams come true. So why not you?

There are four ways to create extraordinary wealth today in the US.

1. One is to get a blue-chip education and become one of the top few executives of a Fortune 500 company.
2. Two is to go to work on Wall Street, work extremely hard, and maybe get lucky while hopefully not compromising your values along the way.
3. Three is to come up with a new technology that can help to change the world.

4. Four is to own and operate a private company. Number Four is how the vast majority of multi-millionaires in the US created their fortunes for the past 100 years.

The purpose of this book is to illustrate the skills, habits, and values necessary to build a successful and well-balanced life. It will also show you how to find a company to buy, and how to evaluate the risk verses reward of each business opportunity. It will show you how to go about negotiating and financing the acquisition, as well as how to run the company, and eventually how to sell the company for a lot of money.

As long as you are willing to work hard and make smart decisions you can be very successful owning and operating your own company. It is not rocket science. If you are going to go to work every day and put everything you have into it, you are either making money for somebody else or making money for yourself. If you follow the advice in this book you will find a way to have other people making money for you. I started with absolutely nothing. After decades of driving trucks and sleeping in factories, etc. eventually I was making over a million dollars every single year whether I showed up for work or not.

One of the things I learned along the way is that it is easier, quicker, and cheaper to buy an existing company than to try and do a start-up. I have done both. An existing company has sales, customers, products or services, employees, cash flow, and proven management systems already in place. My advice also is to never buy a company unless it can pay for itself out of existing cash flow.

Most people are too busy earning a living and thus don't have the time and/or opportunity to make any real money by finding and buying their own a company. This is a problem like a "Catch 22" that needs to be overcome, and probably presents the biggest challenge you will face. However, if you are going to work hard, you might as well put yourself in a position of making a lot of money if you hit one over the fence. "Success goes to the activist. The harder you work the luckier you get, so do something!"

Where ever you are in life at this moment it is never too soon or too late to get started on the path to success. Nobody is going to say it will be easy, but it takes just as much energy to have a mediocre life as it does to have an extraordinary life, so why not try to do something extraordinary? There will inevitably be hardships and setbacks along the way, that is all part of the game and there is no getting around it. Every successful person has experienced more than their share of failures and difficulties, and so will you.

One other critical thing to keep in mind, is that success cannot be defined by money or monetary wealth. While having enough money may provide some sense of financial security, it can never replace good health, a loving family, friendly relationships, and the rewarding feeling that you have worked hard and done your best to achieve your goals.

When you are the owner of a business, it is a major balancing act. You are married to your wife, your business, and your children all at the same time;

and not necessarily in that order. The business is as much a part of the family as any human member. You are the ringleader of a three ring circus. Each of these three constituencies are lobbying to be the number one priority in your life, and each one has a legitimate argument to be number one.

One thing I love about Inc. magazine is the raw humanity that marches across their pages. They not only teach aspiring and experienced entrepreneurs how to build successful companies; they also reveal to them – and to the curious world at large – what it feels like to do so. They write frequently of joy and triumph, the exaltation of realizing a dream and disproving the naysayers in one fell swoop. But their founder-subjects also love to talk about the “blood, sweat, and tears” they pour into their businesses.

Gary Hirshberg is the ultimate entrepreneur and cofounder of Stonyfield Yogurt. Gary is one of those visionary, creative, energetic-beyond-belief entrepreneurs who charms the socks off most regular folk while leaving us vaguely regretful that we haven’t done more with our lives.

Meg Hirshberg is Gary’s wife who worked at the company while also raising their young children on the same property where the business was run. Meg has written a book about her experiences called *For Better or for Work. A Survival Guide for Entrepreneurs and Their Families*. Meg also writes regularly for Inc. magazine. The pain of uncertainty that Meg endured, the years in which she feared for her family’s survival, the almost

total sublimation of her own wishes to the company's ceaseless demands, reveals an unspoken truth about an entrepreneurial marriage. This was warts-and-all storytelling.

On one level, Meg's tale of Stonyfield's start-up was a great business story about calculated risk and uncalculated consequences. On a more profound level, it was a love story. Meg and Gary's story had inspired many of Inc.'s readers to reflect on their own marriages and to consider – often for the first time – what they were putting their families through. Gary and Meg raised \$5 million from family and friends and it took the company over ten years just to break-even. The struggles that took place over these first ten years of the company really outline in great detail how insane these situations actually are to endure. It also illustrates how stressful the friend and family relationships became due to all of this this financial uncertainty. Thankfully this story has a happy ending with sales of over \$300 million and a sale of the business to a huge public company.

Over the years, Inc. magazine has written much about work-life balance. The readers wanted to know how to pursue two of the most absorbing, draining, fulfilling activities imaginable – building a company and building a family – at the same time without shortchanging either or dying of exhaustion. These stories were the inspiration for Meg's book, which I highly recommend to anyone who is considering becoming an entrepreneur. You will come away from it with renewed admiration and affection for Gary. Not only for his business-building skills but also for his willingness to be open and vulnerable so that his family's stories can be

shared with us. Entrepreneurs are egoists, sure. But they usually are willing to bare their souls if they believe it will help someone else. That is also why I am writing this book and sharing our company and family's misadventures along the way.

After our companies flirted with personal and corporate bankruptcies along the way, our family now had more money than we knew what to do with. I figured we should probably quit while we were ahead and retire. When we buy these companies, we have to personally guarantee much of the acquisition debt. This adds a significant amount of additional risk and stress to both the family and the companies.

This book *The Blue Collar Millionaire* and *Winning at Life* is just my particular story. I am sure it is quite similar to that of most entrepreneurs, with all of the ups and downs and wildest dreams experienced. The book will also provide a play-book of how to buy and run a company for yourself. It is a very useful guide for any would be entrepreneur to decide whether or not to take the plunge. As I said at the outset if an "Average Joe" like me can buy a company and make \$ millions, maybe you can to. Let's Go!!

Part I

The Eye of The Storm

It was 2:45 a.m. on a cold, windy December night in 1997, and I stood in the second-floor hallway of our colonial home in New Canaan, Connecticut, holding one of our four-month-old twin boys. The other one was peacefully asleep in a crib nearby. A plastic dinosaur, belonging to our three-year-old, lay tipped over by my feet, left there after a busy day. I hadn't had a good night's sleep in over a year, and I was so tired that everything around me felt blurry. I was physically exhausted, mentally drained, and emotionally close to the breaking point. I was even wearing my underwear backward and only one sock – something I didn't even realize until I saw myself in the mirror. It was unbelievable, but we had just had sex for the first time in weeks.

But despite all the tiredness and stress, I felt so much love and gratitude as I held my baby. Our twin boys were healthy, and our three-year-old was full of energy and joy. Life was messy and overwhelming, but I couldn't help but feel thankful for our family. Even though I was exhausted, I looked around and asked myself, *How did we get into this situation?* But I knew the answer. It was all worth it for the love and the little ones who filled our lives with happiness, even on the hardest nights.

A couple of years earlier, I'd bought an industrial uniform and laundry business. We had begged, borrowed, and all but stolen \$300,000 for the down payment, and then borrowed a few million more to finance the rest of the deal. Much of it was personally guaranteed – which no one should do unless they're either incredibly confident or totally desperate. I was the latter.

The company had 145 employees and ran 24 hours a day, 7 days a week, 360 days a year. We owned and rented out 175,000 uniforms that had to be picked up dirty, cleaned, and returned on schedule – every single week – to a thousand different locations across five states. Thirty trucks moved like clockwork (or chaos), bringing the dirty uniforms back to our facility in New Haven, Connecticut, where they were sorted, washed, re-sorted, and sent back out. The logistics alone were enough to make a sane person lose their mind – even if there had been a proper computerized system in place for production standards, inventory control, or billing. Which, of course, there wasn't.

To make things worse, we were losing hundreds of thousands of dollars annually simply because we weren't keeping track of lost or stolen uniforms – let alone charging customers for them.

Meanwhile, the company was growing fast, and we were running out of cash even faster. It was, quite simply, an absolute fucking nightmare. What most people don't understand is that even if a business is profitable on paper, you can still grow yourself straight into bankruptcy if you run out of cash.

After three years of mayhem, my wife finally broke down. One night she said, "How could you be so irresponsible to borrow all this money and get us into this mess? We have no money. The company's going broke. You're working night and day and you are never home. How do you expect me to take care of three babies by myself with no help and no money?"

She was right. We were even borrowing money from her father just to pay the mortgage. That was a new low for me – even as the black sheep of the family. Tiffany's father and I had a somewhat troubled relationship. He

was extremely conservative, and he did not think I was good enough for Tiffany, which I have since learned is somewhat a common phenomenon among fathers and son-in-laws. The fact that I was 37 years-old and single when I met Tiffany probably didn't help. Also that I was one of the area's top tennis players and driving a Porsche at the time led him to think I was probably a playboy.

Now coming back, around this time, Tiffany also told me she didn't think she could go back to her job in New York City. Not with three kids at home. I panicked. "what about the budget?" I pleaded. "We need both our incomes just to pay the mortgage, the bills, the loans – what about the Plan?"

She screamed back, "Fuck the Plan!"

I am fairly certain she wanted to add "Fuck you too." But mercifully, she held – back at least for the moment. Still, I felt like she was chasing me around the house with a frying pan, ready to let me have it. If she ever got a new pair of sneakers and actually caught me, I would be dead.

Tiffany and I had discussed my goal of buying a company. I had ten years of valuable experience running a start-up for other investors. While I owned a 7% share in the company, it was still too small, and there was no way I was going to reach my dream of making a million dollars a year working there. I told Tiffany that if I'm going to work 12 to 16 hours a day, driving trucks and sleeping in the factory, I'd rather do it for myself than for someone else.

However, on the other hand Tiffany had a great job as a VP at a big international advertising firm in New York City, and she had a steady, reliable salary. But unlike me, Tiffany is more cautious when it comes to



Totally out of money and out of answers on the brink of disaster. My wife had just about had it with my working all day, being totally broke, and preparing for our world to explode.

taking risks. She was understandably worried about us risking everything to buy a company. I tried to reassure her that the downside risk was limited, but the potential reward from buying the company was huge.

In any event, I was fried – completely depleted. There was nothing left to give. I was working up to sixteen-hour days, coming home just long enough to change a few diapers, pass out for a few hours, and the drag myself back into the storm. I had always considered myself strong – physically, emotionally, and spiritually – but this was beyond anything I had ever experienced. The pressure was mounting. The numbers were getting too big, and the amount of money we owed each month was spiraling out of control.

If only my crazy, 280-pound Italian “Mafia Wannabe” partner – our lead salesman – would stop bringing in new accounts. Maybe then we could slow the growth just enough to let the cash flow catch up, buy some breathing room, and start chipping away at the mountain of past due invoices. We owed hundreds of thousands of dollars to vendors, and if we didn’t pay, they’d stop shipping the chemicals, textiles, and other essentials we needed to keep the business alive.

It didn’t help that my partner had serious emotional issues and routinely threatened employees with verbal – and occasionally physical – abuse. He also had a son working in the business, a large and equally unmanageable presence, who did little more than disrupt operations and ignore any attempt at direction or accountability. The dysfunction was baked in.

When the blowups happened – as they inevitably did – my partner, who we will call Tony, would often return, contrite and remorseful, crying, hugging the same employees he’d just humiliated, apologizing in a display

of misplaced sincerity. I told him repeatedly that we were exposing ourselves to serious legal risk. *“If you have to explode,”* I said, *“Do it to me. Not to them.”*

He claimed his psychiatrist told him that he needed to let off steam daily or risk a heart attack. Given his weight, diabetes, high blood pressure, and a daily box-of-doughnuts habit, I half-believed it. But knowing it didn't make it any easier to live with.

At first, the signs of financial trouble were pretty subtle. As we know now that the company's sales were growing every month, and everything seemed to be going well. However, it soon became clear that we would need to expand our facility to keep up with the increasing business. The building next door to our laundry in New Haven went up for sale. Moving a laundry facility is extremely expensive and complicated. We would need a large boiler to run the steam and washing machines, along with significant plumbing, electrical work, and floor drainage. On top of that, moving all the heavy equipment like washing machines and ironers would cost several hundred thousand dollars. We would also need a new wastewater treatment system and a place to store the chemicals for cleaning the clothes. In short, relocating the whole operation wasn't an option at that time. The opportunity to buy the building next door was too good to pass up, but it came with a huge price tag. Not only did we have to pay for the building, but we also had to make a lot of changes to it. We installed new conveyor belts and other equipment, moved the offices next door, and had to set up new computers, phone systems, and more. Running the new business also required a lot of capital. Each used washing machine cost \$100,000, new trucks were \$35,000 each, and uniforms for

every new account added up to thousands of dollars. If you're not careful with cash flow, even if your new business is making money, you can grow yourself into bankruptcy if you run out of cash. When the overdue bills started stacking up and vendors began threatening to stop delivering unless we paid our past-due invoices, it became pretty clear that we were heading for serious financial trouble.

Around that time, I had joined a national cost group – a peer network of laundry and uniform rental business owners from across the country. Once a quarter, we would visit each other's operations, benchmark expenses, and swap best practices on everything from textile usage and chemical costs to labor standards and workflow efficiency. It was enlightening. Our company, being the least sophisticated in the group, had the most to gain. I'd return to Connecticut full of ideas and sit down in the conference room with our top six department managers, eager to implement what I'd learned. We needed inventory controls, new procedures, better systems – basic operational discipline. But before we could get through the first PowerPoint Slide, my partner would storm in, red-faced and yelling, “What the hell is going on here? Quit sitting around wasting time and get back to work. Now!”

So, now when I look back in my hindsight, it was my desperation who let this partnership happen. I was determined to succeed and believed that buying a company was my best shot at reaching my goal of making \$100,000 a month and achieving financial independence. But, all of that desperation brought me some heavy cost to pay.

It was a no-win situation. We were trying – desperately – to fix the company, to right the ship. But one of the owners was a control freak,

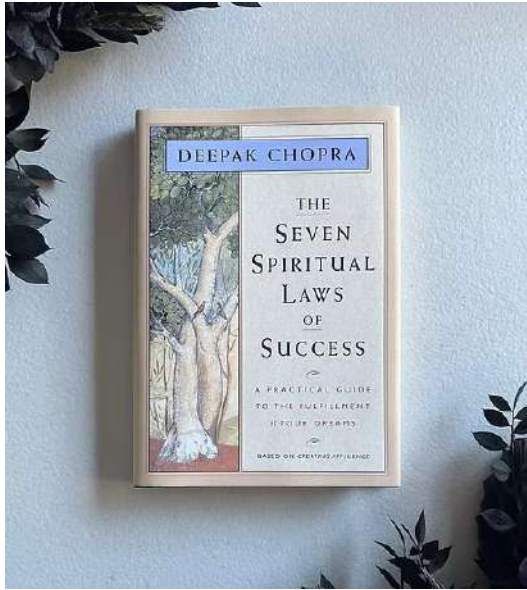
wholly uninterested in change, improvement, or even basic decency. And he had the power to derail everything.

Although my partner was not very much willing to listen to my learning from the National Cost Group the team was really supportive of my experiences. All the lessons and skills I brought back made perfect sense, and everyone was open to the changes. They were excited, hoping that the new procedures would be helpful for everyone. Everything seemed to be going well until Tony showed up. He freaked out, saying there was something going on that he wasn't involved in, and told us to stop wasting time and get back to work. It was hard to believe, but honestly, it wasn't surprising. It felt like trying to turn the company around with a troublemaker in the mix, someone who had control, was loud, and didn't want any part of it.

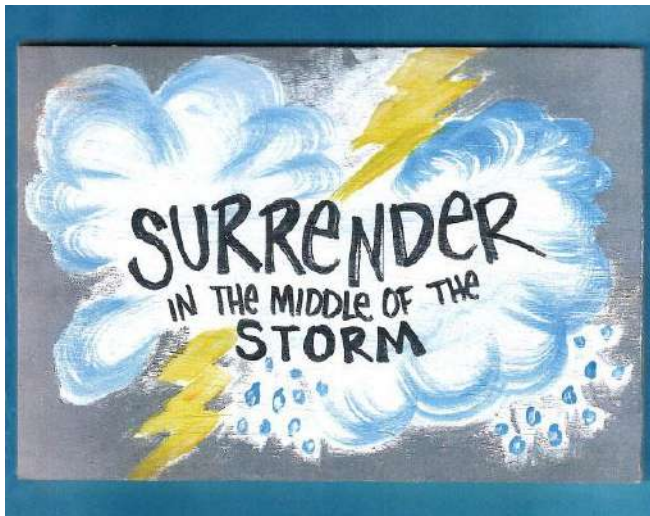
Somehow, on one of those sleepless nights, I came across a small book my mother had given me – *The Seven Spiritual Laws of Success* by the legendary spiritual teacher Deepak Chopra. I wasn't looking for anything profound; I was just flipping through the pages, hoping for a distraction. But there it was – Secret Number Six: The Law of Detachment.

It read: "*I will accept things as they are, not as I wish they were.*" That line stopped me cold.

It went on to say that when life becomes unmanageable, you must surrender – to a higher purpose, a higher being. For many, including myself, that meant God. Do your best, it said, but then *detach* yourself from the outcome. *In detachment lies the wisdom of uncertainty.* Especially detach from what you can't control.



Deepak Chopra's ultimate wisdom is that when life becomes unmanageable and totally out of your control...



"Surrender in the Middle of the Storm" and let the creative mind of the universe take over. Do your best and leave the rest to God

The example hit hard: *If your child gets hit by a bus, there is not a single thing you can do to affect the outcome of that situation.* All you can do is prepare to respond. You can't control the event, but you can control your response to it. That was powerful.

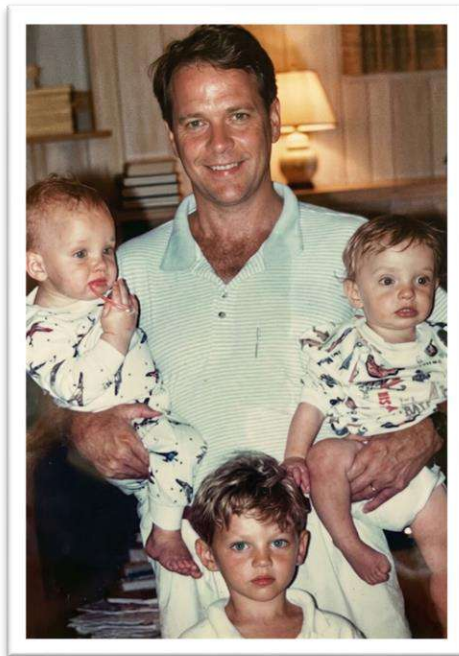
This didn't mean giving up. Far from it. I was still committed to fighting – working 12- 16-hours a day to keep the business afloat and solve the many problems we faced. But in that moment, I made a quiet, powerful decision: I was not going to destroy my life over this mess.

I asked myself, *What's the worst that can happen?* And the answer was surprisingly freeing.

We had three healthy, beautiful boys. That was what really mattered. The rest – all this chaos, all the financial pressure – was just noise in comparison. If the company failed, so be it. We could sell the big house in New Canaan, move somewhere smaller, maybe even to a quiet little place in Vermont. We could simplify our lives. Maybe we'd even be happier.

Sure, it wasn't as easy as walking away. We had personally guaranteed some of the debt, so the fallout wouldn't be clean or simple. We had 145 employees relying on us for their livelihoods. If the company collapsed, it would be a messy, painful unraveling – legally, financially, logistically. I knew that. But I also knew I couldn't allow it to consume my entire life.

I had structured the acquisition conservatively, limiting downside risks while leaving room for upside potential. But even with those safeguards, things were spiraling. Still, after embracing this idea of *surrendering in the middle of the storm*, I felt something shift. I weight lifted. I could breathe again.



The delivery of our twin boys was a magnificent blessing in the midst of the chaos. Tiffany was constantly juggling her “four” boys while trying to keep the house afloat!

The stress didn't vanish, but the life-or-death panic that had ruled our days and nights began to fade. We had faced the "*worst case scenario*" – really faced it – and decided we could live with it. That changed everything. We were still in the fight, but now we weren't drowning.

A few days later, one morning at the company, the powder keg finally lit. My partner walked in and saw that someone had parked in *his* spot – the one reserved for his big, black Cadillac. He erupted. Started shouting to no one in particular, his voice booming through the office: "Get the Goddamn car moved immediately or there will be hell to pay!"

I stood there watching him come unglued and thought to myself, *Okay, I guess this is it. The moment of truth.*

"Let's go outside. We need to talk," I said, steady but firm.

He followed me out to the parking lot, still seething. "Now what the hell do *you* want." He barked.

I didn't flinch. "I've decided I'm not going to ruin my life over this impossible, insane situation," I said. "So here it is: either you buy me out, I buy you out, or we find someone to buy the whole damn company. But no matter what, we've got to bring in someone who knows what the hell they're doing and can take control of this mess." I was nervous, but also felt a sense of relief because I knew this moment had to happen, and it needed to happen soon. The sooner I could get it off my chest, the better. I also believed that my family and I were mentally ready to handle whatever came next. This conversation was necessary to save my marriage and my family. That gave me a lot of confidence, knowing I was doing it for them, and I would do anything for them. I wasn't thrilled to be facing such a tough situation, but it was what it was, so I just wanted to get it over with.

When I told Tony that I wasn't going to ruin my life over this, and that unless he changed his behavior, I was "out of here," he didn't react by losing his temper or yelling. He finally realized how serious I was, and that he needed to start acting like an adult.

Previously I had already brought in a couple of seasoned Plant Managers to help stabilize things. But I quickly learned that managing a well-run operation is one thing but trying to rehab a thirty-year-old company with zero formal systems, procedures, or inventory controls? That's another beast entirely. Especially when one of the owners refuses to believe there's anything broken to fix.

Before any new General Manager came on board, our team was a bit of a mess, like the Bad News Bears. Most of the people had been with the company for years and didn't know there was a better way to do things. We started hiring experienced managers from other companies, people who had more professional methods, but it was a slow process. Teaching the old team new tricks was difficult. Many of the older employees didn't want to try anything new. They were stuck in their ways, didn't know what they didn't know, and didn't want to learn. It felt like we were trying to shake up a dysfunctional family, with the most stubborn member being the "king." We were a new team trying to improve things, but the old guard didn't want anything to do with change. Morale was hopeful, though, we believed that logic and time would eventually make our changes stick. We were like pirates or wanderers, trying to take control from a stubborn dynasty that didn't want to change. I think some of the older staff were afraid that if we brought in new, experienced people, the truth would come out: they didn't really know what they were doing. And

when that was discovered, they might be out of a job. In some ways, it felt like the scene from *One Flew Over the Cuckoo's Nest*, with 145 employees racing forward, hoping we weren't heading straight for disaster. It was crazy, but we kept pushing, hoping things would get better.

My partner was blissfully unaware – or willingly ignorant – of the fact that hundreds of thousands in inventory were simply walking out the door each year. Take Marriott Foodservice, for example. They had a contract to serve meals across sixteen IBM locations, and we handled their uniform rentals. A new dishwasher on day one would get eleven pairs of white kitchen pants and eleven matching shirts – labeled with their size, location, and delivery schedule. That's five clean sets for this week, five for next, and one to wear on delivery day.

No problem. That's what we were in business to do.

But it didn't stop there.

We also provided the front-of-the-house staff with pressed white oxford shirts and black pants. And those uniforms- the ones without the embroidered Marriott logo? They were vanishing. Employees were taking them home and decking out their friends and families. We were unknowingly outfitting entire neighborhoods.

It didn't take long for us to realize that the uniform shortages, or thefts, were out of control. We constantly had to add more uniforms to our accounts. Without any computerized system to track the garments, we couldn't prove or document the losses to the customers. They'd say, "We sent all the dirty uniforms to the laundry, and you must have lost them." But we had no proof, even though we saw our employees every day, so we knew they weren't taking them. My partner, didn't want to tell the

customers that their employees were likely stealing the uniforms, so he just kept replacing the inventory. It was like a bucket with a hole, leaking around \$700,000 every year in lost uniforms and profit, with no good reason. Eventually, we spent \$300,000 on a new computerized barcode system to track every garment and see which ones didn't come back. And, sure enough, it was clear that many of the uniforms weren't returning. To make it work, we had to hire several more employees to work the graveyard shift from 10 p.m. to 6 a.m., running the dirty uniforms through the new computerized tracking system. These new employees cost an extra \$100,000 per year, but it was worth it. Once we could prove with computer reports that the uniforms were being stolen from the customer locations, not lost in our laundry, we could recover the \$700,000 in lost charges. It was like finding a new stream of profit for the company.

It was an avoidable hemorrhage. And if we could just document those losses and start billing for the unreturned inventory, it could easily add hundreds of thousands of dollars back to our bottom line. But back in the parking lot, that morning, I think I finally got through to him. He looked shaken – not furious, just... unsettled. Like for the first time, he understood that I wasn't bluffing. That I was done. That I meant business. And that he, under no circumstances, was equipped to run this company alone.

Two weeks after I made the decision to surrender in the middle of the storm – a moment I now consider nothing short of an unbelievable miracle or an act of God – something extraordinary happened.

Frank walked into my life.

Frank was a 62-year-old plant manager who had recently been pushed into early retirement by a \$500 million national uniform rental and laundry company. The top brass thought they could replace him with a younger manager from Cintas, another big name in the industry. But the replacement didn't come close. Frank had been overseeing seven laundry plants in the Northeast. On top of that, he'd served as the head training executive for seventy general managers across the country. The man was a legend – quite possibly the best operations executive in the American laundry business. A bona fide industry *rock star*. By some stroke of divine timing, Frank heard we were looking for a General Manager at our New Haven facility. He showed up one day to discuss the opportunity.

I'll admit at first, I was skeptical. Frank had this little white mustache and the unassuming demeanor of someone who might not survive a day in our hornet's nest of an operation. I couldn't have been more wrong. At first, Frank didn't seem all that impressive. He wasn't someone who bragged about himself. There was no way to know if he had the right knowledge and management skills to handle the mess of an operation we had. And on top of that, there was the question of whether he could deal with Joe, who always stirred up trouble. I decided to look into Frank's reputation across the country, and to my surprise, I found out he was actually a big name in the industry. He was considered a legend. If we were lucky enough to get him on board as General Manager, it could completely change the game for our company. Keep in mind, this was just a few weeks after my realization about surrendering during a storm and the big confrontation in the parking lot with Joe. So, I figured maybe bringing Frank in was our last shot to turn everything around. We had nothing to lose. I had this

hopeful feeling that maybe, just maybe, this was a bit of divine timing and Frank was the answer we desperately needed. And it did nothing short of concreting my faith in that you can't judge a book by its cover.

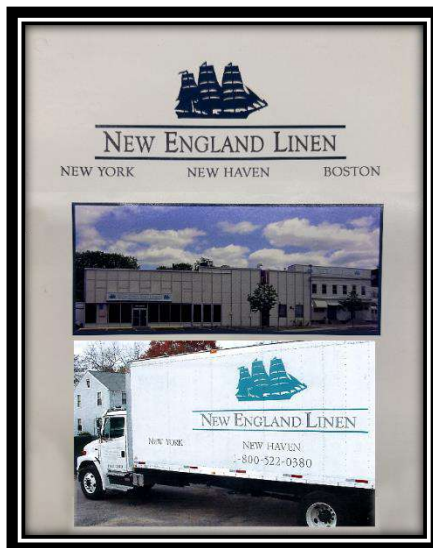
We came to an agreement, and Frank signed on as our General Manager. Not long after, he recruited four of his former department heads to join us. These guys were seasoned professionals, loyal to Frank, and ready to get to work. Almost immediately, Frank began implementing all the systems and procedures that had made his previous company so successful. He didn't just know the playbook—he had written large parts of it. For the first time in a long time, we had a real plan.

And I'll say it plainly: Frank was a Godsend.

When Frank started bringing in his managers from his previous company to join us, I couldn't have been more excited. However, some of the older employees weren't too happy. With a new leader and new department heads, they felt threatened. Not only were the procedures going to change, but they also feared losing their jobs if they didn't or couldn't adapt to the new way of doing things. On the other hand, the optimistic team members who had been helping me turn the company around were thrilled. They knew that with Frank and his team on board, we could really fix things. There was plenty of room for anyone who wanted to be part of this new, successful team. But not everyone saw it that way. My partner grew increasingly jealous. He watched me warm up to Frank, watched the transformation in our operations, and instead of feeling inspired, he got territorial. One day, he stormed into my office and shouted, "I will drive this boat to the bottom of the ocean before anybody else gets their hands on the wheel! I own this Goddamn company, and don't you ever forget it!"



It was Divine Intervention when Frank showed up with his four department heads and turned what was an out of control company nightmare into a finely tuned professional organization.



I sat there, stunned. Oh my God, I thought. What the hell are we going to do now?

Frank wasn't one to be intimidated. He came to me privately and said, "Jeff, I love you, man. But I don't need the money this badly. I'm not going to stick around and get screamed at by Tony, a guy who doesn't have the slightest idea what it takes to run a logistically complex business like this." And he was right.

Now, I need to mention something important here. When I first bought my 50% share of the company, Tony had generously loaned me his 50% of the stock to use as collateral. It was a rare act of goodwill, and I owed him for that. But still, we were at a breaking point.

I knew that if Frank left, the managers he brought with him would walk too. And if that happened, the whole place could go up in flames.

So I came up with a bold plan.

I said to Frank, "What if we try to do a hostile takeover of the other 50% that Tony still owns? Technically, I already had an option to buy Tony out – but it wasn't exercisable for another two years.

Frank didn't blink.

I told him, "If you give me a \$150,000 down payment, I'll give you 25% of the company. I'll personally guarantee your debt for the remaining balance. You'll be President and Chief Operating Officer. I'll stay on as Chairman and CEO."

It wasn't easy. It took months. Tony exploded at me more times than I can count. There were arguments. Tears. Meltdowns.

But eventually, he agreed.

He sold his shares. He walked away.



The most significant benefit of the miraculous turn of events was that it gave us our life back. We were not only able to buy our waterfront dream home, but more importantly, it allowed me to stop being a workaholic and spend time with our young boys.

And just like that, the future of the company changed forever.

After Tony left, it was as if the floodgates opened. The company began making over two hundred thousand dollars in profit every single month – like clockwork. It felt like a giant magic trick. But the truth is, it wasn't magic. It was the result of letting go, of surrendering in the middle of the storm, and allowing the right people and systems to step in.

The financial turnaround was staggering, but even more significant was what it gave me: my life back.

Things began to happen so effortlessly it felt almost like an out of body experience. I started to accomplish things that had once seemed impossible – even for someone like me, with an insatiable appetite for knocking it out of the park.

Some of those experiences, which I never in my wildest dreams thought would be part of my life story, include:

- Attending Harvard Business School
- Running the New York City Marathon
- Buying two waterfront dream homes for my family
- Climbing to Mt. Everest Base Camp with my wife
- Traveling to China with a U.S. CEO Delegation to discuss international business opportunities
- Selling the company for millions to a private equity firm
- Studying at Yale Divinity School
- Working on clean drinking water projects in twelve African countries
- Acquiring an international safety products manufacturing company

- Selling that company to a French public corporation for millions
- Traveling to over seventy countries for work, family, and philanthropy

That's really what this book is about.

In the chapters that follow, I'll walk you through some of these extraordinary adventures. I'll also share practical steps – how you can find a company to buy, how to run it, and eventually how to sell it to gain the financial independence most people only dream about.

Let's get started.

Frank was the catalyst. But surrendering – that quiet, personal decision in the eye of the chaos – was the turning point.

Some things in life are more than just strategy. They're spiritual.

The secret to a successful and happy life, I've come to learn, starts with an attitude of gratitude.

Wanting what you have – not chasing what you don't – is a quiet kind of power.

And the more you give, the more you receive. If you want money, give money. If you want love, give love. But don't expect anything in return. Just give. You'll be surprised how often your good deeds come back to you tenfold.

Two of my favorite sayings capture this truth:

“Do your best and forget the rest.”

“Live simply, love generously, care deeply, speak kindly... and leave the rest to God.”

DREAM BIG
NOBODY IS GOING TO PAY ME A MILLION
DOLLARS A YEAR EXCEPT ME
MAKE A PLAN AND GO FOR IT
HAVE FAITH
NEVER GIVE UP

The Secret, Psychology of Winning, and the Power of Goal Setting

One rainy Saturday morning, when our twin boys were eight years old and their older brother was eleven, we sat all three of them down in front of the television. I looked at them and said I was going to give each of them \$500 to watch a one-hour video program. Their jaws dropped. “Huh?” was the unanimous reaction. Up to that point, the most money any of them had made was five or ten dollars for doing chores around the house. But that was exactly the point, I had their full attention.

I went on to tell them, “This program is going to show you the Secret to everything, joy, health, money, relationships, love, happiness... everything you have ever wanted.” For the first time in history, leading scientists, authors, and philosophers would reveal *The Secret* that had utterly transformed the lives of those who had lived it, Plato, Newton, Carnegie, Beethoven, Shakespeare, Einstein. *The Secret* was a video program based on the book *The Secret* by Rhonda Byrne.

Now *they* would know *The Secret*, and it had the power to change their lives forever. I added, “Furthermore, after the program is over, if you can tell me what *The Secret* is to *The Secret*, I will give each of you another \$500.”

Spoiler alert: *The Secret* to *The Secret* is that once you decide what the ultimate life is that you can possibly imagine for yourself, you have to *believe* that those dreams can come true. And even more important, you have to *believe* that those dreams actually *will* come true.

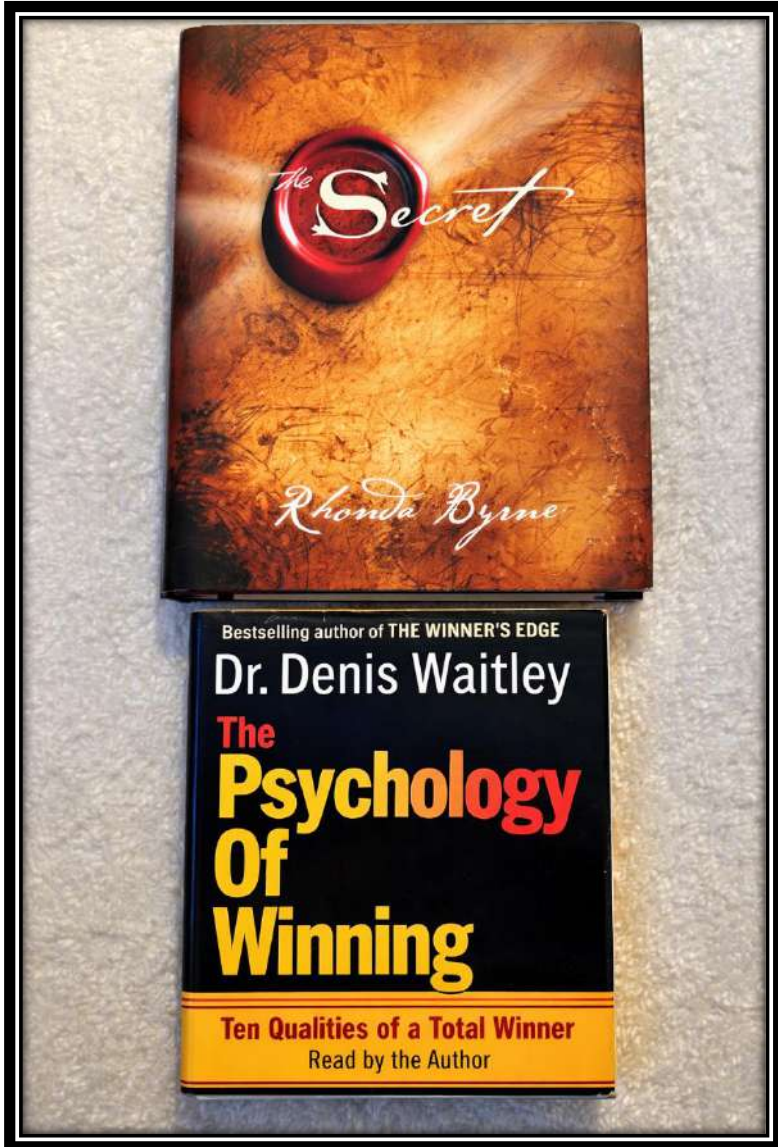
After they had time to digest the video and we had discussed it at length, my wife Tiffany took the \$3,000 and opened a passbook savings account for each of the boys with \$1,000 apiece. They were each responsible for keeping track of their own passbooks and could only make deposits or withdrawals with her permission. It turned into a great introduction to finances, and more importantly, it opened the door to many conversations about money, discipline, and personal responsibility.

We all were very excited, back then, they didn't know what they were learning but it was fun for all.

The following thoughts are based on the Secret by Rhonda Byrne The great secret of life is the law of attraction, which states that like attracts like. This means that every thought you think draws similar thoughts to you. The law of attraction is a natural and impartial force, just like the law of gravity, it operates whether you believe in it or not. According to this law, nothing can enter your life experience unless you draw it in through your persistent thoughts.

Using The Secret is like having your own Aladdin's Genie, the law of attraction responds to your every command. You can manifest your desires through a simple Creative Process: ask, believe, and receive. Powerful processes like expectation, gratitude, and visualization are key to harnessing the full power of the law of attraction. Practicing gratitude shifts your energy instantly and invites more of what you love into your life. Being thankful for what you already have opens the door to abundance.

The secret to attracting and maintaining fulfilling relationships begins with aligning your thoughts, words, actions, and environment with the



These are two of the most significant programs mentioned that helped shape my life, and that of our boys. There are literally hundreds of other great informative and inspirational programs available.

kind of connection you truly desire. Your most important relationship is the one you have with yourself, when you fill yourself up first, you have genuine love and joy to offer others.

The secret to health lies in the power of belief, focus, and thought. By consistently focusing on perfect health, regardless of external symptoms, you activate your body's natural ability to restore balance. Laughter, joy, and positive emotions help release negativity and can even lead to miraculous recoveries.

Place your energy on trust, love, abundance, and peace, these high-frequency emotions not only uplift you but contribute positively to the collective. There is no shortage of good in the universe; life is inherently abundant and there's more than enough for everyone.

It starts with writing down exactly what is desired. Not a general wish, but a clear target, backed by numbers and deadlines. A goal like “earn \$100,000 in 18 months by launching a design business” carries weight. It gives the mind something to chase and the heart something to hold onto. This kind of clarity transforms a dream into a plan. It brings direction to each day and helps cut through the noise of distractions.

Emotions add energy to a goal. Visualizing the outcome, seeing a bank balance grow, hearing the joy in a loved one's voice, feeling the ease of financial security, creates a powerful internal drive.

With clear goals and strong emotional backing, actions begin to change. There's more confidence in every step, more focus in every decision. Reaching the goal is only part of the story. The bigger transformation lies

in the process. Learning how to define a meaningful target and pursue it with intention creates a shift in mindset.

Details of this program can be found online if you Google *The Secret*.

Back then, I also discovered a powerful program called *The Psychology of Winning* by Dr. Denis Waitley. He's one of the world's leading psychologists and a trusted coach to top performers in sports, business, and life. In this program, he reveals a powerful truth: you can have anything you want in life. The idea that whatever comes into your life is a result of the thoughts and images you consistently hold in your mind.

At first, this concept felt almost too good to believe. But after learning from Dr. Waitley and going through the program, it made complete sense. In fact, 99% of the most successful people in the world started with nothing, just like the rest of us. What made the difference? They created a plan, set clear goals, and stayed committed to achieving them.

The program breaks down exactly how champions across all areas of life reached their goals. It shows the steps they took and the mindset they maintained. One of the most noticeable traits of a true winner is their strong sense of optimism and enthusiasm. They understand that life tends to unfold according to what a person truly expects.

The strong self-motivation seen in high achievers comes from two main sources: first, their optimistic outlook on themselves and the world around them, and second, desire. They have a solid idea of where they're headed.

A true winner shows positive self-control by taking full responsibility for everything that happens in their life. Positive self-discipline means being

able to train and guide yourself from within. It's this steady inner control that gives winners the edge they need to reach their goals.

Winners also have a strong inner sense of self-esteem and self-worth. Successful people continue to believe in their own value. They have positive self-awareness. A clear understanding of who they are, what they stand for, and focus on improving the things in your life that are within your power to change. They consistently project their best selves through their appearance, body language, tone of voice, attentiveness, and responses.

A lot of people set goals, but the truth is, most of those goals don't last. They start off with good intentions but after a few weeks, life gets in the way. The reason? Those goals are usually floating on the surface. They're not tied to anything deeper. When there's no strong emotional connection behind a goal, it's easy to let it go when things get hard or boring.

But when a goal is rooted in something real, something that hits close to the heart, it becomes a whole different story. There's a sense of purpose behind every step, and that makes each effort feel worthwhile, even when the results are slow.

Some people are driven by the desire for security. That inner craving for peace, stability, and safety can be a powerful force. It turns everyday actions into steps toward something meaningful, something that brings real comfort. And then there are those goals born from wanting to prove something. When the drive comes from deep inside, they push harder,

stay longer, and refuse to back down. Because now, the goal isn't just something they want, it's part of who they are.

Details of this program can be found online if you Google *The Psychology of Winning*.

One thing I've noticed about successful people is that they don't just hope for things to work out, they actually see it happening. They picture their future in full color. That mental rehearsal isn't just daydreaming, it's preparation. It sets the tone and sharpens the focus.

For me, I always knew I wasn't afraid of hard work. I mean, I was going to give 100% no matter what I was doing, whether I was sweeping floors or running a company. But the big difference came when I realized something important: nobody was ever going to pay me a million dollars a year... except me. That realization hit deep. It changed everything. I started to think differently about my future. If I wanted to earn big, I had to own something. I had to be the one at the top. I could literally imagine the day I'd walk into a business that was mine. I saw myself making big decisions, leading a team, and building something from the ground up. I imagined signing checks instead of cashing them. That picture in my head became so clear, so real, that it pulled me through the tough stuff. Even when things didn't go as planned, I still held onto that image. It reminded me why I was doing all this in the first place. That goal alone became incredibly motivating.

But here's the truth: the bigger the reward you're aiming for, the greater the risk you'll have to take. It's the classic rule, risk versus reward. So if I

wanted to earn a million dollars a year, I knew at some point I'd have to put a lot on the line. Back in the 1970s and 1980s, there were no tech billionaires coming out of nowhere. Wealth was built one solid step at a time. It required being creative, resourceful, and an exceptional problem solver. You needed those skills, along with leadership that could inspire others, the ability to sell, and the grit to work your butt off and do whatever it took to win. Another major piece of the puzzle was knowing how to spot the right opportunity. You had to dig deep, do real due diligence, not just on the business you were buying but also on the entire industry and the competitive landscape. If you bought into a company with problems you couldn't fix, or an industry on the verge of becoming outdated, you weren't just risking your money. You could end up stuck with crushing debt and waste five or ten years trying to revive something that was never going to work in the first place. That's a brutal cost, and one that can't be recovered easily.

Success demands more than ambition. You've got to have fire in your belly and a clear plan in your hands. And even more than that, you need the persistence to keep going, even when the world keeps telling you "no." When one solution doesn't work, you don't quit. You regroup. You find another path. And you keep pushing, no matter how long it takes. Because that's what it really takes to turn a dream into something real.

Big dreams can feel exciting, but they can also feel scary. When looking at someone who's already "made it", a millionaire, for example, it's easy to think they had some magic trick or special talent. Their success looks so

huge that it feels impossible to reach. But the truth is, no one gets there overnight. Big goals are always made up of smaller, doable steps. It's like building a staircase, each step leads to the next, and suddenly, that giant goal doesn't feel so far away.

Starting small gives confidence. Instead of saying, "I want to be rich," it helps to say, "I'll save \$100 this month," or "I'll learn one new skill this week." These small wins feel good. They give a sense of progress. And when progress is visible, motivation stays strong. People are more likely to keep going when they feel they're getting somewhere, even if the steps are tiny. That's how momentum builds, one little action at a time.

Momentum is like a rolling snowball. Once it starts moving, it picks up speed. With each small task completed, there's more energy to take on the next one. Instead of feeling stuck or lost, there's a clear path forward. And this doesn't just apply to money, it works for anything: building a business, learning something new, or even improving health. Breaking things down makes the journey feel doable.

Most people only see the final result, someone's success, fame, or wealth, but they don't see the hundreds of small steps behind it. They miss the early mornings, the quiet learning, the slow savings, or the messy first tries. Understanding that every "big dream" is built with small daily efforts makes success feel more human, more possible. It removes the fear and replaces it with focus.

So, the secret is simple: take the dream, and slice it into smaller pieces. Focus on one piece at a time. Celebrate small wins. Keep going even when it feels slow. That's how big things are done, quietly, steadily, one step at

a time. And one day, others will look at that success and think it happened overnight... but the person who climbed the steps will know the truth. It was around the time I first began exploring the world of self-help programs. I immersed myself in the timeless wisdom they offered, captivated by story after story of incredible achievements by people who, at first glance, seemed entirely ordinary. What amazed me was that nearly all of the individuals building major companies had no special advantage. No head start. Many of these stories centered around entrepreneurs launching businesses from scratch.

I went through hundreds of these stories, whether by reading or listening. One that really stood out was Ray Kroc's. He was 52 years old and selling milkshake machines when he stumbled upon a small but busy hamburger stand in California run by the McDonald brothers. They had just ordered two eight-head blenders, a massive order. Intrigued, Ray decided to watch the place from a distance and saw long lines of customer's day after day. He was stunned. He thought, "This is something special." That moment sparked the idea that if this fast-food model could be replicated across the country, it could be a massive success, and he was right. That idea led to the creation of the largest fast-food franchise in the world.

Ray Kroc's story drew me in, but it wasn't the only one. I was equally inspired by the journey of Colonel Sanders, who founded Kentucky Fried Chicken. He was in his sixties when he began offering his now-famous chicken recipe to the world. He went door to door, facing rejection after rejection, trying to get someone to invest in his dream. He could have

easily quit, but he didn't. Eventually, his persistence paid off, and his brand became a household name.

These stories made one thing crystal clear: persistence is everything. It's perhaps the most important ingredient in success. Yes, self-belief matters, you need to believe in yourself and your idea. Without that inner conviction, it's hard to withstand all the inevitable rejections. Interestingly, repeated failure often plays a key role in success too. The ones who succeed are the ones who learn from failure, keep going, and adapt when needed. Success is not about avoiding failure; it's about staying focused on the goal and being flexible enough to navigate the ups and downs.

The more I read, the more I noticed a common thread in all these stories. Every one of these entrepreneurs believed in themselves. They looked at what others were doing and thought, "If they can do it, why not me?" That realization struck a chord. I had energy, strength, and a willingness to work hard, so what was stopping me? That's when I started diving deeper, learning how to find companies for sale, and understanding what it takes to buy and run a business. The journey had begun.

In the early days back in the 1980's Zig Ziglar became one of the most influential figures in my life. Years later, I had the chance to have lunch with him at the Harvard Club in New York City during one of his presentations, an unforgettable experience. His story is remarkable. Zig grew up in Mississippi, in a home without electricity or indoor plumbing. He struggled early on, selling Tupperware door to door with little success.

Times were tough, and survival was a daily battle. Then came a turning point. He made the effort to travel a long distance to attend a company sales meeting. After it ended, the National Sales Manager approached him and said, “Zig, I think you could be great one. I believe you have the potential to be one of our top salesmen.” That single moment lit a fire inside Zig. It transformed how he saw himself. He thought, “If this man believes in me, why shouldn’t I believe in myself?” From that moment on, things changed. He went on to become the number one salesperson in the country. Zig eventually wrote a book about his journey called *See You at the Top*. He tried pitching it to several publishers, but most dismissed him and his book as a joke. Still, he pressed on. Eventually, a publisher took a chance on him, and the book became a national bestseller, holding the top spot in the country for a long stretch. Zig then hit the road with his story, launching a speaking tour, releasing more books and audio programs centered around success and goal setting. He became incredibly wealthy and was one of the most in-demand motivational speakers in the country for several years. I remember listening to one of Zig’s audio programs on the way to a sales call. By the time I arrived, I felt so energized and positive, it was as if I could conquer anything. That kind of motivation felt like liquid gold.

But here’s the catch, about 97% of people who hear about self-help programs write them off as nonsense. However, there’s research that proves otherwise. A study by Yale University tracked over a thousand students for forty years. The results showed that the 3% who had written

down specific goals and created plans to achieve them ended up accomplishing more, financially and otherwise, than the other 97% combined. And this isn't just a one-off finding; it's been supported by countless other studies. The truth is, many people shy away from trying, not just because they fear failure, but because, surprisingly, they also fear success.

That realization turned me into a bit of a success addict. I followed the goal-setting process and began writing out my own goals. One of them was to earn \$100,000 a month by the time I turned 46. Back then, that goal sounded completely ridiculous. But I figured, why not aim high? What did I have to lose? And then, in 2001, the year I turned 46, I actually earned \$1.2 million for the first time. That was the moment it hit me: this stuff really works.

The famous quarterback Tom Brady recently said about success, "The truth is you don't have to be special. You just have to be what most people aren't: consistent, determined, and willing to work for it."

The Ten Qualities of a Total Winner:

Positive Self-Expectancy

Positive Self-Motivation

Positive Self-Image

Positive Self-Direction

Positive Self-Control

Positive Self-Discipline

Positive Self-Esteem

Positive Self-Dimension

Positive Self-Awareness

Positive Self-Projection

Goal setting plan

Six basic fundamentals:

- A) Overcome obstacles-deal with problems, don't resent them.
- B) There are no victims – only you control your own destiny.
- C) Success is simple not easy – be persistent and optimistic
- D) It's not what you know, it's what you do with what you know.
- E) All business is people business – always help others.
- F) There has never been a better time to achieve success than now

.....Goal Setting is the Number 1 Skill Required for Success.....

| | |
|---|-------------------------|
| Who are we? | Situation analysis... |
| What do we want to be? | Mission Statement... |
| Where are we going? | Goals and objectives... |
| How do we get there? | Strategies... |
| What to do? | Action plans... |
| Who is responsible? | Implementation... |
| How do we monitor and measure our progress? | |

Seven steps that are absolutely necessary

- 1) Identify clearly exactly what is wanted. Objective. Goal.
- 2) Issue a precise and specific date for completion
- 3) Identify and list all obstacles.
- 4) Identify and list exactly what you will need to know for the objective.

- 5) Identify and list the people and groups necessary to associate with.
- 6) Prepare a detailed plan of action. A game plan and be specific.
- 7) Why are we doing this. Put in exact detail all the benefits.

Business skills.....getting started

What specifically are you going to do and when?

'Success goes to the activist – do something

Fortune favors the bold

EVERYTHING I'VE EVER WANTED

(Write here anything you've ever wanted to do, to have, or to be. Then put a check (✓) by the most important ones, or - if you wish - number them in order of their importance. Decide which of the 6 areas of life is affected and note that and the date you make the entry.)

| Importance Ranking | I Want - | Area of Life | Date Entered |
|--------------------|--|--------------|--------------|
| * | to earn 100,000 per month by 2001 | | |
| * | to have enough financial resources so that by the age of 50 I would be entitled to retire w/ 800 a month | | |
| * | to have a national political seat | | |
| * | to have a beautiful home overlooking the water w/ nice views & scenery on porch | | |
| * | to join Richard Nixon's cabinet to become one of the great times players | | |
| * | to have a wonderful wife and a happy family | | |
| * | to be a decorated leader of the company w/ respect from employees & old clients | | |
| * | to be the head of a good big company - the one to buy my first house | | |
| * | to have a trust fund and a nice car to go to a plane to fly to wherever I want | | |
| * | to be a VC & owned 2001 | | |

In compiling your list, give yourself permission to be creative and imaginative. Add to your list frequently. Make it a regular part of managing your life goals.

This is the actual sheet of the goals I wrote down late one night in the office when I was younger. It is amazing how many of these goals have come true.

Even the dates imagined were accurate. For example, earning \$100,000 every month by the time I am 46 actually came true in that exact year 2001.

The critical exercise of putting your goals down in writing by indicating "Everything I've Ever Wanted" sends a powerful message out into the universe to help manifest those desires coming true.

JAB ACTUAL GOALS:

In 1986 I was 32 years-old at 11:00pm sitting at work at my desk and I finally decided to give it a try and write down my goals like the tapes had been telling me for several months if not years. I took out the worksheet that said... (see actual hand-written sheet in the photo included)

EVERYTHING I'VE EVER WANTED

Big Goals:

To earn \$100,000 per month by age 46-yes (yes = done)

To have enough financial resources so that by the age of 50 I would be entitled to retire if I chose-yes

To have a national political seat Governor, Senator, Congressman, or Cabinet-no

To have a beautiful home overlooking the water with a nice yard and screened in porch-yes

To win the Richardson Memorial Tennis Tournament and be one of the area's top tennis players-no/yes

Have a wonderful wife and a happy family-yes

To be a recognized leader of the community and well respected by all young and old alike-yes

To be the head of a good size company and be able to have my time to myself-yes

To have interests around and license with access to a plane to fly where and when I want-no.

New job with a VCG-Venture Capital Group by end of June 1987-yes (1989)

To Do Long Term:

Learn the piano-no

Read the Bible-yes

Learn the entire mass-yes

Start saving money-yes

Have flowers in the house-yes

Eat better and less-yes

World history project-yes

Dancing lessons-yes

Eat breakfast daily-yes

Who controls \$ & why? Organized crime-yes

Who killed Kennedy's and why-yes but not solved

To Do in 1986

Exercise at least twice a week-yes

Read at least 6 new books-yes

Read current magazines at least 1 hour per week-yes

Engage in cultural activity at least once every other month-yes

Attend church at least once per month-yes

Win at least two tennis tournaments in 1987-yes

Maintain time-management schedule-yes

Keep on monthly budget & save at least \$7,500 in addition to IRA-yes

API income at least \$75,000 and bonus at least \$5,000-yes (34-1988)

Earn \$100,000 per month average by age 46 year-yes

A “Secret” Dream Success Story:

Two of our boys, Ryan and Max have had a long-term dream of playing on a NCAA Division 1 Varsity Team in college. If you know anything about this stuff, this dream is a very tall order. Even making a Division 3 varsity team in college is a longshot competitive challenge. These two boys were so determined that they did specialized training worked outs virtually every night and day in high school when they were not in class or at team practice. When I was a kid, we used to ride our bikes to Little League games and call it a day. Now these days if kids are serious about playing sports in college they have to commit to one sport, and be prepared to travel almost every weekend to compete in elite tournaments all over the country, to try and get recruited. The

whole process has become increasingly insane; at the very least they seem to have taken the fun out of it.

As a freshman at New Canaan High School, one of our twin sons Max, was recruited to play Lacrosse at an Ivy League College. As a result, he did not even have to apply to college, which was obviously a dream come true. In August as Max was starting his senior year in high school, the varsity lacrosse head coach at the Ivy League College got fired. The college then inexplicitly decided not to honor the commitments that were made for the incoming freshmen varsity lacrosse players. Seriously, are you kidding?! Your administration professes all about the character building and the privilege of playing for an Ivy League team, and yet at the first chance you get you toss these young men you have made a commitment to out on the street. You would think that honesty and keeping your word should be at the top of the list of character building. Anyway, it is a pathetic example to set for these young men, much less an Ivy League institution that values its reputation.

By now all of the Division 1 varsity lacrosse teams in the country had already picked their teams and filled their roster allotments for incoming freshman. The dream had become a nightmare. Max had to start applying to college now, which was already pretty late, and the dream of playing D1 lacrosse seemed to be out of the question. The head lacrosse coach at the University of Denver, Bill Tierney, had recently won an unprecedented six National Championships while at Princeton. Bill heard about Max's situation and invited us to come to DU for a visit. Tiffany,

Max, and I went out to Denver to meet with Bill. We asked if there was any possibility for Max to still try out for the lacrosse team at this late date. Bill said “We don’t have tryouts; we recruit all of our players from across the country. I have however seen Max’s films and spoken with his coaches. We would love to have Max Begoon join our team in the fall.” The meeting was an unbelievable relief for all of us. Bill then personally took us on a tour of the lacrosse facilities and the entire campus. This is what character and championship level leadership looks like. The following month in May of 2015 the University of Denver won the D1 National Lacrosse Championship!

Our older son Ryan had quite a different journey. He was hell bent for years on playing D1 ice hockey if at all possible. He was outstanding on the New Canaan High School hockey team, however, virtually no D1 hockey players come out of public schools anymore. They have to play for elite prep school hockey teams in extremely competitive leagues and tournaments to have any chance of being recruited by the D1 coaches and scouts. Even if they are lucky enough to get recruited, 90% of them will have to go and play junior hockey for a year or two somewhere in the US or Canada before they can enter the team as a freshman. There are many different leagues, with hundreds of junior hockey teams, and tens of thousands of junior players trying to get one of about 420 freshman spots each year on one of the 60 D1 hockey teams. It is incredibly competitive to say the least.

We agreed to let him pursue his dream. Ryan was accepted at The Hotchkiss School which has been consistently ranked as one of

the top US prep schools. He made the varsity hockey team, and they competed in the top prep school hockey league in the country. He was now at the dance, but he was also competing with the top skaters from all over the country. Ryan was accepted to Boston College, Michigan, and Colgate, but he was not offered a roster spot on one of the varsity hockey teams. He still did not want to give up on his dream, and wanted to take another year to play junior hockey in order to try again to get recruited on a D1 team. We thought he was chasing an elusive dream, since he had plenty of exposure by now to these elite program scouts and coaches. Tiffany and I thought if he was going to get recruited by one of these programs it would have happened by now.

I guess we all agreed that “it’s not over till it’s over,” and since we have come this far what’s one more year. He differed from Boston College so he would still be eligible to enroll as a freshman next year, and began his year of playing junior hockey. They traveled all over New England and the Mid-Atlantic states playing 3 or 4 games a week. He had hoped to get drafted by now, but no such luck. It was now February, and all of the D1 teams had filled up their rosters; and there were no more freshman spots open. This was quite literally the end of the line.

Near the end of February, I received a call from a coach who asked me if Ryan had committed to a team yet, and I said no. He said email me his transcripts tomorrow, I may have an opening for him. It just so happened that one of the US National Team players had been recruited by Harvard University to join the team when he was old enough, which was now. Unfortunately, he was

unable to meet even the relaxed academic standards to play for the team at Harvard, and consequently had to relinquish his spot on the team. So it was literally like it was 11:59 with the clock running out, and with one day left until the recruiting deadline, Ryan Begoon was offered a spot on the D1 Harvard hockey team.

These are two crazy stories, both extremely fortunately with happy endings. Remarkably in 2017 the Denver Lacrosse team and the Harvard hockey teams were ranked number 1 and 2 in the country respectively. Both teams also went to the D1 National Championship Final Four tournaments that year. They hoped to just make it onto a D1 team. They had never ever imagined being part of a D1 team competing for the National Championship! This proves that if you never give up on your dream, you don't know what can happen until the last minute.

Ryan and Max have both gone on to compete in marathons and even completed an IRONMAN competition in November of 2020. The IRONMAN is a grueling over 12-hour race that consists of a 2-mile swim, a 110-mile bike race, and a full 26.2-mile marathon. Ironically, Max's twin brother Casey, who isn't driven beyond belief like his two brothers, may actually be the best athlete in the family since he regularly beats all of us in both golf and tennis these days.

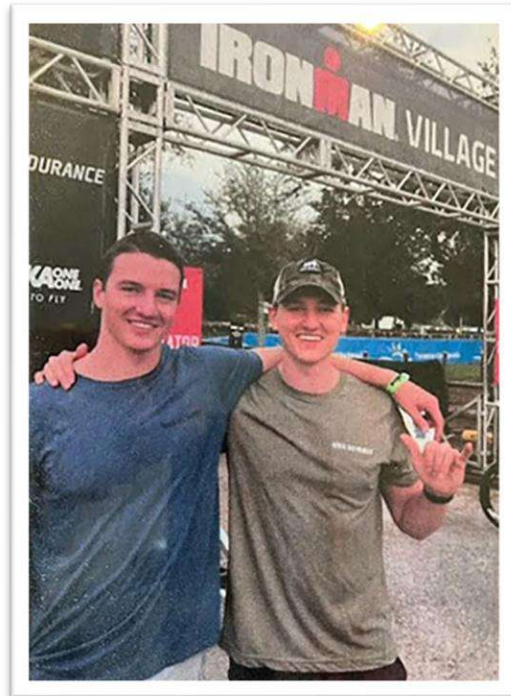
While winning was always a cool mission in our family, remaining "Humble and Kind" and modest was the driving force behind everything. As the Tim McGraw song says "When the dreams you're dreamin' come to you, When the work you put in



These are the two NCAA Division 1 National Championship tournaments for Ryan and Max's teams in 2017. A miraculous dream come true for them both!



Ryan and I at his graduation from Harvard.



Ryan and Max completing the IRONMAN competition in 2020.



Ironically, our son Casey may actually be the best athlete in the family since he regularly beats all of us in tennis and golf these days, shown here with us in Newport, RI, and with his fiancé Callie.

is realized, let yourself feel the pride, but always stay humble and kind.”

Letter to Home

Dear Dad,

I first began this letter in the whirlwind of graduation and planning for Europe when the end of college was more of an event listed in a brochure than a permanent reality. Now finished with the trip and looking professional life more head on it seems a little bit more real, but not much if I'm being honest (that might be a bit of the peter pan syndrome you gave me). Looking back and looking forward there's a lot to consider but the one thing that absolutely can't be ignored is thankfulness.

From New Canaan, to Hotchkiss, to Harvard you have made it your life's work to support me Casey and Max and there is nothing I can say or do that will ever repay the amount you have done. From 5:30 morning practices in the depths of your New England Linen days, to supporting me through my decision at Hotchkiss and Juniors you've given your indefatigable support every step along the way. You've offered me many sayings, shared countless words of wisdom but the true impact you've had on me has been not through what you have said but what you you've done. Few parents know what values are important to instill in their kids, and fewer seek to actively instill these values, but what sets you apart is not just guiding us but sincerely living the type of life you so often preach. I've

learned to persevere in all circumstances by seeing what true perseverance looks like, I've learned to give of myself by seeing what real generosity looks like, I've learned to have faith from a man whose unwavering faith has come to define him as a father, husband, and brother.

Every trying moment I've overcome is because of you, every success I've had is due to my reach atop your shoulders, and every relationship I have fostered is because of your example. I am who I am because of your influence, and who that has shaped out to be in the first 24 years is someone I'm unabashedly proud of. I'm lucky to have learned from some of the best students and teachers in the world, I'm lucky to have garnered some of the best friends I could have asked for and I am lucky to have a first job in a spot that allows me to see you and Mom so often. All the rest, is just gravy as you'd say. My memories growing up, and the lessons they bring have impacted me far more than you can imagine and I can't wait for all the new stories still yet to come. I'm eternally grateful for the lifetime's worth of blessings I've already been given, and many are at your hand. I hope to take that fortune and do not only great things but also good things as I begin my professional life and hope to build a family one day in which I provide even a fraction of the leadership that you have given me and the twins.

With Much Love,

Ryan

Ps. If you've been waiting for the deferred thank you for all the times you forced Zig Ziglar, Denis Waitley, and Robert Kiyosaki down our throats... Thank You. Love you Dad.

*"Your success in life is based on 15% aptitude and 85% attitude,
You can never be happy as long as you are selfish"*

**** It is all about character ****

Rule # 1 --- "Never Criticize, Condemn, or Complain"

| Winners... | Others... |
|---------------------------------------|--|
| Winners encourage others | Others criticize people |
| Winners build others up | Others condemn & put people down |
| Winners are content | Others complain |
| Winners value character | Others value money & possessions |
| Winners are thoughtful | Others are selfish |
| Winners are grateful | Others are spoiled |
| Winners are well mannered | Others are rude |
| Winners are happy with what they have | Others are greedy & always want more |
| Winners are considerate of others | Others think "It's all about me" |
| Winners respect everybody | Others are disrespectful |
| Winners are authentic | Others are phoney |
| Winners are confident | Others are insecure |
| Winners are modest | Others are vain & image conscious |
| Winners are humble & nice | Others are arrogant & mean |
| Winners are responsible | Others blame others |
| Winners are self-reliant | Others are dependent on others |
| Winners are goal oriented | Others are fun oriented |
| Winners are willing to work hard | Others want things to come easy |
| Winners earn and save money | Others spend more than they earn |
| Winners are full of God's love | Others are spiritually empty |
| Winners are a good influence | Others are a bad influence |
| The more you give... the more you get | The more you take...the more you break |
| <i>Winners are happy great kids</i> | <i>Others are miserable</i> |

***YOU CAN HAVE ANYTHING IN LIFE THAT YOU
WANT***

***BELIEVE IN YOURSELF - IF YOU THINK YOU
CAN YOU CAN***

***FAILURE AND REJECTION ARE ALL PART OF
BECOMMING SUCCESSFUL***

***NOTHING CAN BE ACHIEVED WITHOUT
SPECIFIC GOALS WRITTEN DOWN***

***A GOAL PROPERLY SET IS A GOAL HALF
REACHED***

Part II

Growing Up And My First Entrepreneurial Experience - JAB Enterprise

Growing up in Rye, New York, felt like living in a dream. We had a beautiful house in a very nice, upscale neighborhood. The streets were clean, the lawns were neat, and everything looked picture, perfect from the outside. My mother, Doris, but everyone called her “Dodi”, was the heart of it all. She had this warmth about her that made people feel welcome. Everyone who met her loved her, and I did too. She was more than just my mom, she was my friend, my cheerleader, and the one person I felt truly connected to.

We were part of a lovely beach and tennis club, and I remember spending summer days there with my family, feeling like we had it all. My sister Leslie went to the private school in town, which added to the image of a well, put, together family. To anyone looking in from the outside, we seemed like a perfect family living a perfect life.

But behind closed doors, things were not quite as perfect. The truth is, we were basically broke. We were living far beyond our means, trying to keep up appearances. My mom, although full of love and laughter, drank more than she should have. It was hard to understand as a kid. I started cutting class, drifting off the path I was supposed to follow. But none of this showed to the outside world. My parents were incredibly charming and



My dad and mom and a family photo

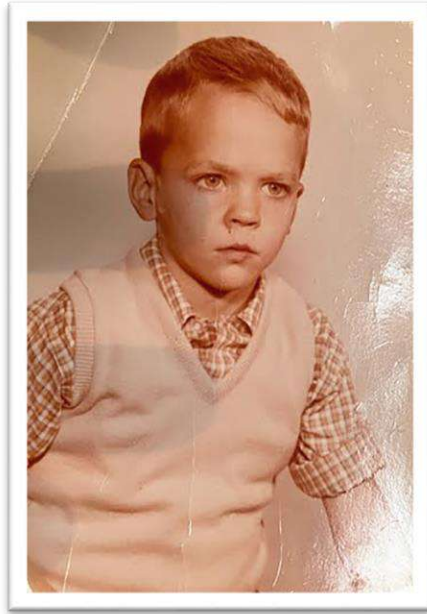
fun. They had a magnetic energy. People loved being around them, and they were always the life of the party.

Even with those struggles, I look back and say with confidence that 95% of my childhood was absolutely wonderful. The drinking and financial stress were a small part of the story, maybe 5% or even less than that, but that small part taught me something valuable. It forced me to grow up faster than most kids my age. It made me more self-reliant and aware. In a strange way, I believe that 5% helped shape who I am today, and I'm grateful for that. I wouldn't change a thing about the way I was raised.

One thing that always stood out to me was church. My mom and I were the only ones in our family who went regularly. That time meant a lot to both of us. It gave us peace, a sense of direction, and something to hold on to when life got confusing. Later in life, I carried that with me. When I got married and had children of my own, three amazing sons, my wife and I made sure church remained part of our lives. It became our way of showing gratitude for everything we've been given.

In our home, gratitude isn't just a word, it's a way of life. We believe in saying thank you every single day, even for the small things. Gratitude is number one in our family, and I know it always will be.

Of course, there were times when things at home got a little tough. I won't lie, when my mom got really drunk, it was sometimes painful and even a bit embarrassing. But the way I saw it, nobody gets a perfect life. Everyone has their share of struggles. And honestly, I had a lot going for me. I was



Younger days and our extended family

a good-looking kid, smart, funny, athletic, and really popular. I never had a hard time fitting in.

My parents always made us feel loved. They told us often how great we were, how proud they were of us, and how much they believed in us. That kind of support gave me a strong sense of confidence, even from a young age. I believed in myself, maybe a little too much at times, but that belief gave me the courage to try new things and take chances.

At the same time, I was also pretty immature. I didn't care much about school. To me, being cool was more important than being a straight A student. I looked up to people like Elvis Presley and The Beatles, guys who were legends in music but didn't go to college. I figured if they didn't need college to make it big, why should I worry about it?

Even the athletes I admired, especially in tennis and hockey during the 1960s, didn't go to college. They just played their sport and made their mark. That idea really stuck with me.

As a teenager, I became a very skilled tennis player. I started entering men's level tournaments and found myself competing with grown men, some of whom were very successful in business. We treated each other as equals. We used first names, we shook hands with respect, and we battled hard on the court. Off the court, we talked like friends. Being in that kind of environment at such a young age gave me confidence I couldn't have learned in any classroom. I saw what success looked like, and I started to believe I could have it too.

At the same time, I was excelling in hockey. I was named Most Valuable Player in our high school league and proudly wore the captain's "C" on my jersey. Leading the team came naturally to me. I didn't overthink it, I just stepped up when things needed to be done, and the guys followed. I think that's when I realized that leadership wasn't something you forced. It was something you lived.

Looking back now, I can see how all these pieces were shaping me. Even when things weren't perfect at home, I was building a strong foundation through sports, confidence, and the belief that I could take on the world.

My parents also grew up in Rye, just like I did. After World War II, when my dad returned from serving in the U.S. Air Force in the South Pacific, he came home and married my mom. He was 26 at the time, and she was 21. My dad, Jackson Begoon, went to Wesleyan College, and my mom, her maiden name was Doris Adamson, attended Skidmore College. They were young, in love, and ready to start a family.

They had three children. My sister Leslie was born first, just a year before me. Then came me, April 1, 1954. And five years later, my younger brother David was born. Growing up in the middle had its own rhythm. Leslie was the big sister who set the pace, and David was the baby who brought a different kind of joy to the family.

Dad worked in the New York City and did well for a while. He commuted every day and made a solid income. But when he turned 50, his company was acquired and he lost his job. It was a hard time for him. He didn't

have savings set aside for college or for unexpected bumps in the road. Back then, planning for the future wasn't as common as it is now. Still, he held his head high and did the best he could for all of us.

During my teenage years, I fell head over heels for someone very special. She was the head cheerleader, and I was crazy about her. We were a real pair, and we shared a wonderful relationship that lasted for a few years, even into our early college days. She was kind, smart, and full of life. Though we eventually went our separate ways, we've kept in touch over the years and stayed good friends. I'll always be grateful for that chapter of my life.

One summer, while I was playing in a local tennis tournament, something unexpected came up that would later turn into a small but memorable business adventure. My doubles partner asked me if I'd be interested in painting his house in Pelham, New York. I didn't know the first thing about painting a house, but I figured, why not? I was always up for making a little extra cash, and it sounded like a fun challenge.

I called up my buddy and asked if he wanted to join me. He said yes right away. We borrowed a ladder from someone, loaded up our gear, and showed up at the house the next week ready to work. The truth is, we had absolutely zero experience. We didn't know anything about professional painting. But my tennis partner didn't seem too worried about that. He bought the paint and told us he'd pay us \$800 to get the job done. For two college guys in the early '70s, that was real money.

We started by taking off all the shutters. Then we got to work scraping off the old, peeling paint. It was slow and messy, but we stuck with it. After scraping, we sanded down all the rough areas until they felt pretty smooth to the touch. We were learning as we went, figuring things out step by step. Once we had the surface prepped, we brushed on a full coat of white primer paint. It took a couple of days to dry, and after that, we added the final tan color to the house. The shutters got a nice fresh coat of burgundy. When it was all done, we put the shutters back on, took a step back, and looked at our work. To our surprise, the house actually looked pretty good. We had pulled it off.

That job became something special. It wasn't just about painting a house. It was the start of something we later began to call JAB Enterprise, (JAB-Jeffrey Adamson Begoon) even if it wasn't official at the time. It was just a couple of young guys hustling, figuring things out, and learning how to get things done with their own two hands. That first house taught me something: with enough grit, curiosity, and a bit of humor, you could tackle just about anything.

Soon enough, word started to spread, and we picked up more houses to paint. Friends of ours began showing up, asking if we had work for them too. We were all just young guys looking for something to do over the summer, and this felt like a fun way to make money, stay active, and spend time together.

But not all of our crew had the same work ethic.



One day, while we were working on a house in Rye, I looked up and saw my initial partner standing on the roof of the sun porch. He was supposed to be sanding a section of the second story of the house. But what I saw was, him totally relaxed, holding the electric sander up against the wall with one hand and a joint in the other. The sander was barely moving, and it was clear he wasn't applying any pressure. He must've thought the sander would just do all the work by itself, like magic. I remember shaking my head and thinking, "That must be some pretty strong weed." He wasn't getting anything done, and honestly, he didn't seem to care.

Meanwhile, another friend was on the job with us. He had just started working with JAB and was trying to make a good impression. And let me tell you, he was working like a machine. He was all over the place, sanding, scraping, painting, cleaning. He was doing five times as much work as some of the other guys. I couldn't help but laugh at the contrast. One guy was floating on the roof, and the other was down below trying to earn his stripes. It was funny at the time, but it also opened my eyes to something important.

As more people joined our little company, I realized that managing friends was a completely different ballgame. When it was just me and my partner, things were simple. But now, with five or six guys on a job, everything got more complicated. I was no longer just painting houses, I was hiring, scheduling, and leading a team. I had to figure out who would work where each day, what equipment needed to be at which site, and how to bid on new jobs to keep everyone busy.

I also had to deal with people slacking off, showing up late, or not taking the work seriously. That's when I had my very first taste of what it meant to handle human resources. I didn't even know that term back then, but I was living it. Trying to balance friendships with leadership wasn't easy. You want to keep everyone happy, but you also need the job done right. It was a whole new challenge, and I was learning it one step at a time.

Those summers painting houses taught me more than I ever could have imagined. They were my first lessons in business, leadership, and the strange, funny, frustrating world of working with friends. And in its own way, it was the beginning of everything that came later.

As our little painting crew kept growing, I started to notice something important, something that really stuck with me. I realized that if I paid the guys working with me about \$4.50 an hour, which was a decent hourly wage at the time, I could still make a solid profit once the job was done. I was the one bidding the jobs, buying the supplies, setting the schedule, and managing the whole thing. And once we finished a house, anything left over after paying for labor and materials was mine to keep.

That summer, the last house we painted paid us \$1,600 for the full job. Once I paid everyone their wages and covered the cost of paint and supplies, I was left with \$700 in profit. That felt huge at the time. To put it in perspective, that \$700 was two or three times more than what the other guys, who were doing all the painting, made for the same job. It was a big eye-opener.

Now don't get me wrong, I wasn't just sitting back and watching. I was out there too, painting every day, climbing ladders, working through the heat, and often staying late to make sure things got done right. I wasn't afraid of hard work. But I started to see the difference between working in the business and working on the business. Finding the jobs, winning the trust of homeowners, setting up teams, and keeping everything running smoothly, that's what paid the most. And it made me realize something even more important: when you're the one in charge, the rewards can be much greater.

Sure, there was some risk. If a job went badly, or someone didn't show up, it was on me to fix it. But honestly, at that time, we weren't worried about things like insurance or taxes. We were just a group of young guys figuring it out as we went. It was all under the table, and none of us knew what we didn't know. It was a different time.

As I got more comfortable with exterior painting, I eventually started doing interior work too, things like painting bedrooms, kitchens, and even learning how to hang wallpaper. That opened up more opportunities. People always needed a fresh coat of paint or wanted to update a room. It was work I could do just about anywhere, and anytime I needed extra cash, I knew I had a skill that would bring in money. That gave me a strong sense of independence.

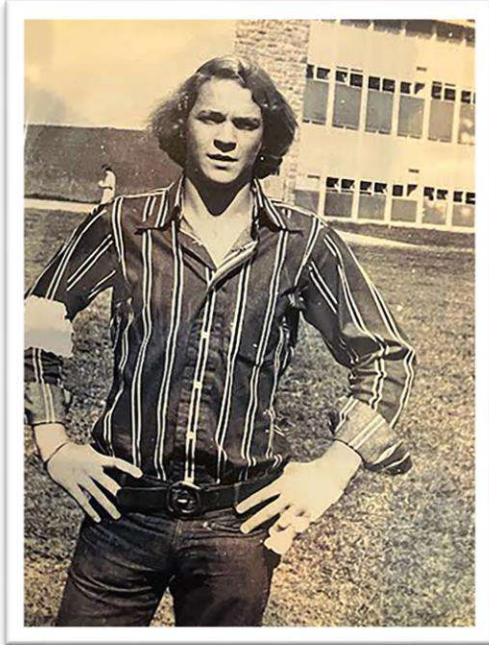
One thing that always carried me through, even when I was winging it, was my work ethic. I've always worked hard, really hard. I didn't just want

spending money. I was wired to hustle, to push myself, to take pride in doing a great job. It didn't matter what the job was, I gave it everything I had. That strong drive helped build my confidence, and it gave me a sense of independence early on.

JAB Enterprise was something I was truly proud of. It may have started with two college kids and a ladder, but it turned into a real business. I learned a lot, not just about painting houses, but about managing people, handling schedules, and running things from the top down. That hands-on experience taught me more about leadership than any classroom ever could.

But even before JAB, I had been getting positive attention for my accomplishments. Whether it was on the tennis courts or the hockey rink, I was recognized from a young age as someone who led by example. I had been team captain in several sports, and I always took that responsibility seriously. I guess leadership came naturally to me. I didn't chase it, it just seemed to follow wherever I went.

A big part of that came from my home. My parents were my foundation. They were my biggest supporters, my constant cheerleaders. They told me every day that I was special, that I had what it took to change the world. And I believed them. That belief still lives inside me. When people pour love and confidence into you from the beginning, it stays with you. It builds you up and gives you strength when life gets hard.



My days at Rye High School

I genuinely enjoyed being the boss. It felt good to take responsibility, to lead something and watch it grow. And I've carried that with me into every company I've led since then. I've always tried to be thoughtful, fair, and kind to every person I've worked with, no matter what position they were in. That's always been important to me. People matter.

I think I've always had a strong desire to excel, not in everything, but in the things that mattered to me. I put my heart into the things I believed were worth doing well. And honestly, if I had one regret, and I don't think I really do, it would be that I didn't take my schoolwork more seriously. That's the only thing I might change if I had a do-over.

But here's the truth: even without that perfect academic record, I've managed to achieve more than most. In fact, without sounding boastful, I've probably accomplished more than 95% of the Ivy League graduates. And yet, even that doesn't compare to what really matters.

Because my greatest achievement, without a doubt, is my family. My wife Tiffany and I have raised three extraordinary sons, Ryan, Casey, and Max, three amazing young men who bring more meaning, more pride, and more love into my life than anything else I've ever done. All the business success, the awards, the wins on the court or the ice, none of it compares to being their dad.

And that, more than anything else, is what I'll always be most proud of.

***NO EXCUSES - MAKE THE BEST OF THE CARDS
YOU ARE DEALT***

***RICH PEOPLE DON'T WORK FOR MONEY -
THEY HAVE MONEY WORK FOR THEM***

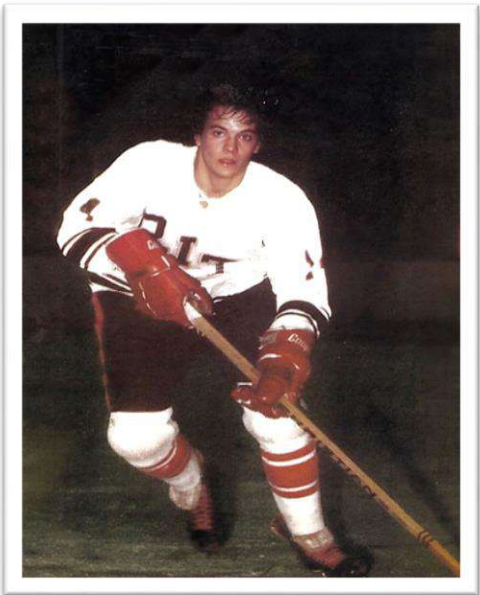
***YOU ARE EITHER MAKING MONEY FOR
SOMEBODY ELSE OR***

***HAVING OTHER PEOPLE MAKING MONEY FOR
YOU***

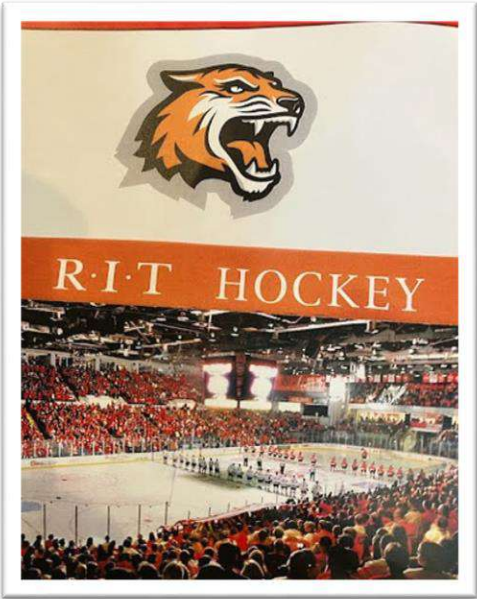
College Ice Hockey & Fraternity Life at Animal House

The misspent youth of my high school years was bound to catch up with me sooner or later. Sure, I had solid common sense and enough street smarts to earn good money through the painting business, but looking back now, I can see just how immature I really was. I didn't care about school at all, and that, in hindsight, says a lot. At one point, my mother tried to steer me toward a different path. She suggested I go to Brunswick, the private school nearby. But I wouldn't have any part of it. I was young, stubborn, and honestly, I just didn't know enough to make an informed decision. My friends and I probably dismissed it all too quickly, thinking the kids there were just a bunch of rich preppy types. We saw ourselves as too cool for that kind of disciplined environment but the truth is, we didn't have a clue what we were talking about.

We were too wrapped up in having fun. I didn't want to leave my friends, or my girlfriend at the time, just to go off to some private prep school. And underneath it all, there was something deeper, I had started to lose respect for my parents. Their attempts at discipline didn't land the way they were supposed to, mostly because of the dysfunction and chaos we were living with at home. But don't get me wrong, I wouldn't trade a single day for another life. I loved my family deeply, and despite the adversity, I really did have a pretty great life.

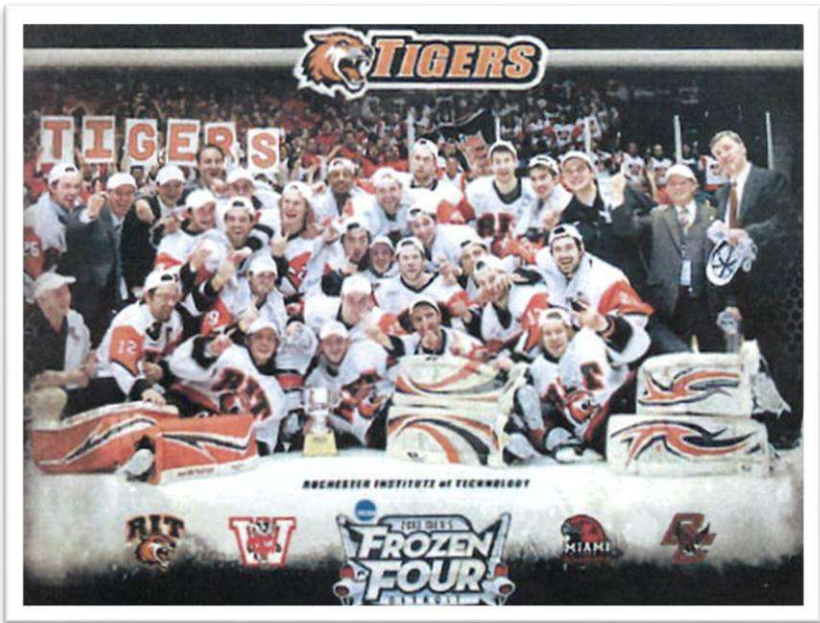


College ice hockey days at RIT



Actually, the truth is, I simply didn't realize the value of education back then, and because of that, I didn't apply myself the way I should have. So when it came time to start thinking about college, my options were limited. I hadn't set myself up with a wide range of choices. That's when I heard from the hockey coach at RIT. He told me I could get accepted on probation, with the condition that I'd have to keep my grades up to stay enrolled. It wasn't the traditional path, but it was a chance, and I took it. I managed to meet the requirements, and once I got there, most of my time was spent skating, studying, and pledging the fraternity. Rochester Institute of Technology, or RIT, tucked away in Rochester, New York. It wasn't just any school; it had a strong hockey program, and at that time in my life, it felt like the perfect fit. There, I found myself doing exactly what I loved. Every time I stepped onto the ice, I felt more like the person I was meant to become. The environment, the discipline, the camaraderie, it all shaped me in ways I hadn't expected. And as the years passed, the RIT hockey program only grew stronger. In 2010, long after I'd first laced up my skates there, the team achieved something incredible, making it all the way to the NCAA Division 1 Frozen Four National Championships.

Well, Fraternity life back then was pretty much a free-for-all, and pledging was packed with all kinds of ridiculous antics. It wasn't just about joining a brotherhood, it was about surviving the gauntlet that came before it. In addition to memorizing the names and hometowns of every fraternity brother, we had to learn the entire Greek alphabet, the history of the founders, and the full charter of Phi Sigma Kappa, our national fraternity.



Trip to the NCAA National Championship

Pledging was designed to break you down, to make you submit to any and all requests, no matter how outrageous, from any of the sixty active brothers. And believe me, they didn't hold back. I think, from there my grit and strength started to take a stronger shape. One would not believe but there were even kidnappings, where we'd take a brother several hours away, one time, all the way to Cornell University in Ithaca, New York. We'd leave behind a few clues, just enough to set the others on our trail, and sure enough, three or four carloads of brothers would go chasing after us. There were no cell phones back then, so how they actually managed to find us is still a mystery, maybe a phone call from the Phi Sig house at Cornell was the key.

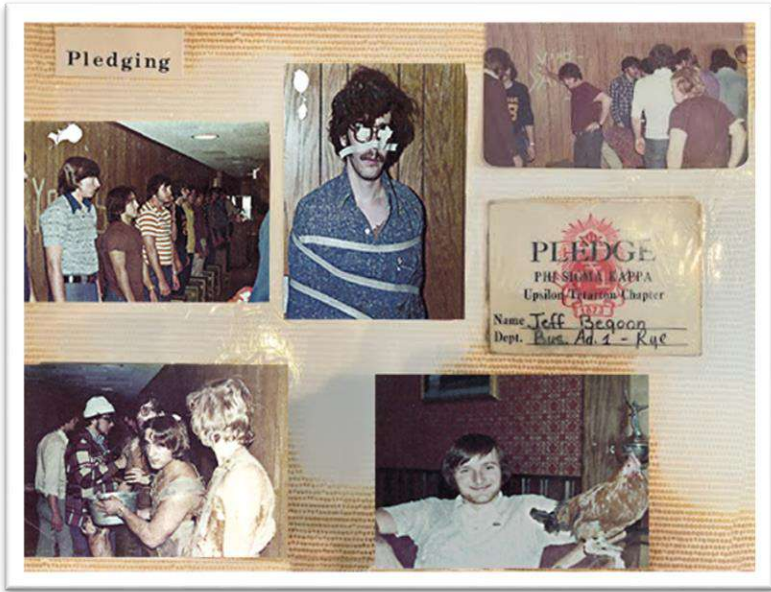
And then came hell week, the true test. During that stretch, you weren't allowed to sleep. Not even a little. You had to stay at the fraternity house around the clock, when not in class, doing chores, push-ups, and basically anything and everything a brother demanded, no matter how humiliating it might be. The goal was simple: break your spirit. Push you to your limit. See if you'd give in and quit... or if you had what it took to make it. Even some of the varsity athlete studs weren't spared during hell week. That was the drill, everyone, no matter how tough or talented, had to take orders from every single brother, including the so-called geeks and pencil necks. If you didn't fully submit to what was demanded, you were out. No exceptions. The first night of hell week set the tone. We were told to show up, strip down, and put on burlap sacks under our clothes. Then came the infamous "monkey-shit", a revolting concoction whipped up in the

kitchen, made from anything and everything disgusting the brothers could get their hands on. Once it was good and mixed, they brought it out in a giant pot and began flinging it at the pledges using big wooden spoons. That was just the beginning. We were then required to wear that burlap sack smeared with that mess under our clothes, for the entire week, without bathing or sleeping. It was vile. As a varsity athlete, I was fortunate enough to be able to shed the burlap sack for practice, and be able to shower afterwards.

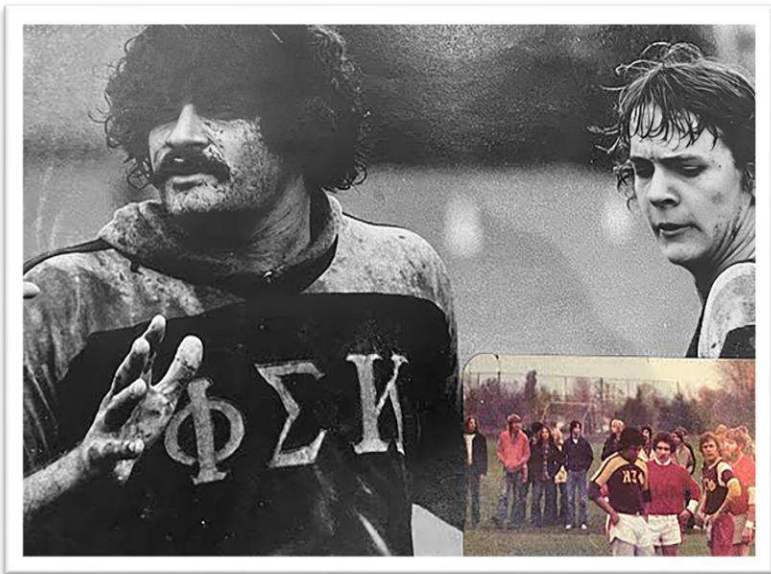
Throughout the week, the brothers found every possible way to embarrass or humiliate us. They'd bark things like, "You're lower than whale scum, and if you don't like it, then get the hell out!" The mental and physical grind was relentless.

One pledge in particular, was made to walk around all week with a live rooster tied to an ace bandage, dragging it around on a leash like some bizarre pet. As if that wasn't enough, his eyeglass lenses were cracked and held together with scotch tape. That was just one of countless insane stunts pulled that week, but I think you get the idea.

Being part of both the hockey and tennis varsity teams taught me some of the most valuable lessons in teamwork. Practices and travel weren't just about the games, they were about learning how to function as part of something bigger than yourself. On a team, everyone has a role to play. You show up, do what's expected of you, and focus on the collective goal, not your own individual interests. At one point, I was even elected to be



Pledging at the frat house and fraternity football game



president of the fraternity. It was an honor, but I had to turn it down because of hockey. Between practices, game-time commitments, and constant scheduling conflicts, it just wasn't feasible. Still, I held other leadership roles in the frat house and those experiences taught me a lot, about responsibility, about brotherhood, and about what it really means to work together.

My daily schedule was tough. Classes kicked off every day around 8:00 a.m., and the routine was relentless. Hockey practice ran from 5:00 to 8:00 every evening, unless, of course, we had a game, whether at home or on the road. Most of our away games were scheduled for Friday and Saturday nights. We'd load up on a bus and head out, staying in hotels in whatever city we were playing in that weekend. And while there was definitely a structure to it all, we found ways to bend the rules. After bed checks, we'd sometimes sneak out of the hotel and crash parties on the campuses of the teams we'd just played against. There are more than a few stories from those nights, plenty of beer, wild antics, and bringing girls back to the hotel. Things are different now. Today's scholar-athletes are focused, many of them aiming to become engineers, doctors, or to make a serious run at professional hockey. They take it all far more seriously than we did. Back in our day, there was a whole lot more jack-assing around, no doubt about it.

When it came to the humiliation at the fraternity, and there was plenty of it, I could, in a strange way, see the value in it. Being broken down emotionally, it wasn't all just cruelty for the sake of it. There was a lesson



Tennis at RIT and fraternity spring weekend



buried in there. In life, every time you reach the top of one stage, you find yourself starting again at the bottom of the next. That's true in your career, in sports, and in just about every major chapter of life. Learning how to handle that constant cycle, how to reset, rebuild, and keep going, is actually a gift in disguise. Fortunately, I was pretty well equipped, physically, emotionally, and spiritually, to take whatever they could throw at me. But even then, I noticed something else. It was always the most insecure of the older brothers who dished out the worst abuse. They were the ones who tried the hardest to break you down, almost like they needed it to feel powerful. And later in life, I realized that this same pattern holds true in the adult world. The biggest bullies are often the most insecure people in the room. It's actually pretty pathetic when you think about it.

Now you can see that college in the early 1970s was something else, a wild ride from start to finish. It felt like the world had thrown open its doors. No strict rules, no hard limits, just a wide horizon of freedom and possibility. I guess, in the end, the real message is that life comes in stages. You can't move up to the next level in anything, whether it's school, sports, career, or personal growth, without taking some risks and going through a bit of pain. There's no avoiding it. Growth comes with humility, with discomfort, with moments that test you in ways you didn't expect. If you're not willing to swallow your pride and start over again at the bottom of a new rung on the ladder, then you're probably not going to get very far. That's just the truth of it. I've learned over time that the more effort you put in, the more trials and tribulations you endure to reach your goal, the

sweeter the reward feels when you finally cross that finish line. It's one of the core lessons we try to pass on to our children, because if they understand that early on, they'll be much better equipped for the journey ahead.

I think I saw this pattern most clearly in professional sports. In hockey, for example, if you moved up from one league to the next, and were lucky enough to make it all the way to the NHL, you almost always started at the bottom. No matter how good you were, you had to work your way up through the lineup. It was just how the system worked. The same held true in professional tennis. Even with talent, you had to earn your place, match by match, climbing the ranks from the bottom. And it wasn't just in sports. On Wall Street, it was much the same. New hires were often treated like dirt, put through the wringer just to see if they could take it. If they could, they'd slowly move up through the organization. If not, they were quickly shown the door. Over time, I've come to learn that humility is one of the most powerful attributes a person can have. It's something that life keeps teaching you, over and over again. The greatest example, of course, is the most famous figure in history, Jesus Christ. But beyond that, there are countless examples of true excellence rooted in humility, whether in business, sports, or just everyday life. What I've seen, what I truly believe, is that if you've ever accomplished something extraordinary, it's because you were given certain natural gifts. Those gifts come from God. And the people who really get it, the ones who win not just in their careers, but in life, they all share one thing in common: gratitude. They understand where

those blessings came from. That's why, at the end of the day, gratitude is the number one key to a successful and fulfilling life. Everything I've ever achieved in life has come with a fair share of struggle. Nothing was handed to me. As you'll see in the coming chapters of this book, each of the three companies I've owned and run, API, New England Linen, and Elvex, brought me face to face with the very real possibility of failure. And yet, each time, by the grace of God, we came out the other side smelling like a rose.

The details of those journeys will be laid out in the chapters ahead, but the core message is simple: you can have anything you want in life if you're willing to work hard and set clear goals to get there. It all comes down to gratitude and persistence. Those two values are the bedrock of real, lasting success. And here's something else I've learned along the way, the more you give, the more you get. If you want money, give money. If you want love, give love. Whatever it is you seek, give it freely and expect nothing in return. That's when it comes back to you, tenfold. Ultimately, it all circles back to one truth: be humble, and be kind.

Life isn't fair, and it certainly isn't easy. The sooner you come to terms with that, the stronger you'll eventually become. It's a tough truth, but an essential one. And if you make life too easy for your kids, if you shelter them from every bump in the road, you're not doing them any favors. In fact, you're holding them back. If every time your child falls into a hole, you hand him a ladder to climb out, he'll never learn how to climb out on his own. And that climb, that struggle, is where real character is built. It's

through the hard work, the setbacks, the discomfort, that he discovers what he's truly made of. And it's only by facing those moments alone that he can gain the confidence to know he can handle whatever life throws at him. Persistence has long been cited as the most critical component of success. And it makes sense, because if you never, never, never give up, your odds of eventually succeeding shift in your favor. It's not always about being the fastest or the smartest. Sometimes, it's just about being the one who refuses to quit. Don't ever, ever, *ever* give up. That's one lesson I've held onto tightly. If you just keep trying, over and over again, you'll probably succeed eventually. It's not a maybe, it's a strong likelihood. Because here's the truth: everyone who's ever accomplished anything significant in life has faced a great deal of failure. *Everyone.*

Take the most successful salesperson in any company, they've probably been rejected more times than anyone else on the team. Why? Because they keep showing up. They keep asking for the order, day after day, without letting the 90% of rejection stop them from chasing that 10% of success.

That's what most people don't realize, failure isn't the opposite of success. It's part of it. It's built into the process. It's a critical piece of the game. And the ones who win are the ones who never stop playing. After I finished college, I made my way out to Denver, Colorado. The plan was to knock out a couple of final classes and visit an old friend from Rye who was playing lacrosse at the University of Denver. It was a great excuse to catch up, take in the mountains, and tie up a few academic loose ends.

From there, I headed south to Tucson, Arizona to spend some time with my cousin and stash away a bit of money. I took on whatever work I could find, painting, wallpapering, and pulling shifts as a bartender at a nightclub called the Somerset Lounge. It was a mix of hard work and new experiences, and it helped me get on my feet as I figured out the next steps.

***HAVING THE TIME OF YOUR LIFE IS COOL FOR
A WHILE***

EVERYBODY HAS TO GROW UP SOMETIME

***YOU CAN PAY ME NOW OR YOU CAN PAY ME
LATER***

NO REGRETS

NYC Days - from Wall Street to Studio 54 and beyond

When I finally returned to New York to settle down and begin my career, it was both exciting and a bit intimidating. I thought I was prepared to enter the real world, but I guess, like most recent college graduates, I really didn't know what to expect.

Before I landed the job at the Bank of New York on Wall Street, there was a strange kind of comfort in knowing that no matter where I was or what the circumstances looked like, I could always rely on myself. Painting houses had become a skill I could fall back on, one that brought in money when I needed it and gave me a sense of control while everything else felt uncertain. While I was searching for a full-time position, painting helped keep me afloat. It wasn't glamorous, but it paid the bills and gave me time to breathe. I spent my days working with a brush in hand, and my nights sending out stacks of résumés, hoping that a few would hit the right desk and open the right door. Coming out of RIT, primarily an engineering and computer science school, meant that the pipeline to Wall Street didn't really exist for us. There were no polished recruiting events or finance firms waiting to scoop us up. We had to make our own luck. And in those early days, I relied heavily on persistence, house paint, and hope.

Coming back to Wall Street, it didn't take long to realize there was a sort of inner circle, almost like an exclusive club. The Ivy League and MBA guys seemed to come into the game with a built-in advantage. They had

friends from school, networks already woven deep into the financial community, and a level of social acceptance that opened doors without needing to knock too hard. If you came from one of those prestigious institutions, you weren't just seen, you were welcomed, and often fast-tracked. For someone like me, it sometimes felt like being a fish out of water. A lot of those prep school and Ivy League types had something else too, parents who were alumni of those same schools, with long-standing connections at the major Wall Street firms. That kind of legacy went a long way when it came to landing the right job or even just getting a foot in the door. Meanwhile, I knew I had work to do. I had to brush up on my financial background and revisit the accounting material I hadn't fully absorbed back in school. There were plenty of moments during class when I hadn't applied myself the way I should have, and now, I was starting to feel the weight of those decisions. It was time to play catch-up, and fast.

That realization hit hard. But instead of backing away, I leaned in. It was a cold, honest moment, one of those gut-checks where you either grow or fall away. I understood then that if I didn't get serious and mature quickly, I'd be chewed up and spit out by the unforgiving machine that is New York's financial world. It's a place where the pace is relentless, the stakes are high, and there's no room for drifting. So, I went home and started reading, everything I could get my hands on. Textbooks, financial reports, accounting guides, I devoured them all. Night after night, I played catch-up. All those classes I once coasted through were now subjects I had to master. It was humbling, even exhausting at times, but necessary.

It reminded me of one of those “you can pay me now, or pay me later” lessons in life. I’d had a blast growing up, living in the moment, soaking up every bit of fun college had to offer. But now, it was time to pay the piper. And this time, I was ready. I knew what I had to do. My priorities were clear. No shortcuts, no more coasting. Just hard work, relentless focus, and a quiet resolve to catch up, and eventually, to lead.

While there were plenty of crazy nights at the nightclubs and discos back in the late 1970’s, none compared to the sheer madness of Studio 54. The infamous venue, originally a theater on West 54th Street, had been transformed into a massive nightclub by Steve Rubell and Ian Schrager. It wasn’t just a hotspot, it was *the* place to see and be seen, drawing the international jet set, celebrities, and the rich and famous. Behind those iconic red velvet ropes, they could all let their guard down and go absolutely wild, just like everyone else lucky enough to get past the front door.

It was also the early days of the gay revolution, so anything and everything could happen at any moment. I remember one night, yes, I was pretty wasted, but I’m still fairly certain I saw a live horse walking across the dance floor. Costumes, wild outfits, half-naked gay guys dancing on every surface imaginable. A transvestite dancing around on roller skates was also a regular.

Studio 54 was also a pioneer in exclusivity, with guest lists, velvet ropes, and professional doormen who acted more like bouncers. Mark Benecke was the king of them all, the legendary gatekeeper. Virtually no one got in

without his nod. The front of the club was a spectacle every single night, a circus of fashion, chaos, and desperation. Though Studio 54 was truly one-of-a-kind, there were five or six other massive, popular clubs in the city at the time. Still, 54 held a unique magic.

One night, I caught a glimpse of Bianca Jagger up in the DJ booth. With enough buzz in my system to make me feel a little invincible, I climbed up the stairs and asked her if she'd like to dance. She smiled and said, "You are very sweet to ask, but not right now." It was a polite letdown, but in a place like Studio 54, just having that moment felt like a win for a kid like me.

Most of the time, I was fortunate enough to get in. I either came in with someone who was a regular or managed to schmooze my way past the velvet ropes. One night, my friend a fisherman from Rye and Alaska, was in town. He'd heard so much about 54 that he asked me to take him. That night, the scene out front was even more chaotic than usual. In the middle of it all, some drunk guy, clearly feeling entitled, yelled out, "Don't you know who I am?", furious that he wasn't being allowed in.

Nearby, leftover from an earlier event, there was a large swan ice sculpture sitting in the road. In his rage, the guy broke the head off the swan and hurled it through one of the front glass doors, shattering it completely. The noise and chaos drew out none other than the owner Steve Rubell himself, who came out to take in the scene firsthand. My friend, cool as ever, didn't flinch. We'd been all over the world together by that point, and not much could rattle him.

Steve was high as a kite as usual on Quaaludes, staggering around in that unmistakable, disoriented way. I managed to catch his attention and quickly told him, "Steve my friend's in from Alaska just to see the club. Can you tell Mark to let us in?" Steve nodded with a grin and said, "Sure, just be sure he checks his coat." I said, "Will do, great, thanks." Jim had on this cheap, bright-white raincoat, which he obediently handed over to the coat check. What no one realized at the time was that underneath the raincoat, he was wearing an even tackier plaid blazer, louder and more ridiculous than anything we'd seen in a while. But honestly, it didn't matter. The place looked like Halloween nearly every night of the year, so it was hard to stand out, even in something like that. We just cracked up and made our way inside. That night was the only time I actually spoke with Steve, but I saw him at the club probably a dozen times over the years. He was always wasted, always entertaining, and always having an outrageous amount of fun.

This was the era of drugs, sex, and rock 'n roll, Studio 54 was the very heartbeat of it. The music pounded nonstop, bodies moved rhythmically everywhere, people dancing on top of speakers, across the bars, wherever they could find space. The gay guys packed the dance floor, half-naked and unapologetically wild. Cocaine, amyl nitrate, and every other imaginable drug were being used openly, in plain sight. It was the epitome of decadence, chaotic, electric, and unforgettable. Studio 54 was breaking every rule in the book, and eventually, it caught up with them. The club was shut down. Steve and Ian were sent to jail for tax evasion, and later, tragically, Steve died of AIDS. Ian, on the other hand, went on to reinvent

himself and has since become one of the most successful owners of ultra-high-end hotels across the country.

The Surf Club was another popular haunt back in those days. Nestled on the Upper East Side, it was owned by three brothers from Watch Hill, Rhode Island. The place had a strong preppy vibe that drew in the Wall Street crowd in droves. Sure, there was plenty of cocaine floating around, but it didn't quite reach the insanity of Studio 54 or the other mega-clubs like New York-New York, Xenon, or Magique. The Surf Club always had a loyal, sharply dressed uptown following. It could get rowdy, wild even, and though the scene knew its way around a line or two of coke, it was still a notch below the all-out madness of the downtown nightclubs. One night at one of the larger clubs I can remember a girl showed up with a live monkey on her shoulder. She even let me borrow it for half an hour to walk around and create havoc in the club. I mean, where else could that happen? It was absolutely nuts, one of a kind, every single night.

During those many years when I was still single, after I left NYC, while I was running a company in CT, I found myself regularly making the trek into New York City in the evenings, chasing the faint hope of finding a potential wife. As I mentioned earlier, I was working like a dog, pushing myself hard every day, but that didn't change the fact that I deeply wanted to get married and start a family. I knew full well that the odds of meeting Mrs. Right at some random party on any given night in the city were somewhere between slim and none. But I also knew that staying home reading a book pretty much guaranteed those odds would drop to zero. So, I'd drag my exhausted body home from work, jump in the shower, and by

8 or 9 p.m., I'd be behind the wheel, heading into Manhattan. By this point, I was in my mid-thirties. Many of my friends had already tied the knot and were well into family life, babies, homes, and all the rest. That meant the party scene wasn't quite what it used to be. The single events weren't as frequent anymore, but still, I kept showing up, hoping, searching, putting myself out there, even if it meant running on fumes to find Mrs. Right.

One of the more memorable nights, and trust me, there were plenty of crazy ones, took place when I was in my mid-thirties. At the time, I had just been paired up for a tennis tournament with a friend who was one of those exceptionally fun and social guys, the kind of person everyone seemed to know and love, and as a result, he always had an invite to the best parties in and around the city. After one of our matches, he casually asked if I'd be interested in joining him and his girlfriend for a party in the city that Thursday night. I said, "Sure, thanks," and he replied, "Great, be at my house in Rye at 7:00 and we'll drive in together." Just like that, another city adventure was set in motion.

The night kicked off with beer, champagne, and a joint as we cruised into the city. Our first stop was a cocktail party at his friend's apartment, where the scene was already buzzing. People were doing lines of coke and sipping on flavored martinis, and within an hour or two, the whole room was completely lit. Somewhere in the haze, two girls pulled me aside, led me into a bedroom, and said, "Take off your clothes, we're going to a toga party downtown." They grabbed a couple of bedsheets, wrapped them around us, and just like that, we were off to the next chapter of the night.

The party was being thrown by a hedge fund guy who had just made \$73 million shorting the stock market crash of 1987. He had rented out the Puerto Rican Social Club for this toga bash and, in true over-the-top fashion, flew in Otis Day and the Knights, yes, the very same band from *Animal House*, on his private jet to perform.

I knew who he was, though not personally. My friends, who were much more in that circle, had the actual invite, I was just lucky to be brought along for the ride. In hindsight, I probably should have thanked him for hosting, but the entire night was so out-of-this-world, and I was admittedly pretty hammered, that it just didn't happen. For a guy who had lived and breathed *Animal House* during his fraternity days, seeing Otis Day and the Knights perform live at a real-life toga party was almost too perfect to believe. The whole night had this wild, magical, surreal energy to it.

The entire scene that night spiraled into something so bizarre and wild, it felt like reality had taken a backseat. From that point on, the rest of the evening became a blur. Everyone had moved on to drinking massive margaritas, and little white tablets were being passed around, popped like candy. Curious, I tried one, only to discover later that they were something new called ecstasy. Known as the "love drug," it made you feel warm, fuzzy, and more than a little sexually charged. The togas didn't last long. They started flying open, and soon the fashion models who were there were flashing their breasts without a second thought. It felt like I was drifting through a surreal dream, so incredible, so overwhelming. At one point, I remember channeling Flounder from *Animal House*, blurting out, "This

is great!” And it really was. The decadence carried on deep into the early hours of the morning, never losing steam. The party had been such an outrageous, raving success that the hedge fund guy, in his massive generosity, decided to throw the exact same event all over again the following year. And yes, I was fortunate enough to attend that one too.

It was now the 1980s. Drugs, sex, and rock ‘n’ roll were still in full swing. Discos were gaining momentum, blasting loud, energetic music that made the atmosphere feel like the crazier it got, the better it was. This scene had everything. I guess, in some way, I felt kind of cool being part of it all. It was the ultimate exclusive social “in crowd,” and I knew how lucky I was to be there. Thanks to some of my tennis buddies, who were not only hilarious but also deeply plugged into the scene, I ended up getting invited to all the best parties in the city, Greenwich, the Hamptons, and beyond. I felt incredibly fortunate just to be included. And to be fair, I brought something to the table too. I had great energy, I was fun to be around, and I gave off good vibes that seemed to make me welcome at every event. Over time, I began making my own connections and friendships, and eventually, I didn’t need anyone to bring me along, I was just part of the gang. Our tennis club on Manursing Island in Rye, NY, also played a big role. It was exclusive, yes, but it was also one of the most fun places to be. Our men’s tennis team was the best in the entire New York area for many years, and that helped a lot. My tennis skills gave me common ground with the cool guys, and in that world, that mattered.

As wild as it all was, I still had responsibilities. I was running my company in Connecticut, and I had to open the doors nearly every morning at 7:00

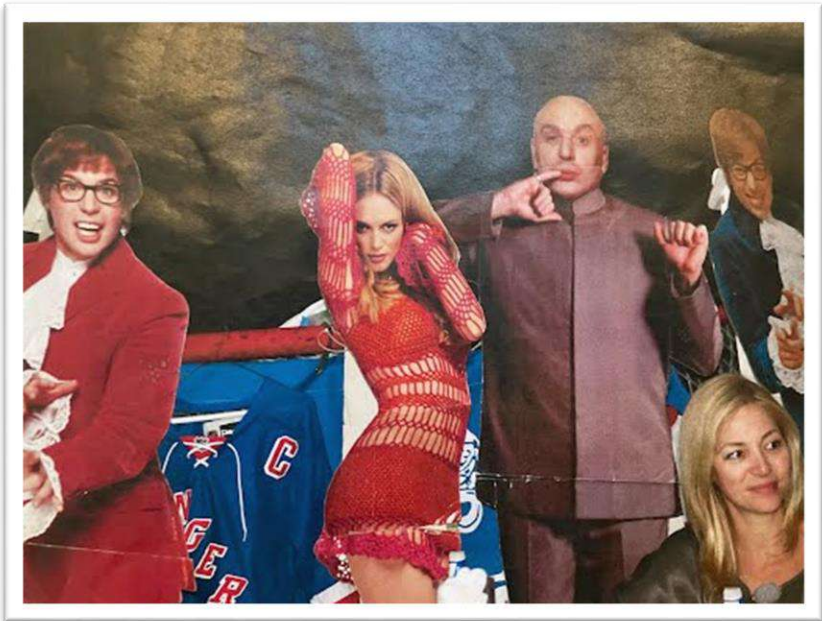
a.m. sharp. Twelve-hour workdays were the norm, so as much as I loved the city life, I limited the madness to just one night every week or two. It was the ultimate “work hard, play hard” lifestyle, exhausting, exhilarating, and completely unforgettable. And honestly, I wouldn’t have had it any other way.

A LOT OF LEARNING AND CATCHING UP TO DO

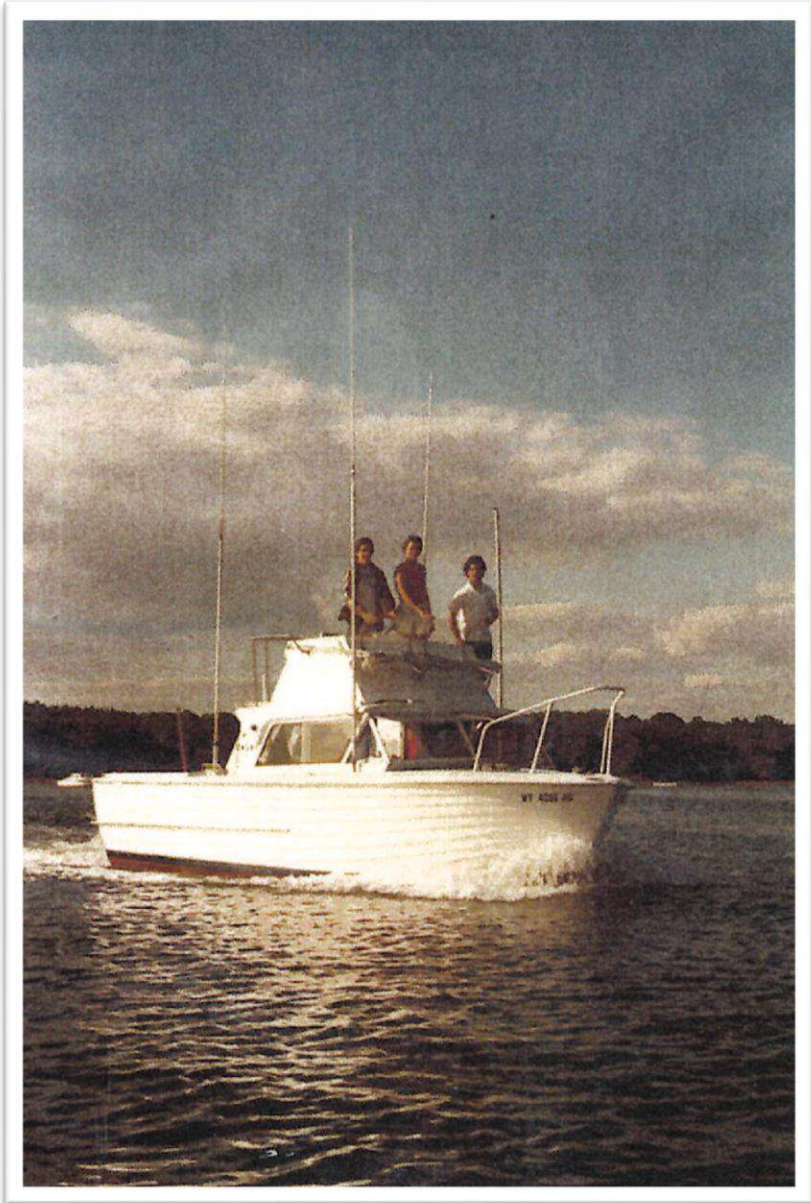
WORK HARD PLAY HARD

LUCKY TO BE IN THE BAND

TIME TO SET SOME MORE MATURE PRIORITIES



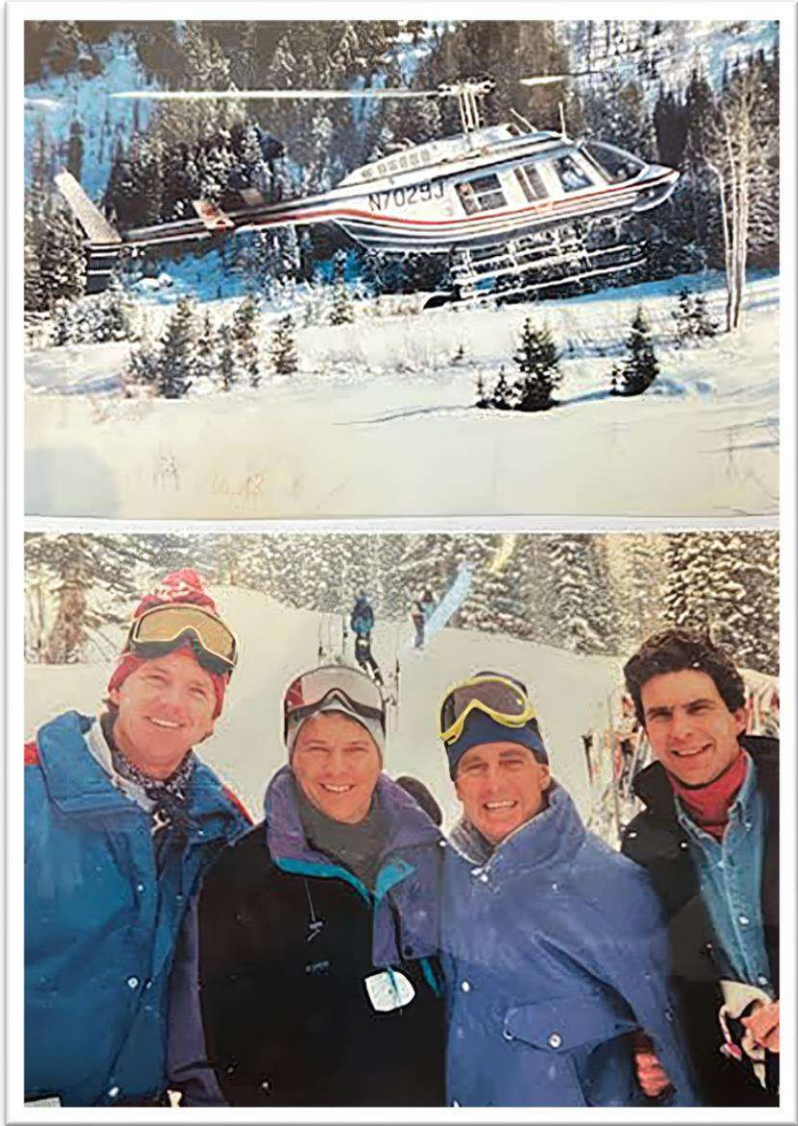
Tim Bernie and I and one of our Austin Powers parties



Foolish Pleasure the name of the boat Bob, Larry and I bought



Bernie's wedding in the Bahamas with the best man and ushers



Helicopter skiing with Tim & Bernie

Around The World In 80 Days

After college, I started working at The Bank of New York down on Wall Street. It was a steady job, but after a couple of years, I was ready for something different, and the chance came when I had the opportunity to take a trip around the world.

At the same time, my friend from Rye High School, was working in Alaska as a fisherman. He wasn't just on any boat, but on one of those massive crab fishing vessels, the kind you see on *Deadliest Catch*, but much bigger. The work was brutal, dangerous, relentless, with long days and nights at sea. His boat was no small operation either. At about 180 feet, it wasn't just built for catching crab; it was also a floating processing plant. They could process, package, and freeze the crab right on board. Unlike the smaller 60–80 foot boats that had to head back to port every few days to unload their catch, his crew stayed out for the full six-week season at a time, whether it was for king crab, blue crab, or snow crab.

It was grueling work, but the payoff was big. Crew members didn't just earn wages; they got a percentage of the catch. Even as the most junior member, Jim took home 2% of the haul. On a \$3,000,000 catch, that came out to \$60,000 for him. At 23 years old, making that kind of money in just six months was incredible. I don't recall exactly how he landed the job, but I imagine it was the adventure that pulled him in, though the money certainly sealed the deal.



*Around the World in 80 Days. Jim and I in the Himalayas
Harvesting melons in Kashmir on the Pakistani border*



Believe me, when I learned that he was pulling in \$60,000 in just six months at the age of 23, my first thought was, “Holy Cow!” It was far more than I was earning on Wall Street at the time. Yes, he was working about 18 hours a day, and under conditions that were far more dangerous than anything I faced behind a desk. Still, it was a boatload of money, literally and figuratively. Of course, the price of that paycheck was steep: months away from home, grueling hours, and constant risk. The trade-offs were impossible to ignore.

He came into New York City one day to have lunch with me and catch up. Over our meal, I asked him what he’d been up to. What he shared was worlds apart from the corporate life I was living in Manhattan. He told me about his adventures and misadventures on the Alaskan fishing boat, stories that sounded both fascinating and terrifying compared to my daily routine on Wall Street. Over that same lunch, he also described more about life at sea. The large steel cages they used to catch crab were heavy and unwieldy, and when combined with towering waves and the grueling schedule of fishing day and night, the work was extremely dangerous. One story he told me stood out: if any fisherman within miles fell overboard during a catch, an alarm would sound, and by law every neighboring boat had to stop fishing immediately and join the survival watch for the man in the water. At the time, cold-water survival suits offered only about 24 hours of protection in the freezing sea. The margin for error was brutally thin, and it underscored just how perilous his work really was.

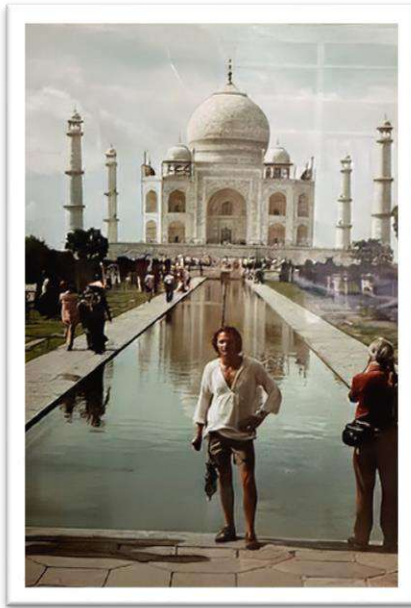
Then, almost casually, he mentioned that in just a couple of days he was leaving to take a trip around the world by himself. I stared at him in

disbelief. “Are you kidding?” I asked. He shook his head and explained: “No. I found a special promotional deal being offered by Pan Am Airlines, ‘Around the World in 80 Days.’ As long as you fly standby and keep heading east, you can go anywhere Pan Am flies for \$1,100.”

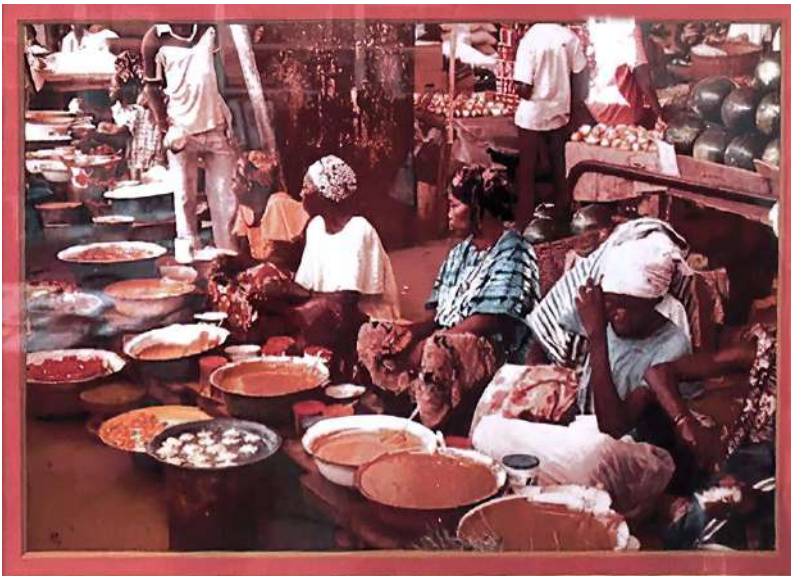
It sounded too good to be true, but he assured me it was real. He then added that he would be covering the lodging costs, and if I wanted to tag along, he’d be glad for the company. Three beers later, I found myself on the phone with my dad, asking if I could borrow two thousand dollars. I pleaded with him, insisting this was the opportunity of a lifetime. When else would I ever be able to put my life on hold for several months and see the world, especially at such an incredible discount, with many of the expenses already covered by my generous friend?

My friend agreed to delay his departure for a few days, giving me time to get my required travel shots and wrap up loose ends at work. It would prove to be the educational trip of a lifetime.

If I recall it correctly, even my father was shocked, just as I had been, that something like this even existed. For him, the idea of such an opportunity carried even more weight. Since his time as a pilot in the South Pacific during WWII, he and my mom had never had the money to travel internationally. Now here I was, asking to borrow two thousand dollars to do what they never could. The truth was, he didn’t have that kind of money either. In order to make it happen, he had to turn to his mother, my grandmother, and persuade her to lend me the funds. It wasn’t easy, it took some convincing, some selling of the idea that this really was a once-



The Taj Mahal in Agra India



An open food market in New Delhi

in-a-lifetime chance for me to put my life on hold and see the world. But in the end, he made the case that this trip would bring not just adventure, but cultural and educational rewards that would stay with me for the rest of my life. It worked and the loan was secured!

We headed out of JFK International Airport headed for London, England. As we arrived in each country, we would determine what historical sights we wanted to cover throughout the various territories we were planning to explore. It was the travel through the country sides, and meeting the local people, as much as the big European cities that provided the most culturally rich experiences. Then we were off to Paris, France; Rome, Italy; Athens, Greece; Belgrade, Yugoslavia; which is now the territory of Slovenia, Croatia, Macedonia, and Bosnia and Herzegovina, and Vienna, Austria.

After having our full all of the extraordinary European continent, and exploring first-hand the rich history of all of our ancestors that we had learned about in school, we headed off to Asia. Starting in Delhi, India. India was indeed a new experience. India in 1981 was a teeming population of 750 million, which has since grown to 1.5 billion people in 2025. There was poverty that we had never seen anything like in the USA, or in Europe either for that matter. Most people struggled to survive by farming at the time. These days there are many large manufacturing centers and tech centers. We took a train up to Agra to visit the, Taj Mahal, and got sick as dogs by eating some contaminated chicken. We then made our way up to Kashmir. Kashmir is a breathtakingly beautiful area in the foothills of the Himalayan mountains which India and Pakistan



Hot air balloon ride over the Serengeti

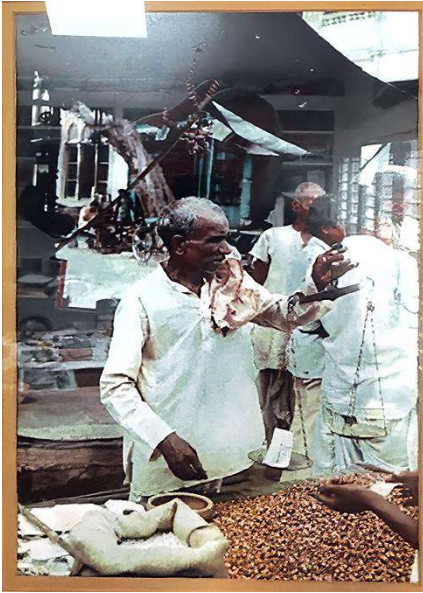


Floating vegetable market in Bangkok

have been fighting over for centuries. Our digestive systems were on total meltdown mode for the next ten days, and we could not leave any hotel without carrying around a roll of toilet paper in our pockets. Exploring India was indeed a culture shock, but the people were all warm and welcoming and happy to have young visitors from the USA.

From India we flew to Bangkok, Thailand. Thailand is a southeast Asian country. It is known for tropical beaches, opulent royal palaces, ancient ruins and 35,000 ornate Buddhist temples. Once again it was an eye opening display of rich cultural history which was magnificent to visit. Thailand is unique as the only Southeast Asian nation that was never colonized by a European power, a point of pride for its people. Buddhism is the dominant religion with over 90% of the population of 70 million people.

From there we were off to Honk Kong. Hong Kong is known for its iconic skyline, vibrant culture, and status as a global financial center. When we were there they were still a British colony, and had been for 150 years before being handed over to China in 1997. We left Hong Kong, and headed up to mainland China. We landed in Shenzhen, China which at the time was a relatively small fishing village. In 1980 it was designated as a Special Economic Zone. Over the past 45 years it has transformed into a global technology and manufacturing hub. It now has modern architecture and vibrant metropolis of over 12 million people. I have since been back to Shenzhen a couple of times for business, and I try to explain it as if Tinkerbell came to New York City and sprinkled her pixie dust over the entire 400-year-old city and made it all brand sparkling new. It is a



Open grain market and women shoppers in Shenzhen China



The Grand Casino in Monte Carlo

remarkable transformation indeed. China over the last 30 years has transformed 900 million farmers and relocated them into the manufacturing center in several extremely large cities, and has consequently become the largest manufacturing country the world has ever seen. The population of China has now grown to 1.4 billion in 2026.

From China we flew to Tokyo, Japan to explore that Asian nation, and then on to the South Pacific to the Island of Guam. Guam is a US territory in Micronesia, in the western Pacific Ocean. It is known for its beautiful beaches, historical sites, and a significant US military presence. We ended our trip with a few days of rest and relaxation in Honolulu, Hawaii; and then back to New York.

It was indeed the trip of a lifetime, and it opens your eyes to what a humongous big beautiful world is out there. You get to experience different cultures, languages, currencies, etc. You realize that nobody cares where you live, what you do, or where you went to school etc. Living in the US, and particularly in New York, everyone can be very judgmental. When you have the opportunity to travel internationally you often realize how narrow minded and occasionally arrogant us Americans can be regarding the rest of the world and their different cultures and ways of life which can often be much simpler and often provide a better quality of life.

When I returned, I needed work, so I started out by painting the house where my roommates and I were living in Stamford, Connecticut. Not long after, I headed to Minneapolis, Minnesota, where I spent a few months working on a political campaign. At first, it was a state senatorial

campaign that I had been asked to help run. Before long, I was asked to return and take on a bigger challenge, helping to run the United States Congressional campaign for the same politician.

To my surprise, we won both races, electing Jim Ramstad as U.S. Congressman from Minnesota. I had no prior political experience, but I learned quickly. In many ways, it was a matter of blocking and tackling, steady, determined effort day after day. The leadership and management skills I had developed running crews at my painting company proved invaluable, and I leaned on them heavily in navigating the fast-paced and demanding world of campaign work.

***TRAVELING IS THE BEST LEARNING
EXPERIENCE IN THE WORLD***

***BE OPEN MINDED TO EVERYTHING AND
EVERYONE***

***RESPECT AND EMBRACE ALL DIFFERENT
CULTURES***

API-Running My First Real Company

Let me take you back to 1981. That was when I found myself running a little start-up called API, Amalgamated Produce Incorporated. Funny thing is, I hadn't gone looking for it. My cousin's husband had made an investment in this new company and needed someone to run it. At the time, I was working at an investment brokerage firm in New York City, barely at the bottom rung of the ladder. So, when the opportunity came up, well, maybe it wasn't really a choice at all, I was the guy they tapped. I shrugged and said, "*Sure, why not.*"

API was set up as a hydroponic farm in Rye, New York. Now, hydroponics, if you're not familiar, is the business of raising crops indoors without soil. Instead, we used special artificial lights and automated systems that took care of watering and aeration. Our crop of choice then was alfalfa sprouts. Back in those days, sprouts were the latest health food craze. They had just made the leap from the little boutique health food stores into the big mainstream supermarket chains.

But there was a problem with how sprouts were being supplied. Most of them came from California, bundled with other fresh produce, and shipped all the way across the country in refrigerated tractor-trailers. The trouble was, sprouts don't last long, seven to ten days at best. So, by the time they spent three or four days just making the trip to New York, there wasn't much shelf life left.



API Hydroponic farm in Norwalk, CT and a Team photo

That's where we came in. By growing them locally, we could harvest, package, and deliver the sprouts to grocery distribution centers within just a couple of days. That meant fresher product, longer shelf life, and far less spoilage for the stores. It was a simple edge, but it gave us real value in the market.

In the beginning, we had a tough time breaking into the buyers of the large supermarket chains. Grocery store shelf space has always been precious, and getting in wasn't easy. Then we learned about Food Brokerage companies and decided to give that route a try. They had the right connections and brought us straight to the buyers, who quickly saw the advantage of locally grown produce. Before long, we were supplying most of the major supermarket chains in the greater New York City area, Shoprite, Pathmark, A&P, Grand Union, Twin County Grocers-Foodtown, as well as many of the regional wholesale markets, like Hunts Point Regional Market, which served hotels, restaurants, and the smaller grocery chains. At the time, all those new orders felt incredible.

But there was a problem. We were still setting up the business and the growing facility, and we simply didn't have the capacity to handle all of these new customers. By a twist of fate, and no small amount of luck, we were overwhelmed with orders and excess demand almost from day one.

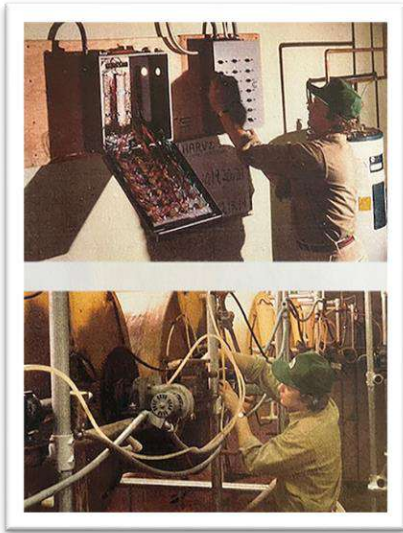
Now, setting up a hydroponic farming operation was no small task. It required extensive infrastructure, water supply, drainage, plumbing, and electrical work. On top of that, we had to purchase the growing units from a company down in Dallas, Texas, haul them up to New York, and then

assemble everything ourselves: frames, growing tanks, chains, lighting, harvesting containers, cleaning and drying equipment, and packaging tables. We even had to build walk-in refrigerators to keep the sprouts cool before loading them onto refrigerated trucks for delivery. At the time I was called upon to do pretty much everything, which included driving the trucks up from Dallas filled with the equipment.

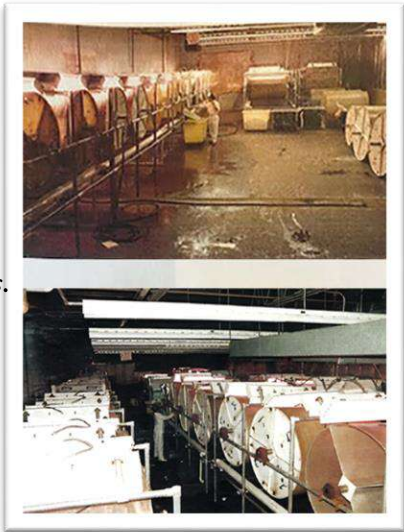
The company was undercapitalized, and with all those large orders coming in, we started off behind the 8 ball. To make matters more complicated, the majority owner asked me to hire his aunt and his sister, both of whom were, frankly, a bit eccentric. Neither had a single day of business experience, yet they were supposed to be my right hands.

To keep up with demand, we had to improvise. One method we came up with was double planting the seeds for the first 24 hours of growth. After that first day, we would transplant them, saving an entire day in the process, which was significant, considering alfalfa sprouts only took four days from planting to harvest.

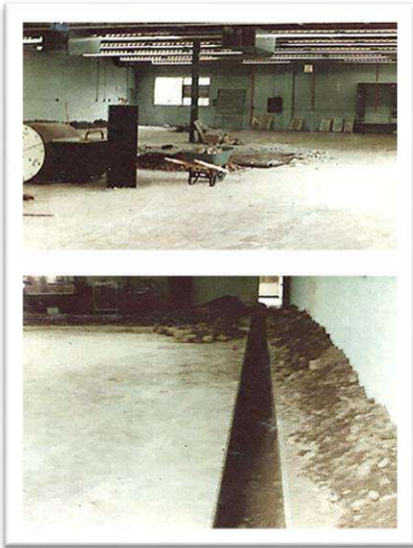
But working with the aunt was something else. She would sometimes bring her dog, Shadow, to work, dressed in one of her husband's undershirts so the hair wouldn't get into the food. She herself would be wearing old-style headphones with antennas sticking out of the top, looking like Ed Norton's Captain Video character from *The Honeymooners*. And this was the person meant to be a supervisor. The whole situation was almost too bizarre for words, and unfortunately, it only went downhill from there.



*Monitoring the watering system solenoids.
Repairing the growing system drive shaft*



*Relocating the farm and digging a
drainage ditch for the watering systems*



*Assembling the growing equipment
for the alfalfa sprouts*

Trying to manage unqualified personnel was hard enough, but when they were family members who couldn't be replaced, it became nearly impossible. Add that to the fact that we were undercapitalized and struggling to pay our vendors for seeds and packaging supplies right from the start, and the business felt nearly impossible to keep afloat.

Our very first location was on Nursery Lane in Rye, New York, right next door to the Rye Country Boarding Kennels. I'd be on the phone with purchasing agents from major supermarket chains, trying to sound like the picture of professionalism, while all the while dogs were barking in the background. It was so absurd it was almost comical.

Inside the plant, things were no less chaotic. We were running twenty-four hours a day, seven days a week. Everyone was racing around, trying to keep pace with the demand that eventually grew to 1,400 stores. We had to design and secure all of our packaging, order the corrugated boxes, plant the seeds, keep watch over the growth, harvest, wash, dry, and then package everything with a team of brand-new hires. The strain, both physical and mental, was tremendous. The only thing that kept us going was the sheer speed of it all. There was no time to stop and think. It was like a five-alarm fire, burning day and night. We'd patch one hole, only to have two more spring open. It sounds insane, and it was, but that's the nature of a fast-moving start-up. Still, the possibility of bankruptcy was always there, just lurking over our shoulder.

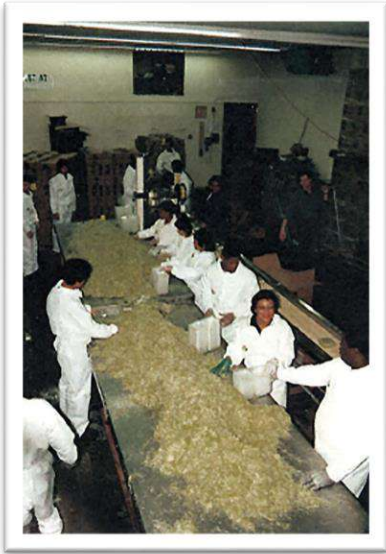
Eventually, we managed to staff up the production and packaging team well enough to handle the load. But then came another hurdle: we outgrew

the Rye facility. We had to move the entire operation to a larger plant in Stamford, Connecticut. A couple of years later, growth forced yet another move, this time to Norwalk. Each relocation was an enormous challenge to manage. At one point, we had no choice but to return to our original investors and tell them flat out, the only way forward was for them to put in more cash. At the time, it could easily have been seen as throwing good money after bad. But it was do or die. Thankfully, they agreed, and slowly but surely, the cash flow problems began to ease.

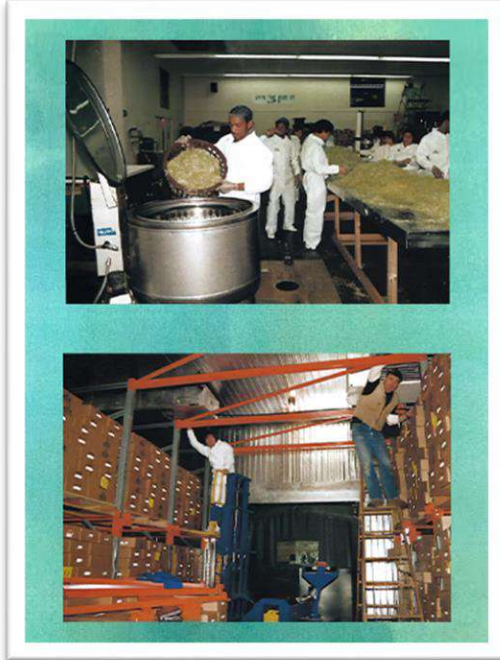
It wasn't unusual in those days for one of our truck drivers to call in sick when the weather turned bitterly cold or dangerous. I'll never forget one Sunday evening, around seven o'clock, when I got the call. One of our drivers said he wasn't coming in, the freezing conditions were just too much. And of course, I was the substitute for everyone back then, including the drivers. So off I went.

I headed into the plant's refrigerator and began loading the truck by hand. We didn't have forklifts or loading docks at the time, so it was just me, lifting and stacking. I loaded 760 dozen containers of alfalfa sprouts, along with about 250 large five-pound bags. We had a refrigerated truck, thankfully, but it was six degrees below zero that night, with a wind chill pushing it down to twenty below. I had to keep the heater running in the back so the sprouts wouldn't freeze before they ever made it to their destination.

That delivery was headed to the Hunts Point Regional Market in the South Bronx, one of the largest produce markets in the country. Back in



Cleaning the sprouts and the packaging production line



Our walk in refrigerator that we built ourselves to save money

the 1980s, it was a tough place, controlled largely by dangerous elements of organized crime. To be there, in the dead of winter, in the middle of the night, hauling boxes of produce in and out of the truck, was as scary as it was exhausting. But there was no room for hesitation. You simply did what had to be done. Put up, shut up, or the company would sink.

On Sunday nights, trucks carrying produce from California, Florida, and everywhere in between would roll in. Deliveries weren't accepted before ten o'clock, so hundreds of trucks would sit parked in the neighborhood, waiting for their turn. And where there were idle drivers, there were enterprising women. They walked the streets, offering prostitution services to the men waiting hours to get into the market. In the summer months, some of them even walked the streets completely naked, nothing but shoes on their feet and maybe a scarf draped over their shoulder. That night, though, the cold was brutal. It was far too freezing for anyone to be out there like that, and for that, at least, I was grateful.

I had about eight wholesale produce suppliers we served at the market. These were the guys who supplied hotels, restaurants, hospitals, prisons, schools, and the smaller independent grocery stores across New York City and the surrounding states. Alfalfa sprouts are a lot like iceberg lettuce, made up mostly of water. That night, as I carried those five-pound bags from the truck to the loading docks and into the customers' walk-in refrigerators, I could feel them starting to freeze in the bone-chilling wind. It was twenty below zero with the wind chill, and the cold cut straight through me.



It takes only four days from planting seeds to full grown sprouts



Some of the packaging label designs

By the time the deliveries were finished it was about 2:30 in the morning, and I was completely drained. I'd been working sixty straight days and nights without a single full day off, and the fatigue and frustration were overwhelming. Still, I climbed into the truck and headed out of the market toward Connecticut on Bruckner Boulevard. Then it happened, the truck started making a loud banging noise. My heart sank. "*Oh my God, now what?*" I thought.

A few miles later, the engine seized up completely, and the truck rolled to a stop on the side of the highway. I got out, checked under the hood, but there was nothing I could do. With no cell phones in those days, I had to walk down the road until I found an emergency phone box. When I finally reached one and called for help, the voice on the other end said, "Sorry, pal. This is the coldest day we've had in New York City in ten years. There are vehicles broken down all over town. It'll be several hours before we can get a tow truck out to you."

Sleeping in the truck wasn't an option. Without heat from the engine, I could have frozen to death in just a few hours. So I started running along the highway, desperate to find a gas station open, hoping I could buy some motor oil to free up the engine. I was so cold, so exhausted, so frustrated, that I think I actually broke down crying as I ran. My nose felt like it might crack off my face, brittle as frozen glass.

When I finally stumbled into a gas station around 3:00 a.m., it was no salvation. The place had no oil, the phone was broken, and the gas pumps were all frozen solid. I stared at the kid behind the counter and snapped,



Our entire management team. Jim, Craig, and me

| OPERATING EXPERIENCE | |
|------------------------------------|---|
| RESPONSIBILITIES: | |
| PERSONNEL: | <ul style="list-style-type: none"> • CREW MAINTENANCE. Employee record keeping, scheduling, time-keeping, hiring. • LABOR POLICY. Personnel problems, discipline, absenteeism, demeritization, unemployment. • SCHEDULING. Scheduling employees for seven days a week, overtime, vacations, 360 days a year. • PAYROLL. Computing time worked, calculating tax, FICA, FUTA, state, and local taxes. |
| PRODUCTION: | <ul style="list-style-type: none"> • MANUFACTURING. Preparation and processing of profitable products for 62 accounts, 1,700 acres on 12 tr. units. • QUALITY CONTROL. Six items carefully checked daily for amount of adverse variation, accuracy, etc. • PLANTING & HARVESTING. Scheduling must be addressed and modified daily. • MAINTENANCE & REPAIRS. Growing and processing equipment in constant need of repair. Ongoing program to electrical, plumbing, refrigeration, purchasing and construction of additional new equipment. |
| DISTRIBUTION: | <ul style="list-style-type: none"> • ORDER DEPT. Calling for orders, bills of lading, product breakdown and preparation. • INVENTORY CONTROL. Monitor quantities and quality of finished product for shipment. • DRIVERS. Scheduled wages, logs, hours, vehicles, earnings, scheduling, discipline. • TRUCK MAINTENANCE. Mechanical, body, refrigeration, tires, accidents, breakdowns, towing. |
| PURCHASING: | <ul style="list-style-type: none"> • INVENTORY CONTROL. 37 different items must be checked and inventoried at all times. • SALES PEOPLE. Must deal with vendors and shop around for best prices of all products and back-up items. • VENDOR ACCOUNTS. Must maintain relations and keep inventory current balances. • SPARE PARTS. Hundreds of spare parts and tools must be kept to maintain equipment. |
| ACCOUNTING: | <ul style="list-style-type: none"> • ACCOUNTS RECEIVABLE. Hundreds of invoices must be prepared and sent; remittances must be matched up, dog made, statements sent, adjustments identified, collections often enforced. • ACCOUNTS PAYABLE. Over 60 accounts must be accounted for, paid and recorded monthly. • BANK ACCOUNTS. Banking, deposits, petty cash maintenance, bank loans. • MONTHLY REPORTS. Cash, A/R, A/P, Inv., Sales, production costs, W/C, profit/loss, etc., cash flows and forecasts. |
| SALES & MARKETING: | <ul style="list-style-type: none"> • SALES CALLS. Must be done numerous times a year in all existing and prospective clients. • SALES MATERIALS. Brochures, newsletters, and growth charts; materials to convert to A/P, etc. • COMPETITION. Must keep abreast of all products, pricing, distribution, and trends. |
| COMPLIANCE: | <ul style="list-style-type: none"> • INSURANCE. Fire policies, product liability, vendor accounts, accidents, claims processing. • LEGAL. Handle all legal disputes, incorporations, patent and trademark registrations. • REGULATORY AGENCY AIDANCE. Weights and measures, USDA, FDA, OSHA, INS, health department. • TAXES. Weekly, monthly, and quarterly preparation and reporting of many taxes. • PROFESIONAL RECORDS & CORRESPONDENCE. Meetings, stock subscriptions, annual reports, etc. |
| RESEARCH & DEVELOPMENT: | <ul style="list-style-type: none"> • PRODUCT DEVELOPMENT. Which products? Who will buy, prepare, pack, store, ship, and bill? • PACKAGE DESIGN. Shape, size, and contents of each piece, label design, seal trademark. • PRINTING PREPARATION. All labels need a shape, type setting, cutting, dies, and press plates. • MARKET RESEARCH. Introductory events, testing, sales calls, promotion, shelf testing. |
| STRATEGIC PLANNING: | <ul style="list-style-type: none"> • THREE FUTURE PLANT RELOCATIONS with all necessary construction and leasehold improvements. • PRODUCT ANALYSIS. Determine which items are making or losing money and address them. • PRODUCT DECLARATION. Must meet FDA specifications. Weight, ingredients, handling, and preparation. • PRICING. Is it possible to raise our prices on key items and retain our business? • BUDGETING & COST CUTTING. Monitor increasing expenses and try to limit them. • DETERMINE AREAS FOR NEW BUSINESSES AND APPROPRIATIONS FOR INVESTMENT and/or acquisition. |

“What the fuck are you even doing here? You have absolutely nothing to sell.” This was long before gas stations turned into convenience stores. At that moment, I couldn’t believe the insanity of it all.

I ran across a bridge over the highway to another gas station, bought six quarts of motor oil, and hurried back to the truck. I poured them into the engine, but no dice, the truck was still dead. I stood there in the freezing night, afraid to leave it behind, worried it might be vandalized or stolen. Finally, I said to myself, screw this, I’m out of here.

I ran a couple of more miles deeper into the Bronx until I managed to flag down a yellow cab. By the time I got back to Connecticut, it was 6:30 in the morning, just enough time to shower before opening the plant at 7:00 a.m. for the employees. I was one of the only ones with a key to the hydroponic farm back then.

That night was, without question, one of the lowest points I ever faced in my ten years running the company. I was completely drained, out of gas myself, the truck broken down, and barely enough money in the bank to cover payroll. I remember thinking, well, I guess this might be it... this nightmare may finally be coming to an end. Looking back, it might even have been a blessing if the company had gone under right there. I spent another five years keeping it alive, when perhaps I could have found greater financial success elsewhere. At the time, I was killing myself for peanuts, owning only 7% of the business. But eventually, after the company was sold, I built my next venture, New England Linen. There, I owned 60% of the company, and though it, too, was a nightmare at first, it went on to

pay me over \$100,000 a month while at the business; and enough capital from selling the business to have our investments generate over \$100,000 a month in passive income for the next twenty years, thanks to the investment team at Merrill Lynch in New Canaan, CT. Maybe the old saying is true: the harder you work, the luckier you get. Who knows?

I remember reading *Hard Drive*, the book about Bill Gates and the early days of Microsoft. Gates would sometimes sleep under his desk, not leaving the office for an entire week, until his body odor became unbearable for everyone else around him. The point is, most entrepreneurs have stories like this, times when they worked around the clock, pushing their bodies, finances, and relationships right to the edge just to keep the business alive. Often, it's pushing through those brutal moments that makes the difference between success and failure, especially for a start-up. If you have the persistence and the sheer physical toughness to refuse to give up, you'll be amazed at what you can accomplish. I also managed to get my NASD - National Association of Securities Dealers - stockbrokers license while running the company, getting an 86% on the Series 7 exam with no experience, training, or classes. I probably could have done great in school after all if only I had given a damn at the time.

Looking back, the responsibilities and operating experiences I had to shoulder at API were endless. Some of them may have been unique to my company, but most were the kinds of challenges that come with almost any start-up. These are the things you have to be ready to figure out and face head-on if you're thinking about starting a business from scratch.

The truth is, when you buy an existing company, a lot of those systems and processes are already in place. That's one of the main reasons I'd suggest buying into an established business rather than launching a brand-new start-up. The risks in starting from nothing are infinitely more complicated, and the odds of failure are brutally high. In fact, some statistics claim that as many as 80% of start-ups go bankrupt, most often because there simply isn't enough demand for the product or service, or because of a combination of undercapitalization and poor management decisions.

I've often heard it said, and I believe it, that persistence is the single most important trait in whether an entrepreneur and a business make it or not. If you keep going, no matter what, doing whatever it takes to survive, your chances of success are far greater than if you throw in the towel along the way.

OPERATING FUNCTIONS REQUIRED TO RUN THE COMPANY

**Most of these categories are necessary for any type of
manufacturing company.**

PERSONNEL:

CREW MAINTENANCE; Keeping track of employee records, running help-wanted ads, interviewing, background checks, and the actual hiring all fell on my shoulders.

LABOR RELATIONS; We had to deal with personal issues, disputes, absenteeism, terminations, and the requirements that came with unemployment claims.

SCHEDULING; Employees had to be staggered to cover seven days a week, including weekends, overtime, and holidays, 365 days a year.

PAYROLL; Every week We calculated hours, figured out Social Security and federal taxes, and issued the checks. Eventually we hired ADP to do much of this work.

PRODUCTION:

MANUFACTURING; We prepared and packaged perishable products for 62 accounts covering up to 1,400 retail stores, with just 24 hours' notice.

QUALITY CONTROL; Every day, 49 crop-growing units had to be checked for dozens of variables, like bacterial contamination.

PLANTING & HARVESTING; Schedules had to be carefully monitored and constantly adjusted.

MAINTENANCE & REPAIR; The growing and processing equipment always seemed to need fixing, mechanical, electrical, plumbing, aeration, and refrigeration. On top of that, we had to purchase and assemble new and used growing units.

DISTRIBUTION:

ORDER DEPARTMENT; This meant calling buyers for orders, preparing invoices and bills of lading, and breaking products down for each delivery.

INVENTORY CONTROL; We had to keep track of the quality and quantity of products ready to ship.

TRUCK DRIVERS; Managing long hours, low wages, weekend and evening deliveries, plus all the scheduling and directions.

TRUCK MAINTENANCE; Keeping up with repairs, refrigeration units, tires, accidents, breakdowns, and towing.

PURCHASING:

INVENTORY CONTROL; Thirty-seven different products had to be stocked and watched at all times.

SALES PEOPLE; We had to deal with vendor reps, shop for the best prices, and always maintain backup sources.

VENDOR ACCOUNTS; It was crucial to maintain relationships and keep accounts payable relatively current.

SPARE PARTS; Hundreds of spare parts and tools were needed just to keep the operation running.

ACCOUNTING:

ACCOUNTS RECEIVABLE; Preparing and sending hundreds of invoices, matching payments, making deposits, handling adjustments, and chasing delinquent accounts.

ACCOUNTS PAYABLE; Over 60 vendor accounts had to be tracked, with invoices paid and recorded monthly.

BANK ACCOUNTS; This meant balancing accounts, deposits, petty cash, loan payments, truck and equipment leases.

MONTHLY REPORTS; Preparing everything, cash, A/R, A/P, inventory, sales reports, production totals, working capital, income statements, balance sheets, cash flow, and forecasts.

SALES & MARKETING:

SALES CALLS; Countless calls each year to both existing clients and new prospects.

ADVERTISING AND PROMOTIONS; Handling correspondence, flyers, inserts, scheduling, typing, and printing.

SALES MATERIALS; Brochures, statistics, growth charts, reasons to convert to API, all had to be produced.

COMPETITION; Staying aware of every competitor's products, prices, distribution, and promotional offers.

COMPLIANCE:

INSURANCE; Managing five policies, facility and injury, product liability, fire, vendor accounts, accidents, and claims processing.

LEGAL; Everything from incorporation documents and lease negotiations to patents, trademarks, and lawsuits.

REGULATORY ABIDANCE; Meeting OSHA, FDA, USDA, weights and measures, and health department requirements.

TAXES; Handling payroll, Social Security, Medicare, state and federal returns, property taxes.

STOCKHOLDER RECORDS; Director and shareholder meetings, minutes, annual reports, correspondence, subscriptions, and K-1 income tax reports for shareholders.

RESEARCH & DEVELOPMENT:

PRODUCT DEVELOPMENT; Deciding which new products to roll out, fresh pasta, cut vegetables, seafood salads, and who would produce, pack, store, ship, and bill them. (None of these new product lines took off after being introduced. That's when I decided it was time to sell the company for sure.)

PACKAGE DESIGN; Every product needed a package design, label, patent, or trademark.

PRINTING; Each label required its own shape, UPC code, typesetting, dies, and plates.

MARKET RESEARCH; Studying best-sellers in target markets, testing products, creating promotional materials, testing shelf life, and making the sales calls.

STRATEGIC PLANNING:

PLANT RELOCATIONS; We relocated three entire facilities, permits and construction included.

PRODUCT ANALYSIS; Constantly evaluating which products were profitable and which were dragging us down.

PRICING; Could we raise prices and still hold on to business with competitors breathing down our necks?

BUDGETING AND COST CUTTING; Monitoring every expense and bidding out vendors for potential savings.

GROWTH OPPORTUNITIES; Searching out new areas and products with potential, and weighing possible acquisitions.

***BE PREPARED FOR ANYTHING AND
EVERYTHING***

FIGURE IT OUT AS YOU GO ALONG

NEVER GIVE UP

***WELCOME THE LEARNING EXPERIENCE FOR
THE FUTURE***

How Did You Meet Your Wife? Really? No Way!

“How did you meet your wife?”

It’s a question I get asked all the time. I’ve also found it’s often just a nice way to break the ice when meeting a couple for the first time. Usually, there’s a story behind it, sometimes amusing, sometimes heartfelt, and hopefully, it comes with a happy ending.

When I met Tiffany, I was 37 years old, and she was 27. We had both grown up in the same small town of Rye, about thirty minutes north of New York City. By then, I’d had a few relationships that lasted two years or more with some very nice women, but the truth is, I was a workaholic. I wasn’t ready to put my plans and dreams on hold to settle down and start a family. Looking back, maybe it sounds selfish, but at the time I was driven to succeed. I told myself there would be plenty of time to get married later.

My first real love was back in high school, a sweetheart of a girl. She was wonderful, and for a couple of years, we were deeply in love. But when I went off to college, she went to her senior prom with another guy and did what prom dates often do. I remember thinking to myself, well, I guess that’s it. I was devastated. I was also naïve enough to believe I could never get past that kind of betrayal, so I decided I had to move on.

She was my first love, and she definitely broke my heart. At the time, I suppose she thought I just wasn't good enough for her. For what it's worth, though, over the next eighteen years she tried several times to rekindle what we had. But the heartbreak had been too deep, and I wasn't willing to consider anything serious with her again. I had turned the page completely and wasn't looking back. That said, we did remain good friends over the years, and every so often there were a few romantic interludes during that long stretch of time while I was single.

I don't believe what happened with her shaped my later relationships, with anyone else. I never had trouble finding girlfriends, and when I was with someone, I was always a one-woman man. Cheating never even crossed my mind.

When I was twenty-seven, I met another beautiful girl. She was wonderful, and we ended up living together for a couple of years. At that time, though, my life was chaos. I was up to my neck running API, while also getting my Series Seven Stock Broker's license to trade securities. On top of that, the company was relocating again to yet another larger plant, a nightmare in itself, with all the plumbing and setup involved. To make things even busier, I was in the process of buying a house in Norwalk, Connecticut.

Her parents protested the idea of her moving into the new house with me unless we were engaged. I figured we would get married someday anyway, and we weren't in any rush. But if it made her parents more comfortable, I said fine, we'd get engaged.

A few months after we got engaged, she wanted to set a date for the wedding. She didn't want to wait around for years, worried that I might never follow through. She was 27, in the prime of her life, and I was 29. I told her that I was happy to be engaged, but marriage was serious business, and I didn't want to feel forced into it. She decided to move out, hoping that would push me to commit. We kept seeing each other, but the truth was, I still wasn't ready to make a lifelong commitment while I was so buried in everything else. I figured if it was meant to be, then somehow, we'd find our way back to each other.

I don't blame her, or any of my long-term girlfriends, for moving on when I couldn't give them the commitment they deserved. They were wonderful women, in the best years of their lives, and if I had been in their shoes, I probably would have done the same thing.

When she left, hoping I'd finally set a date, I was so overwhelmed at API that I barely had time to dwell on it. I knew how special she was, but in my mind, it was simple: if we were meant to be, it would happen; if not, then so be it. Maybe someday I'd be more mature, more established, and not living in such chaos. At 29, I just didn't feel ready to marry and start a family. And if the company collapsed, I knew I'd have to start all over again, and that would be a lot easier if I was single without anyone else depending on me. Still, even after we parted ways, she and I stayed good friends for quite a while.

My next serious relationship was with an investment professional at Bear Stearns in New York City. She was from the Philadelphia Main Line, a

lovely, fun, and accomplished woman. We had a wonderful relationship that lasted over two years, and we even considered marriage. But for reasons I couldn't quite explain at the time, it just didn't feel right. I still have very fond memories of her, and truthfully, she probably would have been an exceptional life partner.

She was everything anyone could hope for in a spouse, responsible, beautiful, smart, funny, athletic, kind, and thoughtful. Looking back, it may have been my unstable career at the time, running API without any real financial security, that held me back. I didn't feel like I could be the responsible husband who could provide a secure family life. With her successful career, she probably would have handled any storm that came our way just fine. But maybe I was still too insecure, and I didn't want to risk being dependent on someone else if the company fell apart. Even so, she and I stayed good friends in the years that followed.

During my years at API, I had these two truly serious relationships, and a few not so serious ones in between. Both were bright, driven women with challenging careers of their own. They understood what I was facing: that I had a tiger by the tail, and that API was undercapitalized and understaffed. They knew I was prepared to do whatever it took to make the company succeed, even if it put stress on the relationship. Those first five years at API were absolute madness. By the second five, though, we had brought on a couple of managers and supervisors, and there was finally a support system in place to help shoulder the load.

I was even able to carve out some time for myself, playing competitive tennis a few times a week. The girls enjoyed it too, they loved hanging out at the tennis and beach club in Rye with the other tennis player's girlfriends during tournaments. We shared many great weekends with that crew, full of laughter, tennis, and wild parties on the beach. Those were good times, even in the middle of all the chaos.

There was another young lady who came into my life not long after. Friends had tried for years to get us together, insisting we'd be perfect for one another, but for one reason or another, it never happened. Then one Friday night, on my way back from a business trip to Philadelphia, I stopped in Greenwich, Connecticut, to have drinks with some friends at a nice bar. And there she was, the girl everyone said I had to meet.

They had been right. We clicked instantly, and it wasn't long before we fell in love. But there was a problem, a big one. She was engaged to a great guy who was working in Tokyo. Without diving into all the details, let's just say it turned into a very complicated, even messy situation. I eventually threw my hat in the ring, or maybe my ring in the hat, as the saying goes, but it was too late. The wedding was only weeks away, both families were firmly behind it, and I was left holding the bag. I was heartbroken for quite some time, and I suppose she became "the one that got away."

What stung the most was how close, yet how far away, it all felt. After fifteen years of searching, from age twenty to thirty-five, for the right woman to spend my life with, she finally appeared under circumstances that made it nearly impossible to pursue. I couldn't help but wonder what

might have been if we'd only had more time to explore where things could go. I knew I had no choice but to maintain my dignity and accept being a gracious loser.

After selling the API company, I went to work with a boutique private investment firm in Stamford, Connecticut. We were focused on buying private companies, and my role was to do the analysis and due diligence on potential acquisitions. Around that time, I decided it was finally time to pursue a girl I had met in New York City. She was well-known on the NYC social circuit, and it took some effort to get her to even notice me. But after a few dates, things quickly turned serious.

The challenge was her family background. Her father was the vice-chairman of the world's largest bank, a wonderful, down-to-earth man. Her mother, on the other hand, was extremely social and wanted her daughter to have everything money could buy. They had purchased her a condo on the Upper East Side, and new dresses and shoes would arrive at her doorstep weekly. I genuinely liked her mom, but I couldn't ignore the feeling that she thought money grew on trees.

I still remember the first time I saw this girl. It was at a party in New York; she was with another man, but I thought to myself, oh my God, that girl looks perfect for me. She was sexy in such a natural, almost tomboyish way. When I eventually heard her relationship had ended, I wasted no time trying to get into the game. The truth is, she was listed as one of the

ten most eligible bachelorettes in New York City at the time. For a farmer from Connecticut to compete for her attention, it was a tall order.

It took a few attempts and a bit of creative maneuvering, but eventually one of my ideas worked, and she agreed to go out with me. It wasn't long before she realized I was a decent guy, with plenty of friends she already knew and respected. Her whole family treated me wonderfully, and we got along great. But then one day, while in her New York apartment, I came across a book her mother had given her. The title was *How to Marry Rich*. That should have set off alarm bells, especially since I wasn't making much money at the time and she had no shortage of successful Wall Street suitor's eager to date her.

She and I had a passionate relationship. We were crazy about each other, but I couldn't shake the nagging thought in the back of my mind: if we got married, would I be able to give her the life she was used to? I believed I would eventually be successful, maybe even hit one over the fence, but I didn't want that to be a requirement for a healthy marriage.

We dated for a couple of years, and marriage was on the table, but I was still panicking inside. We'd try to break up, only to end up back together again. Finally, I suggested that maybe we should see a marriage counselor, to lay out the reservations I had. I had worked like a dog for every nickel I'd ever made, and I worried that if she believed money came easily and would always flow in endless supply, it could turn into a disaster if things ever got tight financially, and they almost always do at some point. I even implied she was a bit self-centered and might think more of herself than

of our kids someday. Not surprisingly, that session went over like a lead balloon. After hearing how I really felt, she suggested we take another break. What she probably meant was, “fuck you and the horse you rode in on,” but she was too polite to say it.

The counselor’s takeaway was clear: she might be high-maintenance, and I was still wrestling with the same insecurities about career and finances that I’d faced with the other two girls. Walking out to the parking lot, I felt the weight of being 37, not getting any younger, and having searched for Mrs. Right for 17 years without success. I told myself that whatever difficulties came, we could deal with them. I probably thought I could change her once we settled down, and even resigned myself to the idea that the worst-case scenario was divorce. I figured I had to get married sometime, maybe sooner rather than later.

Still, when I finally brought up the idea of reconsidering marriage, I was nervous. Deep down, I wasn’t completely sure it was the right move. It felt like stepping into the riskiest decision of my life. I knew from all the self-help programs I’d studied that choosing the right spouse could determine 90% of your happiness, or your troubles. The truth is, I was probably scared to death.

Not long after, we both ended up at the same wedding. I had already been invited, since by that point I was close with her family, and I think they were quietly hoping the two of us would eventually end up together. By then, I had decided that if she knew the truth about my reservations, and still believed marriage was a good idea, then what the hell. I never really

thought much about divorce, but at 37, with love between us, I figured, what's the worst that can happen? I suppose I was still a bit naïve, remembering that Karen Carpenter song that went, "looking for perfection in a quite imperfect world, and fool enough to think that's what I'll find." And even if I did find perfection, why on earth would it ever want me?

At the reception at the Country Club, we eventually found ourselves talking. At first she was still a bit distant, giving me the cold shoulder, but little by little, the ice broke. Later, out in the parking lot, I was sitting in the passenger seat of Ivan Lendl's Porsche, I had bought it, maybe compensating for the insecurity of being a sprout farmer at the time. She was sitting on the pavement, doing a few lines, and I told her, if you still want to think about getting married, now that you know all my reservations, then maybe it's worth reconsidering. I don't remember her actually answering me, but the way she reacted implied she'd think it over.

The following Saturday night, I found myself at a dinner party in Rye, New York, invited by a friend. It wasn't catered, so everyone pitched in. One friend was cooking up some gourmet scallop hors d'oeuvres and asked me to help pass them around. I agreed, and as I made my way through the room, I stopped in front of this lovely young woman. "Hi," I said, "you really ought to try one of these scallops Jim is cooking up, they're terrific." She took one, and I followed up with, "So, what's a nice girl like you doing here?"

She laughed and said, “I don’t know. My sister dragged me here. She told me it was just cocktails, but I just noticed the formal dinner table set up, looks like I may be stuck for a while.” She introduced herself as Tiffany Nelson, told me she grew up in Rye, and was now living and working in the city. I smiled and said, “I grew up in Rye too. We probably never crossed paths because you’re older than me.” Without missing a beat, she shot back, “I don’t think you want to play that game, grandpa.”

At the time, I was 37 and Tiffany was 27. She quickly pointed out that when I was in college, she was in third grade. Ouch, baby, very ouch. Ten years apart when you’re kids feels like a lifetime, but at 27 and 37, it felt like nothing, maybe a week and a half. By then, we had both been around the block, had serious relationships, and knew what we wanted. It didn’t take us long to realize we had a lot in common, and that this was someone really worth knowing.

As it turned out, Tiffany and I did have many mutual friends, and we both belonged to the Manursing Island Club, a local beach and tennis spot. That night we ended up talking through dinner and well into the evening. Afterward, we were invited to a birthday party in Greenwich at Conyers Farm, at the time, over 100 acres and the largest private property in Greenwich. We pulled up to the gatehouse, got directions, and started driving around. Before long, we were completely lost. The more we circled, the more hysterical we became, it was absurd to be at the right place and yet not find the party.

That first night, the adventure of getting lost on the way to the party turned out to be telling of her character. Wandering around for over an hour at midnight in the back hills of Greenwich could have left a lot of people irritated or impatient. But instead, we laughed our heads off the entire time. It was genuinely funny to both of us, and that simple reaction felt like a clear sign of compatibility. To top it off, I had John Cougar Mellencamp blasting from the Porsche tape deck, he was one of my favorites then. And as fate would have it, John was from Indiana, and Tiffany, who graduated from Indiana University, was also a big fan.

Eventually, we drove back into town to double-check the address, then returned and tried another gatehouse further down the road. This time, a rent-a-cop security guard offered to drive ahead and let us follow him. Even he managed to get lost, which made the whole thing downright ridiculous. We couldn't stop laughing. Finally, at around one in the morning, we stumbled onto the party, just as it was breaking up. I drove Tiffany back to her parents' home in Rye, and by then we both agreed we'd had a wonderful time. We knew we wanted to see each other again.

That Monday, I made a few calls, learned more about Tiffany and her family, and heard nothing but good things. That afternoon I called her office just to say hello. She mentioned she had a dentist appointment the next night in Rye and suggested we meet up afterward. I offered to pick her up from the dentist and take her to dinner. We went to Centro in Greenwich, and by the end of the evening, I realized just how incredible she was. We had so much in common.

Then things got strange. I told her about the wedding the previous weekend, and how I'd left some unfinished business, an offhand remark to my on-again, off-again girlfriend about reconsidering marriage. I explained that if she called me to follow up and I brushed her off, I might be in serious trouble. With that out in the open, I told Tiffany, *"I need to know if you think you and I have real potential for a serious relationship, and I kind of need to know now."*

She must have thought I was completely out of my mind. Who talks about marriage on a first date? Out in the parking lot, I asked her, *"What would you like to do? I can drop you at the train station for the city, take you to your sister's house in Rye, or you can come back with me to Connecticut."*

In the end, we drove to my waterfront office in Stamford on the way to my house. It was in a converted mansion, and we thought we'd go out on the dock and share some champagne. But by the time we arrived, the rain was coming down. So instead, we cracked a couple of beers, stayed up late talking, and ended up spending the night together on the pullout couch in my office.

Bringing up marriage on our very first date was bold, no doubt about it, but also incredibly risky. I knew Tiffany could have easily taken it as a complete turn-off, wondering how I could possibly assume she might like me enough to even entertain something as absurd as marriage with no warning at all. I knew it sounded crazy, but to me it felt like a life-or-death moment. If my phone rang the next day and I hadn't laid it all out, hadn't explained the predicament, I knew I might regret it for the rest of my life.

So I took the leap. In hindsight, it may have been one of the most courageous things I ever did. And the truth is, it turned out to be the best decision of my life.

As fate would have it, we were both scheduled to be in Chicago the very next day on business. We met up there and went out for a wonderful dinner with Tiffany's sorority sister and her husband. The four of us ended up drinking too much, celebrating this ridiculous situation we suddenly found ourselves in, two people seriously considering giving permanence to a brand-new relationship. By that point, I was crossing over the fence. If my girlfriend had called me then, I probably would have tried to buy a little more time, but that would have almost certainly been the official end of that relationship for good.

We flew home on Friday, and Tiffany came to my house in Connecticut for the weekend. The following Tuesday, I went into the city for dinner at her apartment. By then, I knew, without a doubt, this was it. Within a week, I realized I wanted to spend the rest of my life with her. A couple of months later we were engaged, and within the year we were married. It's been a wonderful ride ever since. Without question, it was the best decision of my life. Tiffany has been a great partner and the most incredible mother to our three boys, more than I could have ever imagined. Funny how life works, after traveling all over the world, I ended up falling in love with and marrying the girl next door.

Now, my first encounters with Tiffany were full of humor and playful back-and-forth, but what really drew me to her, aside from being lovely

and fun, was her strength. She had been a competitive swimmer, once even considering Olympic trials in her teens. When I was playing hockey in college, we'd walk past the swimming pool to get to the rink, and I saw how grueling that sport was at a serious level. Later, Tiffany also ran the New York City Marathon at 25, an incredible challenge in training and endurance. Years later, when I ran it myself in 2001 at 47, I understood firsthand what kind of toughness that takes. These were self-imposed tests of will, and they showed me she wasn't afraid of hard things, in fact, she sought them out.

That told me she was strong and courageous, the kind of woman who would stand firm if life threw turbulence our way, as it inevitably does in any long-term relationship. For someone as ambitious as I was, that kind of partner was exactly what I had been looking for. On top of that, Tiffany had carved out a great career of her own, she was the youngest Vice President at her company in New York City. That gave us not only a financial safety net if I pursued buying a company of our own, but it also showed me that she wasn't intimidated by my ambitions. The fact that she didn't run from that challenge made her even more attractive in my eyes.

Looking back, it just felt right with Tiffany from the very beginning. We were completely compatible, had grown up in the same town, and shared many of the same dreams and ambitions. Maybe twenty years of experience in relationships had prepared me to finally recognize what I truly wanted. I also had the confidence by then to know I could be a great partner for her, too.

I've always believed that the most important ingredient in a successful relationship is thoughtfulness and consideration for the other person. If both partners care more about the well-being of the other than themselves, then you have a real chance. Tiffany was not only beautiful, but also humble, kind, and grounded, with the values and character to be an extraordinary mother, which she has certainly proven to be. Amen.

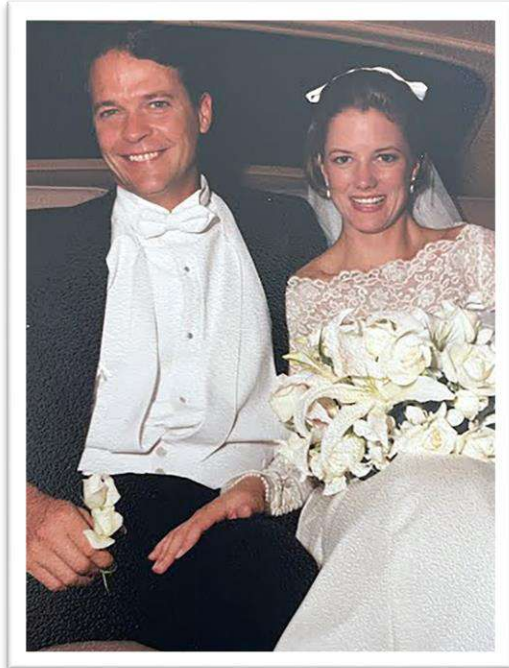
FIND A GREAT LIFE PARTNER

***THE BIGGEST DECISION YOU WILL MAKE IN
YOUR ENTIRE LIFE***

***BE PATIENT AND WAIT FOR CINDERELLA
WHEN SHE FINALLY SHOWS UP BE DECISIVE
AND BOLD***



Our engagement party invitation photo



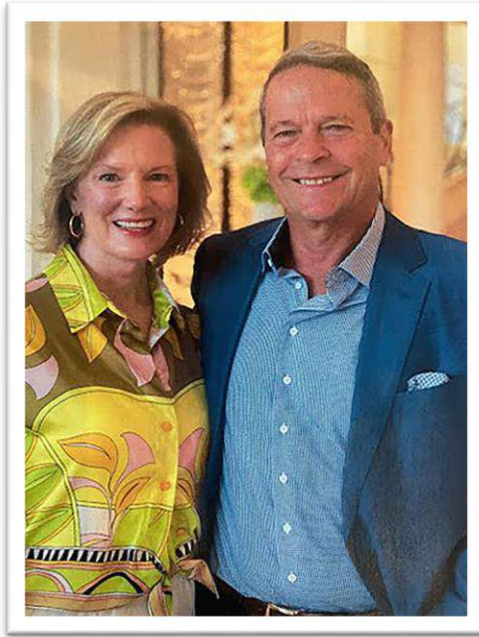
Leaving the church on our wedding day



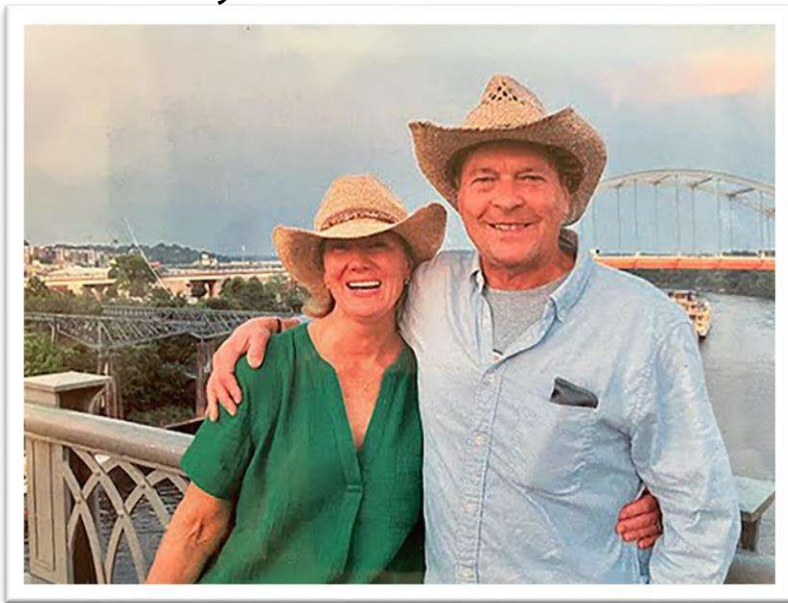
Tiffany and I at a fundraising event



*The annual Nelson family reunion at
Crystal Downs in Northern Michigan*



Birthday celebration on the French Riviera



Annual CMA Country Music festival in Nashville

Part III

NEW ENGLAND LINEN

Buying and Running the Company

All the twists and turns that came with taking over New England Linen unfold right from Chapter 1, The Eye of the Storm.

After we sold API, the hydroponic farm, my goal was to try and find a company to buy for myself.

While I was searching for companies worth between \$20 and \$50 million to buy for our investment firm, I was also keeping an eye out for smaller ones, those in the \$2 to \$7 million range, that I could buy for myself. I spent a lot of time networking, reaching out to local business brokers, and trying to see what opportunities might be available around Connecticut or the tri-state area. My goal was simple: to find something I could run without uprooting my family. I figured I could easily commute to the company nearby out of state and, if necessary, stay in a nearby hotel a couple of nights a week.

To be honest, there are a lot of lousy businesses out there for sale, especially once I ruled out any retail options. I didn't want a retail company because it's hard to expand geographically, and you don't get much leverage from having hundreds of employees doing the work. On top of that, dealing with cash brings a whole new level of risk that I wanted no part of. Once you start looking, you realize just how many kinds of businesses exist, ones you'd never even think of. Through one of the business brokers I was

working with, I came across this company in Connecticut that manufactured drapery hardware. They made all sorts of unique brackets that hotels across the country needed to hang the long drapes in their rooms. It struck me as a neat little niche business, one with limited competition and a market that could be surprisingly big.

One of the first things you try to do when looking for a company to buy is to find the deal breaker as early as possible. In other words, you want to figure out right away if there's a reason this company isn't a good investment, or not the kind of place you'd want to show up to and work every day for the next five or ten years. The sooner you can rule out an opportunity, the better. It saves time, and it also saves you from spending money on accountants and consultants you'd otherwise need to properly analyze a potential purchase. After all, these negotiations often fall apart even when things seem to be going your way. You've got to make sure you've got a good fish on the hook before investing a lot of time and money chasing what might turn out to be a dead horse. While I was talking with the owner of the drapery hardware company, he mentioned that his brother was also trying to sell his business. I asked, "Really? What kind of company?" He told me it was an industrial laundry and uniform rental business, an industry I'd never even heard of and didn't know existed. Still, I said I'd be happy to meet him.

We set up a meeting later that week. When we sat down, his brother began to tell me his story. He and his partner had founded the company thirty years earlier. Both had worked for a national laundry company before deciding to start their own. They had put in years of hard work and built

the business up to just over \$4 million in sales. Their customer list read like a who's who of corporate America, servicing Fortune 500 companies from Philadelphia to Boston, with their main focus in the New York, New Jersey, and Connecticut metropolitan area.


The company focused mainly on the corporate foodservice industry. They worked with fifteen foodservice contractors who, together, served food to nine hundred corporations and one hundred universities across the region. These customers were responsible for buying, preparing, and serving meals to thousands of employees and students every day. For example, one of the fifteen contractors was Marriott Food Service. Marriott alone had one hundred and ninety corporate locations where they provided meals for company employees. They also handled eighteen IBM sites across the six states we serviced, along with all the big investment banks, law firms, and other major clients in downtown New York City and Boston.


His brother owned fifty percent of the company. When I met with him he explained that his partner, who was a bit older, wanted to sell his half of the company and retire. So, he was looking for someone who could buy fifty percent of the company now and buy the other fifty percent in three years when he decided it was time for him to retire. Many people wouldn't want to invest in a business without having at least fifty-one percent control. But for me, that didn't matter. I just wanted to get my foot in the door, own some equity and have the chance to buy the rest of the company down the line. It was actually perfect. It also meant I'd have a partner who already knew the business and was willing to stay on for a while.

That setup had another big advantage, it helped me hedge my bet. If things didn't turn out as great as I hoped, I'd only own half the company, and we could still sell the whole thing if I decided not to buy the other half. On top of that, there was another huge benefit. The partner who planned to stay agreed to let me use his fifty percent of the company's stock as collateral for the "seller note" that would help finance the other half. A seller note, by the way, is when the owner of a company agrees to loan some of the money to the buyer to help them make the purchase. Essentially, the seller acts like a bank, giving you a loan so you can buy his own company. It's one of the best arrangements you can get when buying a business. As I've said before, you never want to buy a company that can't pay for itself. In this case, I was buying the company using its own money! All I needed was a down payment of \$300,000. The rest of what I owed the seller would be paid back over time from my share of the company's profits each year.

When you're looking to buy a company, what you really want to find is someone they call a motivated seller. This is the kind of owner who truly wants to sell his business and retire, but doesn't have many options. If he doesn't have a family member who's both willing and able to take over, he can't step away unless he finds a buyer.

Most private equity groups or professional investors who buy companies for a living won't even look at a business unless it's generating at least \$30 million in annual sales and around \$3 million in annual profit. That profit figure is referred to as cash flow or EBITDA, which stands for Earnings Before Interest, Taxes, Depreciation, and Amortization.


NEW ENGLAND LINEN
 NEW YORK NEW HAVEN BOSTON



NEW ENGLAND LINEN
 is proudly celebrating our 30th Anniversary

*On behalf of our 152 hard working associates...
 we would like to thank all of our friends like you
 for helping us reach this important milestone.*

*Please be assured that we will continue to do our best
 to earn your continued confidence and goodwill.*

THANK YOU!



Because of that, there are hundreds of thousands of small private companies in the U.S. that are simply too small for private equity firms to consider. And that's where people like you and me come in. We look for companies doing less than \$10 million in sales and earning somewhere between \$300,000 and \$1,000,000 in annual profit. Many of these owners have been running their businesses for decades, have made good money, and have built up millions in savings. They're ready to retire, but often don't know how to go about it. And in many cases, there aren't a lot of buyers lining up for their kind of business.

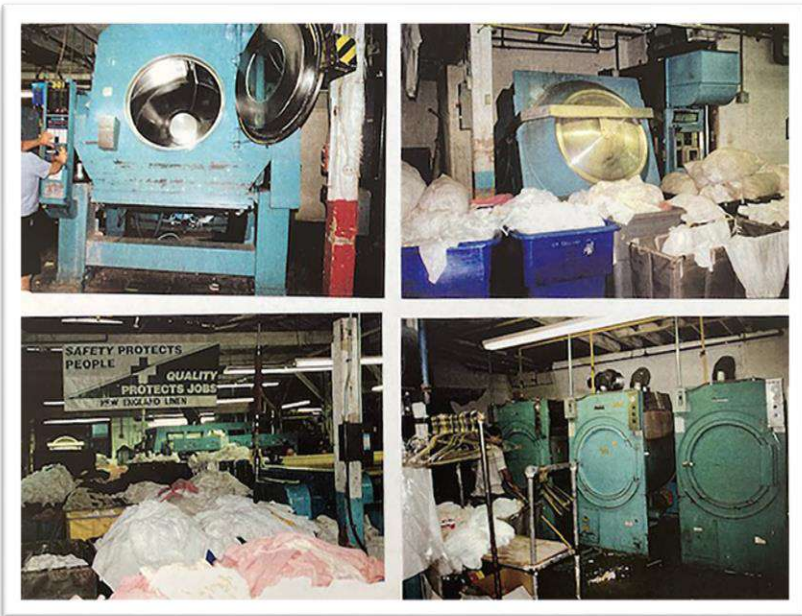
This particular company had about \$4,000,000 in annual sales and roughly \$600,000 in cash flow. The industrial uniform industry as a whole is worth over \$12 billion, and companies in this space tend to be valued similarly to franchise businesses like McDonald's. In other words, a franchise business of this kind would typically be valued at about one times its sales, or in this case, \$4,000,000.

The reason behind that valuation is simple: there are so many companies in the industry, and the average profitability is expected to be around 20%. If you're not generating that 20% cash flow, it usually means your operations aren't running efficiently, and that there's plenty of room to improve margins.

So, if a company is doing \$4,000,000 in sales, it should ideally be making \$800,000 in cash flow, or about 20%. Small companies like this are typically valued at around five times their cash flow. That means a company making \$800,000 should be worth about \$4,000,000, or roughly



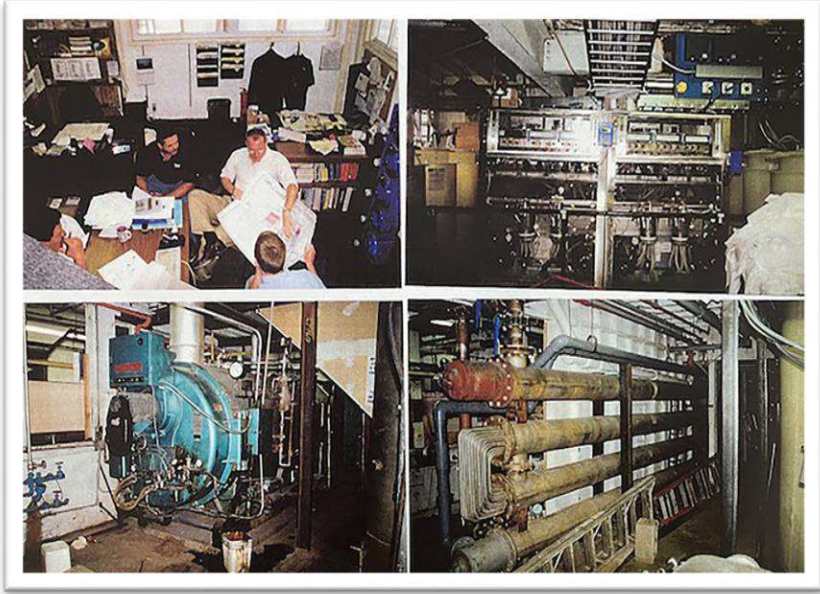
Washing machines in the laundry



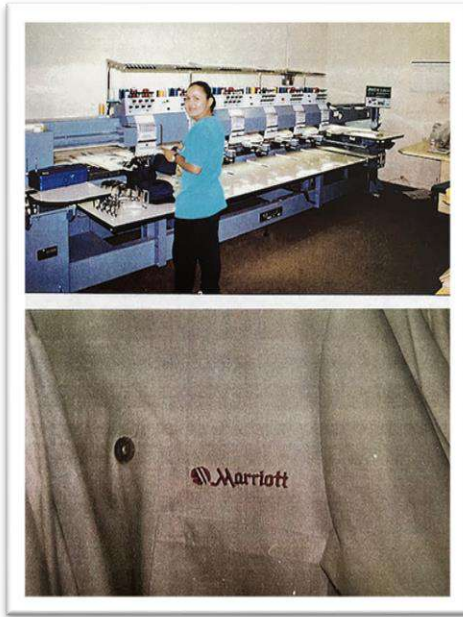
one times sales. ($\$800,000 \times 5 = \$4,000,000$.) The fact that this particular company was only making \$600,000 showed it wasn't being run efficiently. There were no computerized systems in place for inventory control, labor standards, or other important operating benchmarks.

The owner who wanted to sell his 50% share of the company believed it was worth \$2,000,000. I couldn't quite understand why he thought it was valued that high, but after doing some research, I learned that the valuation standards in this particular industry were a bit unique. Even so, I told him that the company simply wasn't worth that much. I offered him \$1,800,000 for his half instead.

I explained that even \$1,800,000 was more than I thought it was worth, but after some back-and-forth, he eventually, though reluctantly, agreed. Once he had time to digest the fact that I was only going to pay \$1,800,000, I laid out exactly how the payment would work. I offered him \$500,000 for 50% of the stock. That included a \$300,000 cash down payment and a seller note for the remaining \$200,000, payable over twelve years at an interest rate of 6%. The total interest payments would come to \$79,647 over that twelve-year period. On top of that, I agreed to give him a non-compete agreement worth \$250,000, payable over seven years. A non-compete agreement is standard in most business sales, it prevents the seller from starting or joining a competing business for a set amount of time.



The engineering department staff meeting



Finally, I offered a deferred compensation agreement totaling \$976,677, also payable over twelve years. This was essentially structured as a retirement or severance payment.

| Total Offer to Purchase 100% New England Linen over 12 years: | | | |
|--|-----------------------------|------------------------------|------------------------------|
| <u>The total of all of these payments is:</u> | <u>First 50% of Co.</u> | <u>Second 50% of Co.</u> | <u>Total 100% of Co.</u> |
| Total Payments: | \$1,806,324 | \$2,322,324 | \$4,128,648 |
| Cash Down Payment | \$300,000 | \$315,000* | \$615,000 |
| Seller Note payable over 12 years | \$200,000 | \$200,000 | \$400,000 |
| Interest 6% on the seller Note | <u>\$ 79,647</u> | <u>\$ 79,647</u> | <u>\$159,294</u> |
| Total Seller Note with interest | \$279,647 | \$279,647 | \$559,294 |
| Non-Compete Agreement | \$250,000 | \$250,000 | \$500,000 |
| Deferred Compensation Agreement | <u>\$976,677</u> | <u>\$1,176,677*</u> | <u>\$2,153,354</u> |
| New Extra | N/A | \$301,000* | \$301,000 |
| Total Payments: | \$1,806,324 | \$2,322,324 | \$4,128,648 |

It was mentioned earlier that you should not buy a company unless it can pay for itself out of existing cash flow. Therefore, you can see below how the company could pay for itself out of existing cash flow.

| | | |
|-------------------------------------|------------------|-------------------|
| Annual Cash Flow: | \$600,000 | \$800,000 |
| Annual Debt Payments: | | |
| Seller Note with Interest: 12 Years | <u>\$ 23,304</u> | \$ 23,304 |
| Non-Compete Agreement: 7 Years | <u>\$ 35,715</u> | \$ 35,715 |
| Deferred Compensation: 12 Years | <u>\$ 84,000</u> | <u>\$100,000*</u> |
| Total Annual Debt Payments: | <u>\$143,019</u> | <u>\$159,019</u> |
| Cash Flow after Debt Service: | \$456,981 | \$497,962 |

*The Second 50% #'s were larger than the First 50% because the value of the company had gone up

New England Linen Financial Summary Approximates for next 11 years in \$ millions (\$000,000)

| Annual per year: | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
|-------------------------|------------|------------|------------|------------|------------|------------|------------|------------|-------------|-------------|-------------|
| Sales: | 5.7 | 6.4 | 6.6 | 7.9 | 8.4 | 8.6 | 9.4 | 9.9 | 10.5 | 11.2 | 12.1 |
| Cost Goods Sold: | 3.6 | 3.9 | 4.1 | 5.4 | 5.7 | 5.7 | 6.3 | 6.5 | 6.9 | 7.3 | 7.9 |
| Gross Profit: | 2.1 | 2.5 | 2.5 | 2.7 | 2.9 | 2.7 | 3.1 | 3.4 | 3.6 | 3.9 | 4.2 |
| Adj. EBITDA | 0.7 | 0.9 | 1.0 | 1.3 | 1.5 | 1.6 | 1.8 | 1.9 | 2.1 | 2.3 | 2.5 |
| Multiple x 5 | | | | | | | | | | | |
| Company Value: | 3.5 | 4.5 | 5.0 | 6.5 | 7.5 | 8.0 | 9.0 | 9.5 | 10.5 | 11.5 | 12.5 |

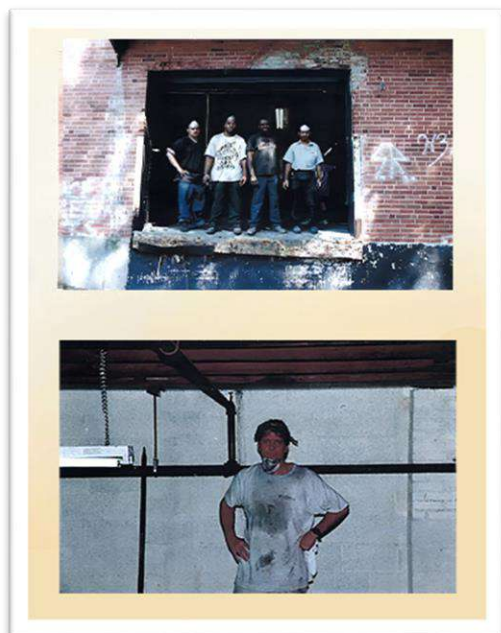
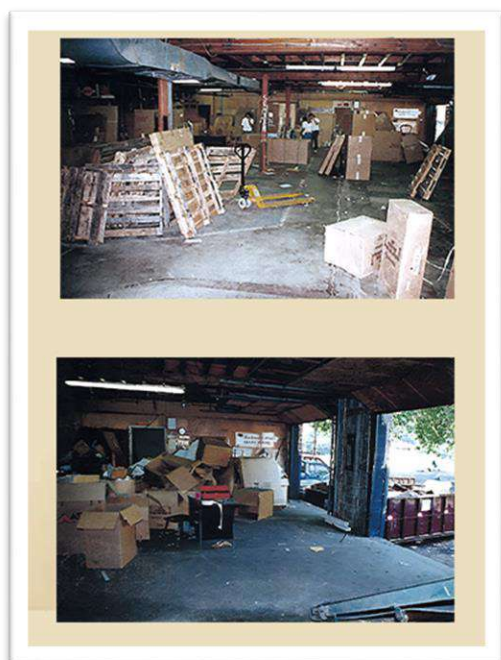
The company was sold to a private equity company in year 11 for \$12,500,000 in cash.
The total cash invested was \$615,000.
The rest of the purchase price was all paid out of the cash flow of the company, therefore paying for itself.

The following are the most important keys to this successful investment:

- The present value of this \$1,806,342 investment being paid out for the business over a 12-year period of time was actually just over \$1,000,000!
- This along with the fact that I could get my hands on the wheel of a decent size profitable company with 95 employees at the time for only a \$300,000 cash down payment was very desirable.
- In addition to that, fortunately for me, was that all of the non-compete and deferred compensation agreements totaling \$1,226,677 were tax deductible for the company, which was another huge benefit.
- The icing on the cake for this deal was also the fact that I was only committing to acquire 50% of the company at the time with an option, but not commitment, to buy the other half of the company in the future.
- All of these factors provided the magic formula of having a limited downside, and an unlimited upside. Total cash invested was \$615,000, and the company was sold in ten years for \$12,500,000 in cash.
- There was clearly a great deal of indescribable hell to pay over those ten years, but at the end of the day it was still a pretty remarkable investment overall.

Whenever you buy a private company like this, there will always be some difficult personal issues to deal with, especially when family members are involved. Family members bring an extra layer of complexity to the management of any business. But even beyond that, longtime employees can present their own set of challenges.

People who have been with a company for years often become very territorial. They can be deeply resistant to any kind of change, clinging to the way things have always been done, whether those ways are good or bad. Any new approach can feel like a threat to the status quo. Change makes people uneasy, and often, for good reason. They may fear that new methods will expose better, more efficient ways of doing things, ways that perhaps should have been in place long ago, especially when it comes to technology.



There's also the worry that new management might bring in fresh talent, making some longtime employees unnecessary. This kind of resistance can create a lot of tension and stress between new and existing staff, so it's crucial to have a plan in place to handle these human resource challenges from the start.

The company I was buying, New England Linen, was in the business of renting uniforms. We provided uniforms for chefs, food prep workers, dishwashers, and food servers at corporate cafeterias and university dining halls. Every chef's coat came embroidered with the Marriott logo, giving them a polished, professional look. We also rented out sharp black pants and crisp white button-down shirts for the Marriott employees working behind the counters.

In the executive dining rooms, we supplied tuxedos. For building security teams stationed in lobbies and entrances, we provided blazers and gray slacks. Beyond that, we owned thousands of tablecloths and tens of thousands of napkins in all sorts of colors and fabrics, all of which had to be washed, folded, sorted, delivered, and tracked every week.

At our peak, we had 145 employees, each one hired, trained, scheduled, and paid weekly. The entire operation was, in many ways, a logistical nightmare, no matter how you looked at it.

Every week, we had to clean, sort, and deliver 175,000 uniforms, then get them back to our laundry facilities in New Haven, Connecticut. We ran tractor-trailer trucks to move clean and dirty uniforms between our

distribution centers in New York and Boston. From there, thirty 18-foot trucks handled the actual deliveries to corporate clients and universities.

Our drivers were called service representatives because their jobs went beyond just deliveries, they interacted daily with unit managers at every location. They were responsible for measuring new employees for uniforms, eleven pairs of pants and eleven shirts per person: five for the current week, five for the next, and one to wear that day.

Our truck drivers started their days early, 2:30 in the morning. They'd load their trucks with clean uniforms, check their routes, verify the day's company list, and make sure every employee order was correct. Many of our clients, such as utility companies, telephone companies, and other service providers, operated 24 hours a day. Deliveries to those sites began around 4:00 a.m., before breakfast was served. By 11:30 a.m., the goal was to have all other deliveries completed, just in time to avoid the lunch rush.

In places like midtown Manhattan and downtown Boston, making deliveries could be a real ordeal. Drivers often had to circle the block several times in gridlock traffic just to find an open loading dock. Many of those skyscrapers had only a handful of docks, and they were constantly busy, handling everything from food and uniforms to furniture, computer equipment, office supplies, and garbage pickup. It was often a state of utter confusion.

Once our drivers managed to find a spot, they'd load up the rolling carts and wait for a service elevator to take them up to the kitchens or cafeterias.

When they finally arrived, they'd check in with the manager, get a signature for the delivery, and find out if there were any new employees that week. Then came the less glamorous part, they had to gather up several bags of dirty laundry and haul them back down to the truck. Sometimes, that soiled laundry came with unpleasant surprises like maggots or cockroaches hiding inside.

It wasn't an easy job. Between the early 2:30 a.m. start time, the constant traffic, the turnover among customer employees, and the handling of dirty uniforms, it was no wonder we had our own fair share of truck driver turnover.

Growing the company from \$4 million to \$12 million brought its own set of challenges. The biggest ones had to do with our facilities and the changes in personnel over time. The laundry plant in New Haven had been neglected for years. When a business owner is preparing to retire, it's common for them to keep sales steady rather than trying to grow, since growth requires expensive investments. A company that isn't expanding usually generates more cash because it's not spending money on equipment, trucks, or building upgrades.

There are two main reasons a seller avoids reinvesting when they're planning to sell. First, a stable company throws off more cash flow than a growing one. And second, by holding off on investments in property, plant, and equipment, known as PPE, the owner can make the company appear more profitable. That means more cash in his pocket before the sale and, on paper, a higher valuation.



Linen processing in the laundry

But that's a double-edged sword. When you buy a business that hasn't been properly maintained, you end up having to make big capital expenditures to bring everything back up to standard. Those expenses usually come due right after the company changes hands, at the same time you're starting to make debt payments and covering all the costs and professional fees from the acquisition. If you also plan to grow the business during that period, that creates even more strain on your cash flow.

Revenue growth often requires more physical space, too. In our case, we had to buy the building next door to the laundry. Like the first one, it had been neglected for years. It needed extensive leasehold improvements, construction, new loading docks, office build-outs, updated computer systems, and telecommunications equipment. All of it was expensive, but absolutely necessary to handle the new business coming in.

We also had to invest in new washing machines, better material-handling and sorting equipment, and improved systems for inventory control. At one point, we were losing hundreds of thousands of dollars in missing or stolen uniforms. Fixing that problem became critical. We implemented computer systems that tracked inventory and produced reports showing where the losses were happening, at the more than 1,000 customer locations.

Once we could prove those losses were the customers' responsibility, and they were required to pay for them, it generated hundreds of thousands of dollars in new profit. That extra cash helped us fund our rapid growth. But expansion also meant we had to purchase thousands of new uniforms



NEW ENGLAND LINEN

OUR MISSION

Our mission is to satisfy our customers and exceed their expectations. We will accomplish this by creating solid partnerships built on trust, fairness, and mutually beneficial objectives. We will passionately strive to provide excellent quality products and services on time every time in different and exciting ways. We are committed to continuous profitable growth to fulfill our primary purpose of providing job security and advancement within the organization.

OUR VISION

Our vision is to be recognized by our customers, employees, suppliers, and competitors as the best company in our industry. We will do this by creating an energized environment to work where team players are encouraged to grow both personally and professionally. We will attract dedicated associates with positive attitudes and train them to reach their fullest potential. Our team will be results oriented while being excellent at anticipating needs and solving problems before they occur. We will continuously innovate and improve every aspect of our organization to assure we are the company everybody wants to work for and do business with.

OUR VALUES

Our culture and conduct is governed by a set of values, beliefs, and principals that will guide us to build an organization based on:

- Trust
- Honesty and Integrity
- Communication and Respect
- Empowerment and Team Building
- Commitment to Excellence
- Entrepreneurial Spirit
- Continuous Improvement

NELAYVISION 99 word-rew/2/2098
New England Linen Supply Co.
149 Derby Avenue
New Haven, Connecticut 06511

Tel: 203 562-2161
Fax: 203 624-4933

regularly to keep up with new clients, a process that required a major outlay of cash.

You can grow yourself right into bankruptcy if you don't manage your cash flow during times of rapid expansion. And honestly, we were in that kind of situation constantly while growing the company from \$4 million to \$12 million in sales.

As part of that growth, we had to buy and build out the building next to our laundry in New Haven, which brought our total operating space to 42,000 square feet. At the same time, we had to relocate our distribution centers, called depots, in both New York and Boston. The large tractor-trailers carried clean and soiled uniforms and linens to and from these depots, where thirty smaller 18-foot trucks handled deliveries to customers.

The new depots needed to be fully built out with leasehold improvements. We had to ensure there were enough functional loading docks for all the loading and unloading activity. We also had to build offices for the managers, add security features, and install shelving to hold all the inventory needed to serve customers in each region. On top of that, we had to hire and train a full team of truck driver-service reps for every location.

For the entire ten-year stretch that we tripled sales and profits, the company operated in a state of organized confusion. Growth was constant, and so were the cash demands. Every year, while sales and profitability

Analysis of Recast Operating Results

Trendline and Key Ratios

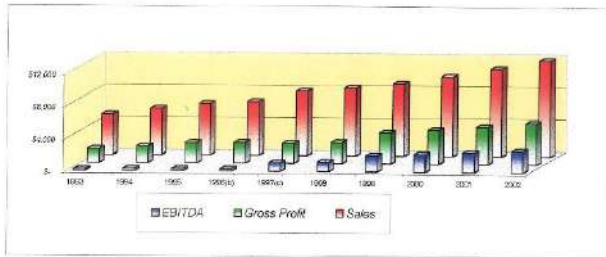
(\$ in 000's)

| | 1993 | 1994 | 1995 | Actual (a) | | Forecast | | 2002 | 2002 | |
|---------------|----------|----------|----------|------------|----------|----------|----------|----------|----------|----------|
| | | | | 1996(b) | 1997(c) | 1998 | 1999 | 2000 | 2001 | |
| Sales | \$ 4,989 | \$ 6,743 | \$ 8,363 | \$ 6,646 | \$ 7,965 | \$ 8,377 | \$ 9,945 | \$ 9,840 | \$10,824 | \$11,906 |
| % growth | 19% | 35.1% | 21.1% | 4.1% | 20.2% | 4.9% | 8.0% | 10.0% | 10.0% | 10.0% |
| Gross Profit | \$ 1,753 | \$ 2,094 | \$ 2,521 | \$ 2,578 | \$ 2,807 | \$ 2,833 | \$ 3,803 | \$ 4,182 | \$ 4,600 | \$ 5,060 |
| % sales | 35.1% | 30.9% | 30.0% | 38.8% | 35.1% | 33.8% | 38.2% | 42.5% | 42.5% | 42.5% |
| Recast EBITDA | \$ 186 | \$ 264 | \$ 275 | \$ 270 | \$ 1,081 | \$ 1,186 | \$ 2,000 | \$ 2,200 | \$ 2,420 | \$ 2,682 |
| % EBITDA | 3.7% | 4.0% | 3.3% | 4.1% | 13.3% | 13.9% | 22.4% | 22.4% | 22.4% | 22.4% |

(a) 1997-1998 recast estimates; 1997-1998 actuals available attached

(b) 2 Corp. ended June 30

(c) 1997-2002 recast; FYE December 31



climbed, the cash requirements seemed endless. In addition to funding the company's growth, we had to pay off the debt owed to the sellers and cover income taxes on all that extra profit.

Between the growth, debt service, and taxes, every bit of cash we generated was eaten up, and then some. Even when my personal tax return showed more than a million dollars in annual income, there was practically nothing left after my salary. My wife would look at those seven-figure tax returns and ask, "WTF? Where's the beef?" I'd tell her, "All of the money's going back into the company. Hopefully, it'll pay off someday."

But when you have three kids to feed and a household to run, promises about a "pot of gold at the end of the rainbow" don't go over too well. She'd just roll her eyes and say, "Is that so?"

The truth is, when you dream big and buy a company with very little cash down, even when things go well, as they did for us, you end up living hand to mouth for years until a liquidity event happens. It's the old saying: "You can pay me now or you can pay me later."

The one upside is that it's like a forced savings plan. Every dollar that goes toward debt service is actually building your equity, much like depositing money into a personal savings account.

All the cash poured into growing the company becomes part of that same savings. That's how a \$615,000 cash investment eventually turns into a \$12,500,000 cash return, minus taxes, debts, and fees. The only downside is, you can't have any of that money until the day you sell.

- *Success Beyond My Wildest Dreams???*...

- New England Linen on Autopilot
- Family and Children
- Harvard Business School
- Running the NYC Marathon
- Climbing Mt. Everest
- CEO Clubs in the USA and China
- Real Estate Escapades and Waterfront Dream Homes

New England Linen on Autopilot

Once Frank and I owned the entire company, we finally had the freedom to manage things exactly the way we wanted, no more distractions or interference from a third-party owner. Frank stepped into the role of President and Chief Operating Officer, and for all practical purposes, he was running the day-to-day operations of the business.

He and I still worked closely on overall strategy, discussing growth opportunities, managing the finances, handling taxes, and meeting debt service obligations, but the daily management was firmly in Frank's hands, supported by our department heads. I held the title of Chairman and CEO, mainly because I owned the majority of the company and controlled 75% of the voting shares.

It was September of 1998, and the company was running smoothly, producing a couple hundred thousand dollars in profit each month. That

kind of stability allowed me to step back and focus on new acquisition opportunities, and to start thinking about what might be next for me in creating more value for the company. It also gave me the space to reflect on some personal growth, both in my career and in my life.

***WHEN THE OPPORTUNITY COMES BE DECISIVE
AND BOLD***

***BE PREPARED TO WORK HARDER THAN YOU
CAN IMAGINE***

***PREPARE FOR THE WORST BUT HOPE FOR THE
BEST***

***MURPHY'S LAW - EVERYTHING THAT CAN GO
WRONG WILL GO WRONG***

STAY COOL UNDER PRESSURE

***PERSISTANCE RULES - MIRACLES HAPPEN
WHEN YOU NEVER GIVE UP***

NEW ENGLAND LINEN

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CAPITAL IMPROVEMENTS SCHEDULE

- Acquisition of the building adjacent to the laundry in New Haven
- New lighting, HVAC, and painting throughout new building
- Relocated and redesigned service/drivers department
- New customer service offices and sales offices

- New phone system and computer systems
- New soil counting departments with vacuum computer systems
- Redesigned sorting department with automated systems
- Relocated & redesigned garment and flay goods stockrooms
- Redesigned garment sorting steam tunnel and conveyor system
- New and used garment stockrooms with new embroidery machine
- Redesign wash floor with four new washing machines
- Construction and permitting of three new loading docks
- New washroom chemical storage and delivery system
- Installation of new direct-fire hot water system
- New electronic transformer for additional power to the plant
- Opened and redesigned new distribution center in Westchester NY

NEW ENGLAND LINEN

SAMPLING OF CUSTOMER ACCOUNTS

| | | |
|------------------|-------------------------|-------------------|
| ABC | Federal Reserve Bank | Ogilvy & Mather |
| American Express | First Union Bank | OLIN |
| Arthur Anderson | Forbes | Paine Webber |
| Associated Press | Fortune Brands | Panasonic |
| AT&T | GE & GECC | Peat Marwick |
| BAYER | GEICO | Pratt & Whitney |
| Bear Sterns | Gerber | Philip Morris |
| Bell Atlantic | GTE | Pitney Bowes |
| BOSE | Harvard Business School | Pepsico |
| Bristol Meyers | Hofstra U | Pratt & Whitney |
| Brown Brothers | Hewlett Packard | Price Waterhouse |
| Cabelvision | IBM | Rayonier |
| Cannon | ITT | Reuters |
| Chase Bank | Jensen Pharmaceutical | RJR Nabisco |
| Chubb | Lever Brothers | Siemens |
| CIGNA | Lincoln Center | Simpson Thatcher |
| Cleary Gottlieb | Long Term Capital | Staples |
| CNBC | 3-M | Sullivan Cromwell |

| | | |
|-------------------|------------------|---------------|
| Colgate Palmolive | Mastercard | Swiss Air |
| Con Edison | McKinsey & Co | Swiss Bank |
| Coopers & Lybrand | Mercedes Benz | Tandy & Allen |
| Crum & Foster | Mobil Chemical | TIMEX |
| CS First Boston | Morgan Stanley | Toys 'R' Us |
| C W Post | MS-NBC | UBS Warburgh |
| DDB Needham | Nestles | UNILEVER |
| DLJ | New York Life | UNIROYAL |
| Dun & Bradstreet | Northrup Grumman | US Surgical |
| Ernst & Young | NYNEX | UST |

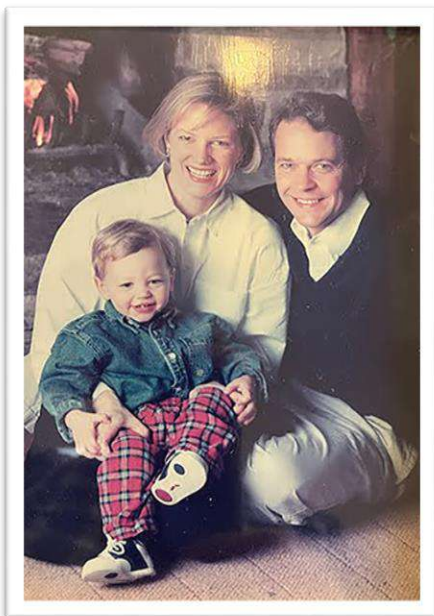
Starting A Family

By that time, our oldest son, Ryan, was four years old and in nursery school, while the twin boys, Casey and Max, had just turned one. Tiffany was completely immersed in the physical and emotional demands of raising three young boys. On top of that, she was also working part time to help us make ends meet financially.

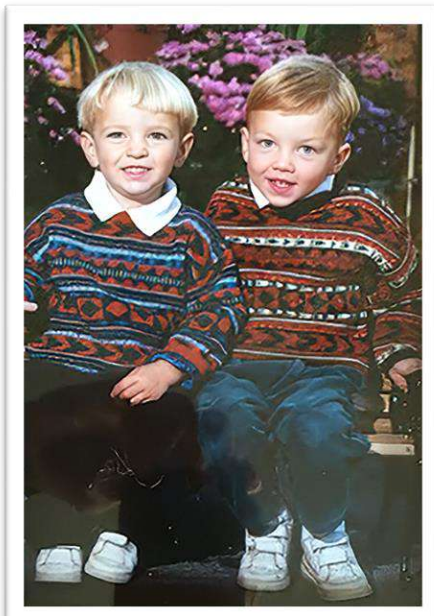
Even though we had a live-in nanny by then, it was still controlled mayhem. I was always at work, and Tiffany was left to manage everything at home. When Frank and I finally gained full control of the company, it felt almost surreal, like, *“Oh my God, is this really happening, it seems too good to be true?”*

The biggest reward, beyond financial stability, was finally having the chance to spend real, quality time with my wife and children. I'll never forget one Saturday morning around 8:00 a.m. I had just stepped out of the shower, getting ready for another day at work as I always did, when three-year-old Ryan was standing there, waiting for me, holding a tennis ball in his brand-new child-sized baseball mitt.

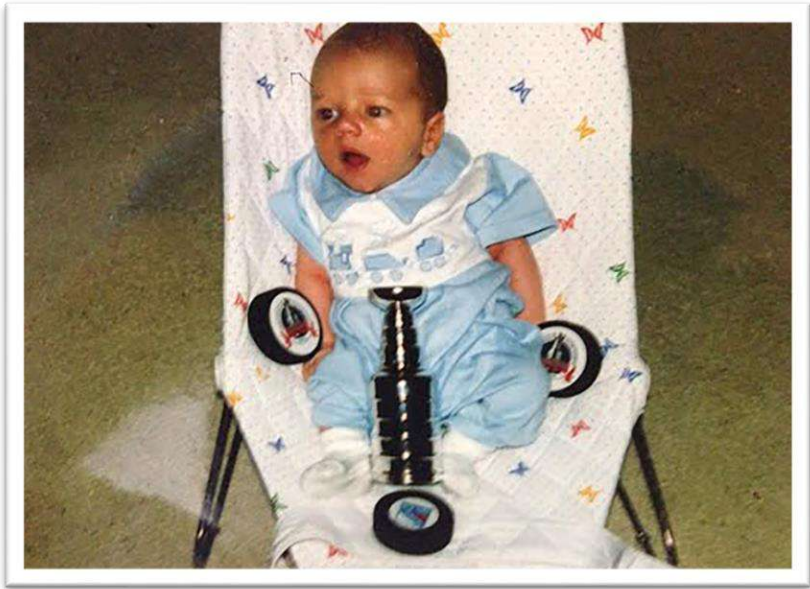
At that moment, it hit me like a ton of bricks: if something didn't change, and fast, I was going to miss this entire phase of his life. And with twins in the picture now, that realization felt even heavier. I decided then and there that I couldn't carry the weight of saving the entire company on my own. It was time to get my priorities straight.



Our first Christmas card



Casey and Max first class photo



1994 Rangers Stanley Cup- Ryan 22 days old





Twins first Halloween



On the dock at the Michigan Cottage



Our puppies in their new home



Surfing USA

After working night and day for fifteen years, I realized there would never be balance in my life unless I made it happen. Bringing these three boys into the world meant I owed it to them to make them my top priority. We were finally in a position to make our family come first, and that's exactly what we did.

With Tiffany, an incredible partner by my side, we managed to build what felt like the ideal life for ourselves and our boys.

It was also during this time that I began setting new, ambitious goals for myself, like getting into Harvard Business School, running the New York City Marathon, and climbing Mt. Everest.

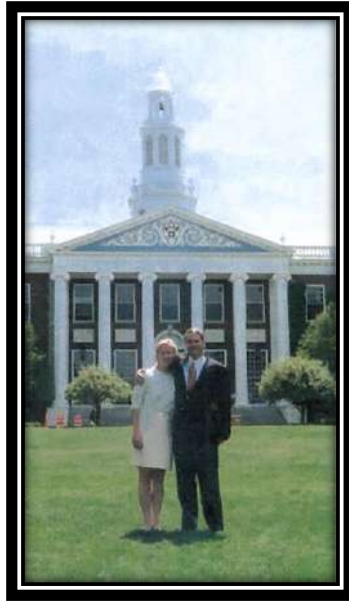
PUT FAMILY FIRST
***BE THERE FOR YOUR KIDS – YOU ONLY GET
ONE SHOT AT THIS***
***DISCIPLINE IS THE KEY – IF YOU SPOIL YOUR
KIDS YOU'RE BOTH IN TROUBLE***
***LOVE YOUR WIFE AND KIDS LIKE THERE IS NO
TOMORROW***
***MOST OF YOUR JOY IN LIFE COMES FROM THIS
WELL***

Harvard Business School

One of the guys in my CEO group told me about a program at Harvard Business School designed specifically for business owners. It was called the **Owner/President Management Program (OPM)**, created for people who owned and ran private companies. If you met the right criteria, you could apply. As the owner and CEO of New England Linen, I qualified, and after my on-campus interview went well, I was accepted into the program.

It was a three-year commitment. Each year, we lived on campus for one month, taking classes and working through case studies seven days a week. Our group, OPM 31, completed about 70% of the same case studies as the MBA students. There were seventy business owners from the United States and another seventy business owners from all around the world. Interestingly, most MBA students at the time said their ultimate goal was to own and operate a private company.

The program was incredible. You learned as much, sometimes more, from the other business owners as you did from the professors. I remember one lunch with a third-generation student whose family owned a \$900 million paper company in Brazil. He told me that at a recent family board meeting, his father and uncle had decided to hand the company over to professional managers instead of keeping it in family hands. There were too many differing opinions about the company's future, and they realized everyone



The Baker Library at HBS





My favorite Entrepreneurship Professor





HBS Graduation with Tiffany and my sister Leslie

would be better off if experienced professionals ran it. The family would all keep their ownership stakes and each receive a \$12 million annual dividend to use however they wanted, invest it, buy another business, or simply enjoy it. Most importantly, it would end the family arguments and help preserve their relationships.

I remember thinking, *wow, that makes perfect sense*. I had found a great manager and team to run my own company, and it turned out to be one of the best decisions I ever made.

The next day, in class, I stood up in front of 140 business owners and said, “If you’re the best person in your country to run your company, that’s great. But if there’s someone out there who’s better than you, your number one priority should be to find that person and hire them.” Everyone wins. You get to guide the direction of your business, and it will likely be more profitable than ever.

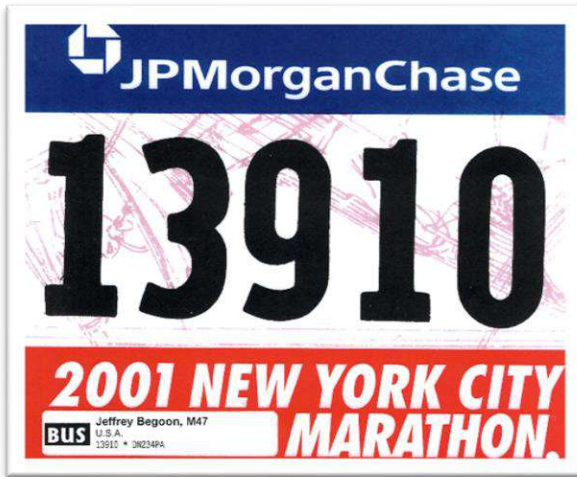
**TRY IMPOSSIBLE THINGS – YOU NEVER KNOW
UNLESS YOU TRY
BELIEVE THAT YOU BELONG NO MATTER WHAT
TAKE ADVANTAGE OF THE OPPORTUNITY
ALWAYS KEEP LEARNING AND GROWING**

Running The NYC Marathon

I had always admired people who ran the New York City Marathon, or any marathon, really. I had a few extraordinary friends who had done it, and even my wife Tiffany and her sister Wendy ran it in their twenties. I always figured it was out of reach for someone like me. I was a good skater, quick on the tennis court, but never much of a runner during preseason workouts.

But at that point in my life, I thought, if I can own a successful multimillion-dollar company and get accepted into Harvard Business School, why couldn't I train for and run a marathon? Maybe I was starting to drink my own Kool-Aid, but I genuinely believed anything was possible. It reminded me of Lance Armstrong's book, *It's Not About the Bike*. Lance wasn't necessarily the most naturally gifted athlete, but he said, "*Put me in a suffer fest, and I'll kick anyone's ass.*" It was all about mind over matter. And regardless of the later controversies about performance-enhancing drugs, what Lance achieved after battling life-threatening cancer was nothing short of miraculous.

The year was 2001. I began training that January for the NYC Marathon, which takes place on the first Sunday in November. My training started at 6:00 a.m., five days a week. In the beginning, I ran six miles each morning through the neighborhood in New Canaan, Connecticut, before heading to work at the laundry in New Haven. Over time, the runs got longer, thirteen miles a couple of times a month, and two eighteen-mile runs



The NYC Marathon finish line in 2001

toward the end of summer. The training was grueling, but I had secured a spot in the race and was determined to finish it.

Then came **September 11, 2001**, a day none of us will ever forget. That morning, one of our New England Linen trucks made an early delivery to Cantor Fitzgerald, located near the top of the North Tower of the World Trade Center. Cantor Fitzgerald lost 658 employees that day, including three dear friends from Rye, New York. It was devastating beyond words.

Our delivery person made it out safely and ended up on the roof of the nearby American Express Tower after making another stop. Our New England Linen truck, however, was trapped in the basement of that building for months.

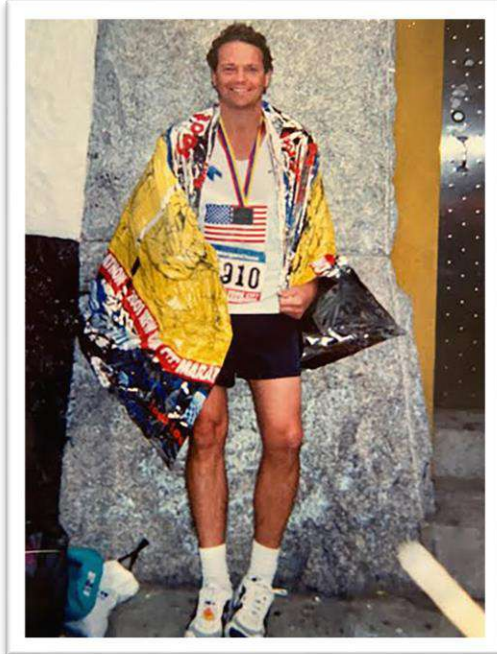
New York City was in shock for days, as was the rest of the country, and the world. The NYPD and FDNY were especially shaken. The bravery of those men and women who ran into the towers to save others, many of whom lost their lives, will never be forgotten. We were beyond grateful that our employees in the city that day were safe.

Naturally, no one could think about anything other than the tragedy, the loss, and the wreckage of lower Manhattan, least of all an upcoming marathon. I had already spent eight months training, and I told myself that if the race was canceled, so be it. I wasn't going to try to run it again.

Eventually, the city decided to go forward with the race, turning it into a tribute to the police and fire departments. The NYPD and FDNY always



Family and friends fan club at Mile 16



had a strong presence at the marathon, but that year, it meant something far deeper.

I decided to stay in a hotel the night before the race so I wouldn't risk missing it due to train delays or traffic. At 4:30 a.m., buses lined up at the New York Public Library to take 30,000 runners to Staten Island, where we'd wait for the race to start at 7:00 a.m.

That day, more than two million spectators lined the streets in a powerful celebration of New York's courage and resilience, its determination to move forward, stronger than ever. Fire Department boats sprayed red, white, and blue water into the air beside the Statue of Liberty. American flags waved everywhere. It was emotional, overwhelming, and deeply patriotic.

Running that marathon was an incredible honor. I was surrounded by Tiffany, our three young boys, and so many friends and family cheering us on. It was exhausting and exhilarating, a once-in-a-lifetime experience I will never forget.

***TRY IMPOSSIBLE THINGS – YOU NEVER KNOW
UNLESS YOU TRY
IF YOU THINK YOU CAN YOU CAN
PREPARE FOR SIX MONTHS OF GRULING
TRAINING
DOING DIFFICULT THINGS BUILDS CHARACTER***

Climbing Mt. Everest – Journey to the Top of the World

It all began in January of 2004. Tiffany and I were ice climbing in Canada with a few friends from Connecticut. After a long day on the ice, we sat down for some beers with one of the guides. Out of nowhere, Tiffany told him that she wanted to climb Mt. McKinley for her 40th birthday later that year. Mt. McKinley, now known by its original Native American name, Denali, is the highest peak in North America, standing 20,310 feet tall. The name “Denali,” restored in 2015, means “the high one.”

The guide smiled and said, “If you’re going to try and climb that high, you might as well go all the way, try to climb to Base Camp at Mt. Everest in Nepal. It would be a much more amazing experience.”

I wasn’t particularly excited about the idea of mountain climbing, but I was captivated by the thought of visiting the monasteries scattered along the mountainside and spending time with the monks who lived there. Everest is an extraordinarily spiritual place, and the idea of standing near the top of the world carried its own heavenly appeal.

The thought of actually doing it had never crossed our minds before, but when we got home and started researching, we realized it was actually possible. A Seattle-based company called **Alpine Ascents** organized expeditions to the highest peaks on earth. They had an upcoming expedition of twelve elite climbers set to attempt the summit of Mt.

Everest 2004



Everest, leaving the U.S. in late March. Along with them were ten trekkers who would climb to **Everest Base Camp**, and, luckily, there was room for two more participants.

We explained that, although we were both in great physical shape for our age, we didn't have any serious mountain climbing experience. The folks at Alpine Ascents reassured us immediately: "No sweat. You'll have plenty of support, and we'll make sure you make it. We'd love to have you join us, it'll be the experience of a lifetime!"

"Oh my God," we thought, "are we actually going to try and do this?" We kept trying to come up with reasons why it wouldn't work, but couldn't find a single one. The biggest challenge, of course, was leaving our three young boys at home for several weeks. Fortunately, a friend in town offered to lend us their live-in nanny for the duration of the trip. That sealed the deal.

Now all we had to do was get into top physical condition and gather all the gear needed for what was shaping up to be a very serious adventure.

On **March 28**, we began our Himalayan odyssey. Our first stop was **Kathmandu**, Nepal, where we attended orientation before heading into the mountains. The team consisted of eight guides and fourteen **Sherpas**, the legendary mountain people native to Nepal who are known for their strength, endurance, and unmatched expertise at high altitudes. Alongside them were forty **yaks**, massive one-thousand-pound, buffalo-like beasts built to survive in extreme cold and thin air.

Every single item, tents, clothing, food, cooking oil, utensils, and all the other supplies needed to sustain fifty people and forty yaks for weeks, had to be hauled up and down the mountain without a single motorized vehicle.

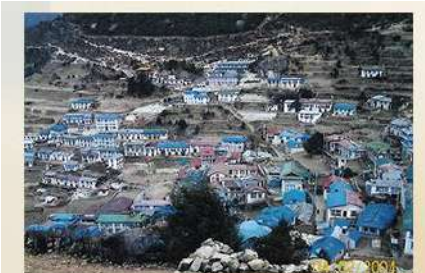
There were twelve elite climbers aiming for the 29,031-foot summit of Mt. Everest. Alongside them were twelve trekkers, including Tiffany and me, who would make the ascent to **Base Camp at 17,598 feet**, and then continue on to climb **Kala Patar**, reaching an elevation of **19,500 feet**.

The guides warned us early on, during our gear checks and packing exercises, that everyone on the expedition would get sick at some point. There were no exceptions. Guides, climbers, Sherpas, every single person would suffer through something. It might be stomach issues, dehydration, or altitude sickness. Some would deal with food poisoning; others might face pulmonary edema, a dangerous stress on the lungs caused by the thin mountain air. The worst of all was cerebral edema, swelling of the brain due to the lack of oxygen at extreme altitudes. And, they said, there would also be accidents. There always were.

Only six to eight days a year offer a real window to reach the summit of Mt. Everest. Even then, there are no guarantees. Back in 2004, the cost to leave Base Camp and make an attempt for the summit was \$65,000, and that was just for the chance. If the weather turned, or if the guides or officials decided it was unsafe, the answer was simple: *no go*. No one was allowed to climb. In that case, all the training, time, suffering, and expense



A funeral pyre in Kathmandu, Nepal



Namche Bazaar trading hub on way to Everest

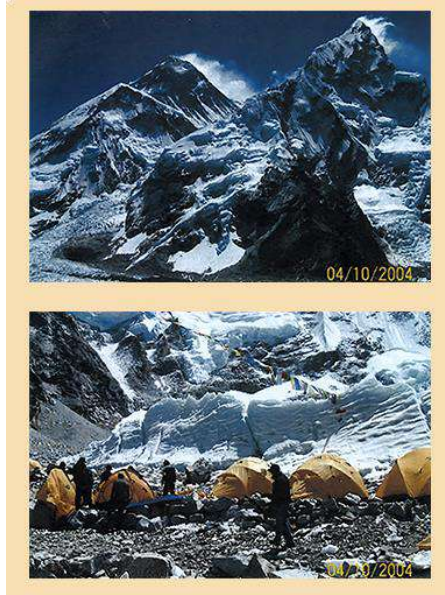
Crossing one of the many cable bridges on the mountain

simply vanished, gone until next year, if you were willing, and wealthy enough, to try again.

Our guiding company, **Alpine Ascents** out of Seattle, Washington, was one of the best in the world. They had an extraordinary summit success rate, far higher than most competitors. Their secret was simple but strict: no one could attempt Mt. Everest with them unless they had already summited at least three 20,000-foot peaks somewhere on Earth. “You’re only as strong as your weakest link,” they said, and they meant it. On Everest, that’s not just a saying; it’s a matter of life and death. Every climber on the team needed to be strong, skilled, and capable of helping others when the inevitable life-threatening moments came.

April 1, 2004, my 50th birthday, turned out to be both one of the best and worst days of my life. It was 2:00 a.m. I couldn’t sleep, caught between jet lag and a nasty case of stomach upset. I sat there, sipping Alka-Seltzer, re-reading Jon Krakauer’s *Into Thin Air*. The book felt different this time, more personal, more real, because we were on the same mountain, stopping at the very camps where generations of climbers had slept on their way to the summit.

We were in **Lukla**, nestled high in the Himalayas at an elevation of 11,500 feet. When morning came, it was glorious. One of the women in our group led a yoga class outside the camp in the warm sunshine, helping everyone stretch before the day’s climb. Soon after, we set off again, hiking several miles up the mountain. We could now actually see the summit of Mt. Everest from here far off in the distance, which seemed a bit surreal.



Base camp where preparations made for summit attempts



Kala Patar summit with Everest peak in background

The terrain was breathtaking. We crossed rope and cable bridges strung hundreds of feet above roaring rivers. The glaciers were melting, and the waterfalls below glowed a vivid blue-green in the sunlight. Around midday, we stopped for a picnic lunch on the side of the mountain.

That's when Tiffany started to get sick. It was some kind of food-related illness, and it hit her hard. At one point, the diarrhea became so severe that she had to stop right there on the trail to take care of herself, no privacy, no hesitation, just the raw reality of the mountain. Moments later, she was so weak she collapsed, passing out on a narrow ledge 1,300 feet above a deep gorge.

Once you get above the tree line, there's no running water, no electricity, no refrigeration, nothing resembling the comforts of home. Modesty doesn't exist up there. I remember looking at her, terrified, wondering what we had gotten ourselves into. Was this worth it? Could we turn back? And even if we wanted to, did we still have that choice?

Our head guide, Willie Prittie, was one of the best in the business. When Tiffany fell ill, he told the rest of our group to keep moving and said we'd catch up later that evening at the next camp. Willie, a Sherpa named Passang, and I stayed behind, waiting for Tiffany to recover, which, thankfully, she did after about an hour. Willie handed her a Kit-Kat bar and some Gatorade, then reached into his enormous backpack, which was like a traveling pharmacy. He pulled out some powerful antibiotics to fight off the parasites causing her sickness.

Willie was part medicine man, part witch doctor, and part billy goat. With his long gray ponytail hanging halfway down his back, he was a legend on the mountain. He lived in the high peaks more than 200 days a year and had summited virtually every major mountain on the planet, including Everest, several times. He was the guide who trained many of the other guides across various expeditions. Thanks to his help, Tiffany managed to get back on her feet and push through several more hours of climbing. By nightfall, we caught up with the rest of the team at camp, only to find a few more casualties, others who had also fallen sick and were down for the count.

Each day was a new adventure. We woke up at 6:00 a.m. and were greeted with milk tea brought to our tents. Every other morning, we received a bowl of warm water for a sponge bath, often while standing in the snow. Breakfast was at 7:00, and we were on the trail by 8:00. We'd hike for three or four hours, stop for a picnic lunch set up by the Sherpa staff, and then hike another three or four hours before reaching our next destination.

Every evening, we'd gather for trail talks about the day ahead, how many miles we'd cover, how much elevation we'd climb, and what landmarks we'd see along the way. By the time we reached camp each night, we were almost too exhausted to eat, but we always dragged ourselves to dinner and gratefully ate whatever was put in front of us. Our Sherpa team set up and broke down the tents and gear each day, moving it all to a new camp before we arrived. Sleep didn't come easily, jet lag lingered, and the thin air made every breath a challenge.

Along the journey, we visited some thousand-year-old monasteries and learned about the monks' way of life, their history, traditions, and spiritual discipline. Each visit ended with a blessing for safe passage, a ritual both humbling and powerful. The Himalayas were breathtaking, the waterfalls, wildlife, and raw natural beauty were unlike anything else on Earth. The harshness of the environment gave every trekker a real taste of what true mountaineering was all about.

By Day 14, we were winding our way across the high tundra, crossing the moraine of the great Khumbu Glacier to reach Base Camp, which sits beneath the towering ridges of Everest and Nuptse. As we approached, we passed the wreckage of a helicopter that had crashed the previous year while trying to rescue climbers in distress. The air was so thin that flying was incredibly dangerous

at that altitude. Thankfully, technology has improved since 2004, and some helicopter rescues have since been successful.

Everest Base Camp was a sprawling tent city nestled amid a vast field of glacial debris. It was there that climbers made their final preparations for the summit. We spent several hours at Base Camp, soaking in the atmosphere, meeting people, and venturing to the edge of the notorious Khumbu Icefall, a massive, shifting glacier filled with thousand-foot crevasses. The glacier was alive, constantly moving, and treacherous beyond words as climbers navigated its deadly maze of ice.

The expedition turned out to be even more extraordinary than we'd imagined. The personal and educational glimpse into Nepal and its mountains was remarkable. As we had hoped, Alpine Ascents truly lived up to its reputation as the number one trekking company in the world. The entire experience was challenging, beautiful, and unforgettable.

We were so thrilled with the adventure that fifteen years later, in 2019, we returned to Alpine Ascents, this time to climb Mt. Kilimanjaro in Tanzania, the tallest free-standing mountain in the world. For this climb, we made it a family affair, bringing our sons along for the expedition. It became another remarkable, once-in-a-lifetime family experience.

OVERCOMING FEAR MAKES YOU FEARLESS
BUILD UP THE CONFIDENCE TO TRY
ANYTHING
ADVENTURE AND EXPERIENCE OF A LIFETIME

CEO Clubs In The USA And China

I was always looking for new ways to broaden my education and discover better methods for running the companies we owned. There are many opportunities out there for business owners and CEOs to collaborate, exchange ideas, and share best practices. We would visit each other's companies across a wide variety of industries to see firsthand how they handled the growing pains that come with running fast-growing private businesses.

What quickly became clear was that most of the challenges we faced were strikingly similar. Whether it was recruiting and human resources, sales and marketing, production scheduling, purchasing, inventory control, warehousing, or even legal and financial issues, every company, regardless of its field, seemed to wrestle with the same core problems.

I was fortunate enough to join a few of these CEO organizations. We toured facilities throughout the United States and occasionally took international trips as well. One of those trips took us to the Dominican Republic. There, we visited what they called an Enterprise Zone, a massive industrial area filled with miles of modern factories. Thousands of hardworking Dominicans were employed there, performing all kinds of skilled labor for a fraction of what the same work would cost in the States.

The Dominican government also offered significant tax incentives to attract businesses. Everything about doing business there was made incredibly easy. FedEx and UPS trucks moved constantly throughout the



Host for the CEO exchange program in Shanghai

area, operating around the clock. And because the Dominican Republic is so close to the U.S., cargo ships could reach American ports in just a few days. For labor-intensive industries, relocating there was almost a no-brainer. Companies could even keep their executive offices in the States and simply fly down whenever needed, it was quick, convenient, and efficient.

One entrepreneur in our CEO group employed more than 500 people in the suburbs of New York City. His company fabricated and finished gold necklaces, bracelets, and other jewelry for major department stores across the U.S. But his business was under serious pressure from overseas competitors, especially those in China. Rising labor costs, along with rent, utilities, insurance, and compliance expenses, were making it harder and harder for him to stay afloat. He wasn't alone, these same problems were affecting countless industries across the country.

When we visited his factories in the Dominican Republic, we saw firsthand just how well the Enterprise Zones functioned. The operation was impressive on every level. While we were there, we held two-day working sessions at the hotel to discuss his challenges, as well as any issues the rest of us were facing in our own businesses. It was an open forum where we could brainstorm freely, without worrying about competition, confidentiality, or politics.

Many of these successful business owners also faced a variety of personal, marital, and family challenges that came with the intense hours, heavy responsibility, and constant stress of running fast-growing private



Meetings and trade conferences around China

companies. The beauty of these CEO group meetings was the level of confidentiality. What was said in the room stayed in the room. That privacy created a safe space to talk about not just business challenges, but personal ones too.

Often, another business owner would be dealing with similar struggles, and it was comforting to know we could openly share and offer advice without judgment. Over time, these meetings built more than just professional relationships, they created real friendships. And outside of the boardroom, we always managed to have some fun. Our trips took us to beautiful resorts and fine restaurants, making the experience a true “work hard, play hard” balance. We learned together, laughed together, and supported one another in ways that went far beyond business.

One of my CEO groups was invited to China for what was essentially an exchange program. The plan was to visit several factories in different cities across the country. We would exchange ideas about how business was conducted in our respective nations and explore ways we might collaborate. There were also trade shows and public forums where government officials explained how they supported local businesses, and how they might help ours, too, if the partnerships were mutually beneficial.

From the moment we arrived, the hospitality was incredible. We were treated like celebrities everywhere we went. At each airport, we were greeted by news crews and elaborate welcome parties, it all felt a bit surreal. In every city, the red carpet was rolled out for us, and government

中美 CEO 激情碰撞精彩迭出

昨天上午，五洲宾馆深圳厅。伴随着一阵阵咖啡的清香，20多名美国 CEO 俱乐部会员与数十名中国企业家围桌而坐。中美 CEO 有史以来最直接的面对面的商务交流活动——中美 CEO 互动对话圆桌会议在本届高交会上隆重亮相。作为本届高交会 super-SUPER 系列活动最大一个卖点，中美企业家在“圆桌”上相互交流，激烈“交锋”，精彩迭出。双方约定，明年美国再见！

参加对话的美方企业 CEO 多为享誉全球的美国 CEO 俱乐部成员。该俱乐部创始人曼库索虽然年逾花甲，仍然精神矍铄。他首先抢过话筒说，“也许是文化不同，中国 CEO 之间相互保密，交流不多。而美国 CEO 之间却经常交流，分享心得，寻找人生乐趣，这是他创办这个俱乐部的初衷。”他表示，中国到处都是令人

兴奋的投资场所，中美企业家早就应该坐在一起交流了。

美国 Regal 研究与制造公司 CEO 米切尔·施威尔表示，美国有不少 IT 企业将软件开发还有部分硬件生产业务放在印度进行，印度人通晓英语，在语言交流上没有障碍，如果他们不清楚一件事情怎么做，会直接告诉你，而东方人则比较含蓄。他此次来中国，就是想细致考察中国的投资环境，并在深圳寻找合作伙伴。

来自上海的 CEO 周迎旭深有同感，他表示，在中国投资，控制风险比赢利更重要，选择合作伙伴一定要找合适的人而不是聪明人，在中国找一个聪明人很容易。但要找一个合适的人却不容易。合适的合作伙伴就是双方能够进行充分的信息沟通，不仅要说好的方面，对问题也不能避讳，他能告诉你真实的正确的

信息。这一点非常重要。

几番“交锋”之后，中美企业家开始活跃起来。在经过一番观察后，深圳雅图股份有限公司董事长李毅发现一个“秘密”——什么今天来的美国 CEO 都是传统产业的“一家 IT 行业？”他要求美国 CEO 给出 IT 传统企业赚钱的例子。

曼库索幽默地表示，美国 CEO 俱乐部确实多数来自传统产业，但传统行业并非行业，这些企业个个都有“绝活”，有的几百年老店。

Doble 工程公司专门为电力行业提供咨询服务及测试仪器，其 CEO 罗伯特·史密电力行业不是新兴行业，但是使用了微软和一些管理软件后，员工的生产能力提到 3 倍，公司成为美国有名的企业。可



中美企业家十分珍惜昨天下午的“中美 CEO 互动对话”活动提供的交流机会，台前的对话与台后的对话同步进行。

Press coverage of the trade talks

representatives were there to meet us, offering help and support in any way they could.

I've been to China many times, but this trip was unlike any other. We toured top tourist attractions in every city and were treated like royalty at every stop. I'm not someone who's easily impressed, but this truly was a once-in-a-lifetime cultural experience for this old cowboy.

Part IV

Life After Selling The Company

After we sold New England Linen, my family suddenly found ourselves living a reality we had once only dared to imagine. Millions of dollars sat safely in the bank, carefully invested, and at just 40 and 50 years old, we were in the rare position of being able to do pretty much whatever we wanted with our lives. But believe it or not, that kind of freedom comes with its own strange weight. When your dreams finally come true... you're left staring at the open horizon wondering, Now what?

It was the spring of 2004, and although I still had a few lingering responsibilities, helping to wind things down, transferring the company, and easing the new management structure into place for the new owners, my role had essentially shifted into that of a figurehead. It was an awkward, almost painful position to be in. How do you explain to the team we had built, to the people who had helped turn the company into a well-oiled machine, that we had suddenly sold everything to a private equity group out of Boston?

To be honest, it felt a bit like a betrayal. These were the associates who had poured in their blood, sweat, and tears right alongside us, and now it looked as if the captain was simply jumping ship. Frank was staying on as President, but even with him remaining, his shares had been liquidated too, and somehow, it just wasn't the same.

A couple of the senior managers even came to me, frustration simmering just beneath the surface, and their words hit hard: "Seriously? What the



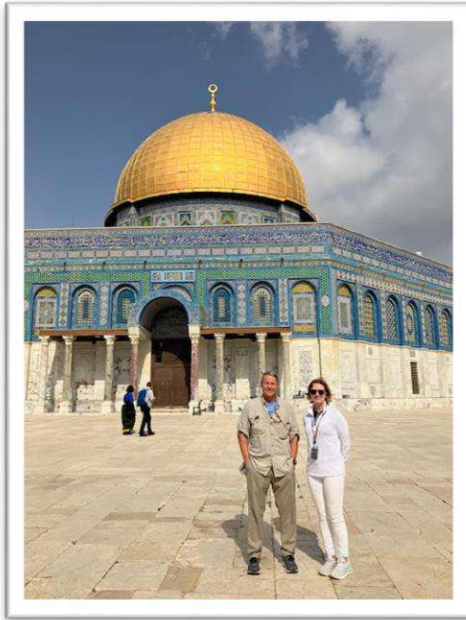
60th and 70th year Birthday party invite photo



Backyard set up for the party



Party pics after the boys birthday toasts



Dome of the Rock Islamic shrine in Jerusalem Israel



The pyramids of Giza in outside of Cairo Egypt



View from our backyard patio



Tiffany and the pups on our boat

fuck?!? You would sell the company right out from under us after everything we have been through together?”

In the end, it all came down to one simple truth: we had been given an all-cash offer for the company, an offer so good that turning it down would've been almost impossible. So, we took it. I just wanted to thank God for saving our butts. There was a moment when everything truly felt like a coin toss, where the company could just as easily have gone broke as become worth millions. In the end, “Surrender in the Middle of the Storm” was the key. The outcome was out of our hands. I guess the best way to describe it is this: “Just do your best and forget the rest.” So much of life is simply out of your control. Still, I truly believe that being optimistic and having faith can absolutely enhance your chances of a positive outcome. Our kids learned early on that old saying... “If you think you can, you can; if you think you can't, you can't.”

Yale Divinity School – Gratitude – Curiosity – Guidance

The Epiphany:

There was a moment back in 1997, a sudden, startling flash of realization, that hit us with undeniable clarity. I remember sitting with the book my mom had given me, Deepak Chopra's *The Seven Spiritual Laws of Success*, when one idea leapt off the page and into my life: when everything becomes unmanageable, "Surrender in the Middle of the Storm." Surrender to God. Trust Him to pull you out of what looks like an impossible situation, one that has spun far beyond your ability to control.

At the time, we were deep in the trenches of running New England Linen. The company was running out of money and staring down the threat of bankruptcy. The potential fallout, both for the business and for our family, loomed over us with frightening clarity. Life felt chaotic, overwhelming, and more than a little terrifying.

But shortly after embracing that idea, "Surrender in the Middle of the Storm", something extraordinary happened. It felt like a divine manifestation. While we prepared ourselves for the worst, we still clung to hope for the best. Carrie Underwood captured this feeling perfectly in her song "Jesus Take the Wheel." It's often said that in our darkest, most desperate moments, when we're literally on our knees because there's

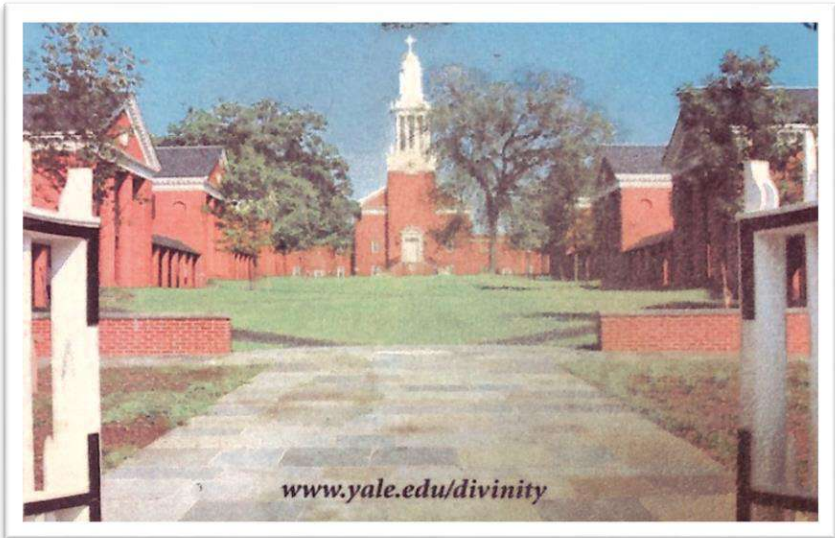
nowhere else left to look but up, we throw out a “Hail Mary Prayer.” And that is exactly what we did.

And then, the “Miracle” arrived. It swept in and turned the company around, lifting it from the brink of collapse to the triumph of selling the business for millions. After this epiphany, I practically became a poster child for faith. We owed God everything for saving the company, and saving our family.

So, when we finally sold the business, I knew I had to learn more about the God who had stepped in for us. It came from a place of pure Gratitude, for the act of saving us, and from the question that lingered in my mind: Why me? It came from curiosity about who this God is and how He creates these miracles here on earth. And it came from a desire for Guidance, what did He want from me, or from us, in return?

A good friend from our church in New Canaan had retired early from a job at the investment bank Goldman Sachs. He and his wife had both been partners at the firm, and they had both cashed out with who knows how much money. By then, he was enrolled in the Yale Divinity School, the seminary that is part of Yale University in New Haven, CT. A seminary, of course, is an educational institution that trains students for roles in church leadership like priests, ministers, or pastors. My friend also had a graduate degree from MIT and was basically a rocket scientist.

I never imagined I would be accepted into Yale Divinity School. It was a graduate program, and most of the students came in with undergraduate



The Yale Divinity School Campus in New Haven, CT



Officiating at a wedding ceremony

degrees in theology or religion. But by this point in life, we had already accomplished so many things we once believed were impossible. So why not take another swing at the bat and apply? I hired a consultant to help with my application, essays, and interview preparation, and, low and behold, despite my lack of previous formal religious education, I was accepted.

It was the summer of 2005, and we were on a family RV trip when all of this was unfolding. We had rented an RV and traveled through nine different states in the western U.S. Our oldest son Ryan was 10 years old, and the twins, Casey and Max, were 7. They were a little young for an adventure of this magnitude, but we had recently sold the company, and I had no idea if or when we'd ever be able to put life on hold for a few months like this again. So off we went. In many ways, it felt just like the *Around the World in 80 Days* opportunity back in 1981, one of those now-or-never moments.

The trip was amazing, but looming over the adventure was the fact that I was starting graduate school in the fall. And despite not having an undergraduate degree in religion, I hadn't even read the Bible. So I had three months that summer to read all 66 books of it. For anyone who may not know, there are 39 books in the Old Testament and 27 in the New Testament. I figured that, already starting behind the 8 ball, the least I could do was have the Bible under my belt. We spent our days traveling, hiking, and taking in incredible sights, then sleeping in the RV at night. I didn't want to keep the rest of the family awake while I studied, so most

of my Bible reading was done in the RV bathroom, late at night, with the light on.

Public speaking, for me, like for most people, is something I'm not very good at and was always afraid of. Believe it or not, I don't tell the story in this book very often. I get overwhelmed with emotion and choke up when I think about how fortunate we've been: this wonderful, healthy family, and now all this money and good fortune. I end up embarrassing myself and whoever I'm trying to talk to. So becoming a preacher or minister of any kind was completely out of the question.

The guidance question then became, "What did God want me to do with my life?" If I couldn't be a minister, and didn't want to try leading a church, then what? The Bible says in Matthew 25:40: "The King will reply, 'Truly I tell you, whatever you did for the least of these brothers and sisters of mine, you did for me.'" This refers to those who are poor, sick, hungry, thirsty, or otherwise in need. And the Bible repeatedly says that instead of theorizing about the Word of God, you should get out there and actually start doing something to serve others. It dawned on me that this was something I could do, and something I should do.

My wife Tiffany and I were among the founding members of Grace Community Church in New Canaan, CT. Our church's pastor was Cliffe Knechtle. Cliffe also led a national ministry called Give Me An Answer, traveling to university campuses twice a month to hold open-air question-and-answer discussions with students. These conversations often turned into heated debates about the benefits of including God and Christianity

in one's life. Everything was recorded, televised, and distributed in over twenty countries.

Cliffe and Charlie Kirk, the Evangelist founder of Turning Point USA, often had televised discussions and debates before the unfortunate death of Charlie Kirk in 2025. Cliffe had been visiting college campuses live for 44 years, so Charlie had a lot to learn from him. One clear difference in their visions was that Christianity should not be tied to politics. God was about love and forgiveness for all. Jesus loved everyone equally and would never take sides or pick favorites. And, of course, there was no mention of America in the Bible.

Sometimes I would travel with Cliffe to the campuses and offer my own two cents about Christianity and the role of God in life and business success. I also served on the Board of Directors of Give Me An Answer for fourteen years. In my ongoing quest to find the meaning of life, I attended services with Pope John Paul II in Rome and New York City, saw the Dalai Lama, and personally attended seminars and workshops from Deepak Chopra, Rick Warren, Tim Keller, Bob Buford, and any other influential spiritual leaders I could find.

Around this time, while I was in Divinity School, I also began my journey to learn more about the international water crisis and how I might engage in a mission to help solve it. I would soon discover that the problem was humongous, intimidating, even, but sometimes you simply have to jump in and start somewhere. So that's exactly what I did.

***WHEN DIVINE INTERVENTION SAVES YOUR
LIFE, GRATITUDE IS REQUIRED***

ALWAYS KEEP LEARNING AND GROWING

***WHAT WOULD YOU LIKE ME TO DO FOR THE
LEAST OF YOUR CHILDREN?***

Drinking Water Projects In Africa – Giving Back And Sharing The Wealth.....

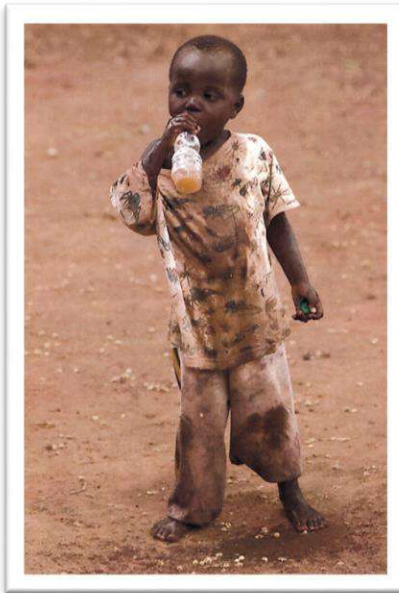
Whatever spare time I could find, when I wasn't in class, doing homework, or participating in mandatory group discussions, I devoted to reading everything I could about the world water crises. At the same time, I was also busy chasing our three boys around to their travel sports activities, along with managing two dogs, two cats, and a live-in nanny. We were busy.

As I dug deeper, I soon discovered that there were literally hundreds of water initiatives around the world working to address this monumental problem, including a couple dozen associations affiliated with the United Nations alone.

Eventually, I narrowed my focus to the five organizations I believed could have a significant impact: Millennium Development Villages, Water Partners International (which has since become Water.org), World Vision, Global Partners for Development, and Charity:Water. I believe business people often have a different set of skills for addressing problems than those who work for NGO's, Non-Governmental Organizations. And I guess if you set out to solve the biggest problem on earth, water and hunger, you can't help but make some kind of positive difference.



African tribe celebrating our water project installation



One of the millions of children we are trying to save

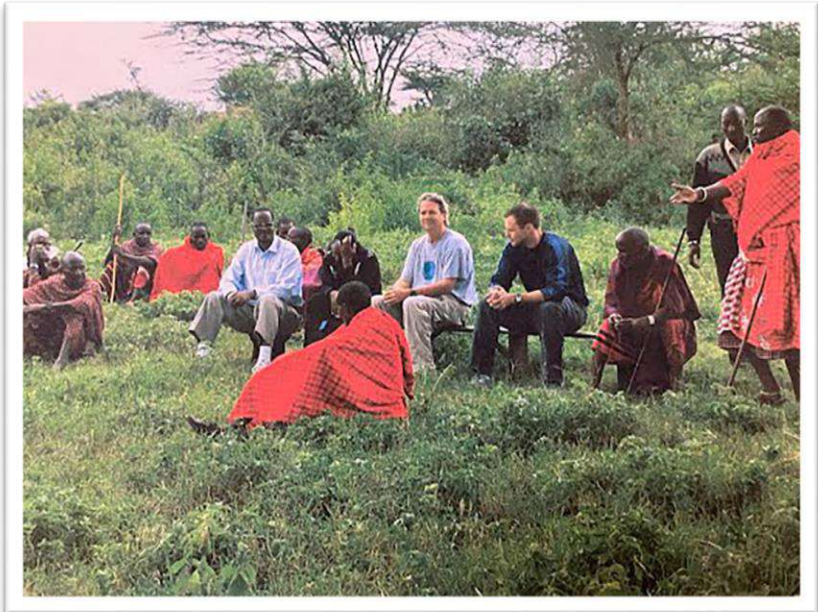
When I was doing all my research in various African countries, trying to figure out where we might fit in and actually make a difference, someone mentioned that there was a young guy in New York City who wanted to meet me. His name was Scott Harrison. I don't recall how Scott first heard of me or how he got my name, but we reached out and arranged to meet for lunch in lower Manhattan.

Scott Harrison had grown up in New Jersey with a strong Christian upbringing. Most recently, he had been a very successful nightclub promoter in NYC. Who knew you could actually make a very nice living doing that? But Scott did. No "A List" party in the city was complete without his influence. Eventually, he grew tired of the drugs, sex, and rock 'n' roll, and set out on a personal crusade to turn his life around and give something back. He went to volunteer, completely unpaid, in Liberia in western Africa, working on the Mercy Ships to help people with no access to medical care receive free surgeries. If you google Charity:Water and watch The Spring, you'll find an 18-minute video about his mission that will blow your mind. Scott has also written an amazing book called THIRST about his efforts to solve the world water crisis.

Back in 2006, Scott Harrison was asking me how to go about starting a foundation to address the world water crisis. In retrospect, it almost seems like a joke after seeing what he has accomplished since then. Scott is one of a handful of truly exceptional human beings on this planet. In my opinion, he has saved more lives over the past twenty years than any other single person. Lack of access to clean water kills more people every year than all of the wars and diseases combined. Scott has personally raised over



One of the puddle jumpers used to get to remote projects



Cooking us a goat on an open fire in thanks for help

\$1 billion to address the water crisis around the world and has brought clean water to millions and millions of people. His efforts have changed and saved countless lives. What he has achieved is nothing short of admirable, remarkable beyond comprehension. Scott is my favorite non-family member in the world, and we are blessed to call him a family friend.

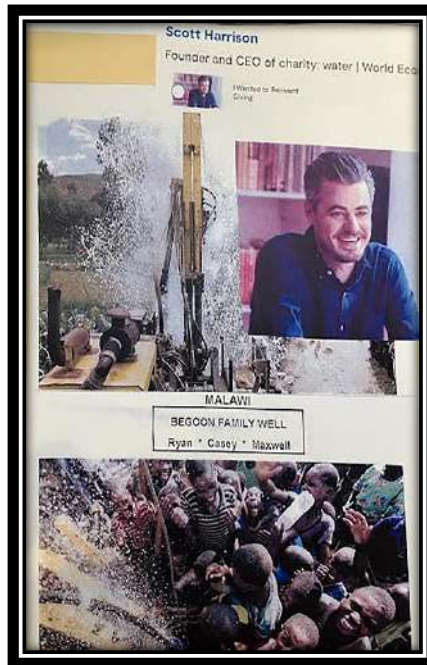
Through all of this, my dear wife Tiffany was a saint. But she was, once again, not too pleased with me at the time. She pointed out, quite reasonably, “For the last ten years you were working all day and night and we had no money. Now you are traveling all over the world and giving the money away. When are me and the boys going to catch a break? I mean seriously, WTF?!” And she clearly had a point.

I would try to explain to her that the Bible says in Luke 12:48, “to whom much is given, much will be required,” meaning that people will be held to a higher standard of responsibility based on the knowledge and resources they’ve been given. She probably wanted to respond with something along the lines of, “Is that so? Well, you can take this newfound philosophy of saving the world and stick it where the sun doesn’t shine!” The only thing that came to my mind at the time was what Bart Simpson might say: “Ay Caramba!”

It was 2007, and my first stop was the Millennium Villages Projects, headquartered at the United Nations in New York City. This was a massive worldwide initiative in which 190 countries committed to contributing 0.7% of their GDP to help alleviate global poverty. Jeffrey Sachs, professor at Columbia University and head of the Earth Institute,



Locals showing gratitude for a new water well



Scott Harrison the Founder and CEO of Charity:Water

was at the center of it. His book *The End of Poverty* had become the blueprint for tackling starvation and related issues that had plagued humanity since the beginning of time. It was the most comprehensive work compiled in one place to guide efforts to end poverty. Some of his other works, *The Price of Civilization*, *A New Foreign Policy*, and *To Move the World*, addressed many of the world's most complex issues.

I've had the privilege of meeting Jeffrey Sachs a few times and attending some of his lectures. He is an extraordinary visionary, leader, and intellect.

Jeffrey Sachs was also the pioneer of the Millennium Villages Project. The idea was to identify poor villages in Africa and provide a nucleus of clean water, sanitation, education, healthcare, and agriculture, enough to create jobs and sustain the local population. Once a village found its footing and became self-sustainable, the plan was to expand outward, taking the surrounding villages and duplicating the effort. I visited a couple of these early villages in Kenya and Tanzania with the team to see what help I might be able to provide. Despite the initial improvements in health and education metrics, the projects struggled to create sustainable economic growth and jobs. Some have since criticized the project for not living up to its potential. When you attempt something as incredibly ambitious as this, failure is always an option. And the market crash of 2008, followed by the worldwide recession, certainly didn't help. Many countries suddenly had bigger internal problems than contributing to ending poverty that had been around forever.

My next stop was Water Partners International, a Kansas City-based organization that is over 30 years old and has since become Water.org. Gary White, the founder, and the actor Matt Damon are the driving force behind it. Their mission is to bring water and sanitation to the world, and they are pioneers in market-driven solutions to the global water crisis. In 2007, I visited several of their water projects in Ethiopia with Gary White and his team. They were drilling water wells, capping springs to filter water, and using a variety of other creative methods to address the problems. I was learning a ton and found every visit fascinating. At the time, Gary suggested that the most important thing I could do was help raise awareness of the issue and raise money by getting other donations in addition to my own. Fundraising, unfortunately, isn't my bag. I simply don't have the heart to ask other people for money.

The next trip was to Uganda and Rwanda with Global Partners for Development, an organization based in California. This was another amazing experience, visiting water wells, dams being constructed, springs being capped, and other innovative ways of capturing and delivering clean water. The monsoon rains had washed out many of the roads and bridges we needed to reach in the remote brush where the projects were located. So, we had to fly. We found ourselves on some pretty hairy small puddle-jumper airplanes that didn't seem to be in the safest condition. We were also forced to drive through rivers and up and down steep ridges that barely looked possible to navigate. We had two flat tires in one day and were literally pushing jeeps by hand out of several ditches.

One of the things that made the deepest impact on me during this trip was visiting several schools and orphanages. These young children, maybe five to ten years old, were living in an orphanage because both of their parents had died of AIDS. They were given a bowl of oatmeal in the morning and a bowl of porridge in the evening, and they were being taught how to read and write. They were ecstatic to see us, especially since we were helping to sponsor their living quarters at the time. These children had the biggest, brightest smiles I swear I have ever seen. It absolutely warmed your heart and brought tears to your eyes. They were so grateful for what they had, even though it was the bare minimum needed to survive. You would think they had it all. I've always had a soft spot in my heart for the underdog, and I've always disliked any form of arrogance or entitlement. This experience only reinforced that belief.

It was an incredible contrast to returning home in Fairfield County, Connecticut, where kids might complain because they only have two nice bikes while their friend has two awesome bikes. It really makes you think about the values we are exposing our children to. I have often said that "It is a full-time job bringing up our kids in New Canaan and making damn sure that we are not spoiling them!"

The next trip was to Ghana with World Vision. World Vision is a faith-based charity driven by Jesus' love. It's the foundation of their programs and the reason they serve in the places where it's the hardest to be a child. Ghana, known to Europeans as the Gold Coast, became a major hub for the transatlantic slave trade because of its strategic location and natural harbors. The coastal castles, Elmina Castle and Cape Coast Castle among

them, were used to imprison tens of thousands of captured Africans in squalid dungeons before they were shipped across the Atlantic through the infamous “Door of No Return.” Seeing those dungeons is what I remember most from the trip, an experience that could only be compared to visiting the Nazi concentration camps in Germany.

At the time, I was exploring the possibility of getting a job with World Vision or Save the Children as a Director of Water Projects. But then the 2008 market crash and recession hit. It was a wake-up call, how in the hell could something like this even be allowed to happen, especially when so many people on Wall Street knew the hocus-pocus, subprime mortgages, and off-balance-sheet shenanigans were completely unsustainable? We lost a lot of money in the markets just like everybody else.

In any event, I realized I could still donate money to all of these organizations because I thought that our kids were doing great by then, and they were, and every spare moment I’d had since they were born was spent trying to build their character and teach them to be extraordinarily grateful to live the way we do. Most of the children in our country are not as privileged as us, and certainly the kids we were helping in Africa had nothing. However, at that time the best thing I could do for my family at that point was to saddle up and find another company to buy. So that’s what we did.

***THE MORE YOU GIVE THE MORE YOU GET
TO WHOM MUCH IS GIVEN, MUCH IS
EXPECTED***

***THE MOST REWARDING THING IS BRINGING
WATER AND FOOD TO ORPHANS***

***WIDOWS AND ORPHANS GRATITUDE,
PROVIDES YOU WITH UNIMAGINABLE JOY***

Climbing Mt. Kilimanjaro

It was December 4th, 2021, when we arrived at the Kilimanjaro International Airport in Tanzania, East Africa. My wife Tiffany had dreamed for many years of climbing Mt. Kilimanjaro, the highest free-standing mountain in the world. Our son Max had also been toying with the idea of climbing the Seven Summits, the highest mountain on each of the seven continents, and this seemed like as good a place to start as any. I guess after Max completed the IRONMAN competition with his brother Ryan in November of 2020, he felt he might be able to do just about anything, including climbing the Seven Summits. It's a monumental, life-threatening, years-long, and very expensive undertaking to even contemplate, but what the hell, I guess the sky is the limit?

I had been to Tanzania many times, and after our climbing experience on Mt. Everest in 2004, I wasn't particularly crazy about the idea. But being a good sport, I agreed to join them, and finance the expedition. I was in decent shape for a 68-year-old, but it would require yet another "getting-in-shape" effort, similar to the challenge I faced at 47 years old when I trained to run the NYC Marathon. We extended the invitation to Ryan and Casey to see if they wanted to join us. Ryan was up to his ass in alligators at the Blackstone investment bank and couldn't afford the time off. Casey, on the other hand, said, "Sure, why not?" Max kind of freaked out at this news. He said, "What the hell? I am already going to be dragging mom's ass up to the top of this mountain and now I have to worry about getting Casey up there too!?"



Casey, Max, and I standing at the Summit of Mt. Kilimanjaro, the world's highest free standing mountain

We decided to go with Alpine Ascents, the same mountain-guiding company we used on Everest. We arrived at a hotel about an hour from the entrance to the mountain. Unfortunately, Tiffany had contracted food poisoning the night before in Arusha, before we even got to the hotel. While we were doing our gear checks with the guides and other climbers, Tiffany couldn't even get out of bed. She was scheduled to have her second hip replaced in a few months, so she wasn't 100% to begin with, and she needed this stomach issue like a hole in the head. She recovered enough to saddle up and give it a shot, so the next day we loaded up the vans and headed out to the base of the mountain.

The savannah landscape in this part of Tanzania is magnificent. We had taken the family on safari there in 2017, but seeing all the animals again never gets old. It is breathtaking and inspiring every time. We arrived at the entrance to Kilimanjaro National Park and planned to climb about seven hours that day until we reached our first camp.

There are no yaks in this part of the world to carry the heavy loads up the mountain the way they did on Everest, so humans are required to haul all the gear. Porters are indigenous people of the Himalayas, but like "Sherpa" they have become a generic term for anyone carrying equipment up mountains around the world. They carry everything, tents, sleeping gear, clothing, food, kitchen supplies, and medical equipment. They also set up and break down camp every single day and night, and they help the Tanzanian guides prepare and clean up after all the meals. There are also professional guides who offer their expertise on handling the ascent,



A tent camp which are moved everyday



Casey & Max recuperating in their tent

managing altitude sickness, and navigating all the technical aspects of the climb.

Our expedition included twelve climbers and a support staff of about twenty. The lower part of the mountain felt like hiking through a magical, lush rainforest. Fittingly, it rained for most of the first three days. Tiffany was getting personal attention from our lead guide, Eric. Eric lived in Seattle, where Alpine Ascents is based. He had worked on climbs of all Seven Summits and had dealt with every imaginable situation, including some of the deadliest avalanches on Mt. Everest. Tiffany was being a trouper, but by the fourth day, she had to punt. The altitude was catching up to her, her stomach was still funky, and her hip was acting up. She didn't have the strength to make it the remaining few days to the top. If she didn't turn back now and later couldn't make the summit, they would have had to attempt a helicopter rescue higher up the mountain, a much riskier endeavor.

There is obviously no electricity or running water on the mountain. The Porters and guides collected river water or melted snow and boiled it for cleansing, drinking, and cooking. Every bit of food and cooking oil had to be hauled up by the staff.

The rugged natural beauty of the mountain was breathtaking. But there were also some hairy rocks and cliffs that had to be navigated. Some of the more treacherous sections required human chains of guides spotting climbers one at a time through tight passages because a fall at that height would be fatal. This became even more challenging as we climbed higher,



Tiffany and her porter worker in there



The tent where we eat all our meals

since everyone was experiencing different levels of altitude sickness, which created additional anxiety. Sleeping was difficult in the tents at higher altitudes because of the thin air and lack of oxygen.

Max and Casey shared a tent, and I had one to myself after Tiffany descended. By the time we reached camp each afternoon, we were filthy, cold, often wet, and completely exhausted. At this point, it had been over a week without a shower. As we climbed higher, your energy drained a little more each day. The food was pretty good, but your system was in uncharted territory, and the lack of sleep only compounded things. The twins were doing amazingly well, and Casey surprised us all with how strong and resilient he was day after day. He was in terrific shape, after all. I, on the other hand, was running out of gas a little more with each passing day. The average age of the expedition was 34 years old. I was double that, and it was beginning to show.

On summit day, we were awakened in our tents at midnight to begin the final ascent. It was 5% below zero. It was pitch dark, snowing, and very windy. We got dressed, grabbed our daily backpacks, and set out. Around 3:00 that morning, my strength started to fail. With the wind howling, the snot running out of my nose froze instantly, flying past my face like tiny icicles. We climbed on all fours up steep, icy rocks and cliffs. You couldn't see in the dark and the snow. You could hardly breathe in the thin air. My hands were frozen, and all I could think was: "Holy shit! I don't know if I am going to make it."



A 3:00 am pit stop on summit day



6:00 am approaching the summit

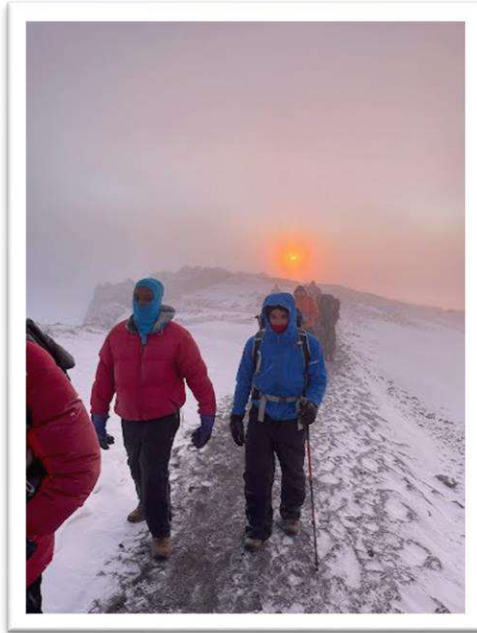
One of the guides offered to carry my pack, and I readily accepted. By now, Max was right behind me, spotting me in case I fell and giving me a push from behind when I needed it. When I finally caught up to Eric, our lead guide, I said, “Hey Eric, how about giving me some of that emergency oxygen?”

He said, “No. That is only for emergencies, and you are not there yet.”

I said, “Are you fucking kidding me? I got news for you, I am toast. Do I have to fall off the God damn cliff before this becomes an emergency?”

He said, “We are going to take a break for some water and a snack in twenty minutes. You can make it.”

When we stopped, it was still dark, still blowing like crazy, and still snowing. We were wandering around with our headlamps on like something out of *Night of the Living Dead*. I remember sitting on a rock with the boys and saying that it was a damn good thing I had done every single one of those Stairmaster workouts, because if I was even one ounce less in shape, it would be over. The problem was that at this point there was no turning back, we were too high up, closer to the top than back down at camp, and we couldn’t even begin descending until the sun came up. I’m not sure what they would have done if I really had collapsed. I guess they would have rigged some kind of stretcher and carried me up to the top. I’m sure it has happened before. For now, it was just one foot in front of the other, one more step, and one more step, and keep on keeping on.



We finally made it



Expedition Summit Celebration!

A couple of hours later, the sun began to rise, and we could finally see that we were approaching the summit, the rim at the top of a massive volcano. Our team got a second wind knowing the end was actually in sight and that we were all going to make it in one piece.

There was quite a celebration at the top of the mountain, photos, hugs, the whole thing. It didn't take long to realize how physically exhausted we really were, that we had been running mostly on adrenaline for the last few hours. And now, we had another six hours of climbing down the other side before reaching the next camp.

The descent was nearly as treacherous as the final push to the top, at least for me. I was running on empty by 6:00 a.m., and now I had to muster enough endurance to keep going for another six hours. Even though one of the Sherpas was carrying my pack, it was still touch and go. Heading downhill was a blessing, but it still took balance and a lot of strength to avoid slipping on the coarse lava and gravel paths. Max and Casey stayed with me and a couple of Sherpas near the end of the group for the first few hours, but eventually they grew impatient with the slow pace and took off to catch up with the others.

By the time my two Sherpas and I reached camp, I had fallen down or tipped over at least a couple of times. I was stumbling like a drunk man just trying to stay on my feet. The group had waited at least a couple of hours for us. The entire expedition, climbers, Sherpas, and guides, was waiting, a true "no man left behind" moment. As we finally came around the last bend, they all broke into a celebration of singing and dancing, an

African success song. It was incredibly emotional for me, and I tried, unsuccessfully, not to start crying as they ran out to hug us.

It was a moment I will never forget, and having Max and Casey there to share it made it all the more powerful.

I guess it was the final act of a successful climb now that everybody had arrived safe and sound. The twins and I then met privately with our head guide, Eric, to thank him for everything, and we said a blessing that Tiffany had made it down safely. What we didn't know at the time was that Tiffany had managed to get herself onto some flights back to New York alone, and was unfortunately pretty sick for another entire week once she got home. No matter how you slice it, mountaineering will always come with unforeseen challenges and even some dangerous moments. I guess that's one of the key components that makes these adventures so exciting and rewarding.

***TRYING RISKY UNDERTAKINGS BUILDS SELF
CONFIDENCE***

***SHARING ADVENTURES WITH YOUR FAMILY
BUILDS BONDS FOREVER***

***LIVING WITHOUT RUNNING WATER OR
ELECTRICITY BUILDS CHARACTER***

***MEMORIES ARE MADE FROM ACCOMPLISHING
EXTREME CHALLENGES***

Family Adventures

My first trip around the world in my twenties had a profound impact on my life, shaping my education, my understanding of people, and my perspective on just about everything. Because of that, we were determined to expose our children to as much travel as possible, both domestically and internationally, starting when they were very young.

We were fortunate to be part of a community that was incredibly family-oriented. This allowed us to participate in all kinds of activities and meet a ton of like-minded parents and children. One of the first places that became part of our family rhythm was a beach club in Rye, NY, where the kids attended the Manursing Island day camp. There, they learned how to swim, play tennis, and participate in a variety of games that taught them how to win well, lose well, and build their character in countless other ways. Mom and Dad also joined in, playing in tennis tournaments together, with the children, and with friends, and enjoying an active and welcoming social environment complete with crazy beach dance parties.

In our Connecticut hometown, beyond the usual school activities, we were also part of a special outdoor ice-skating club called the New Canaan Winter Club. Ironically, when I was a youngster living in Rye, my hockey team used to travel up here to play against these very same teams, about 45 years earlier. Our three boys learned how to skate and play hockey at the Winter Club starting around four years old. Soon after, they were competing against other young hockey teams. We would wake up very early to get them on the ice for practices and games, and at that age, not

2016 Olympics in Rio



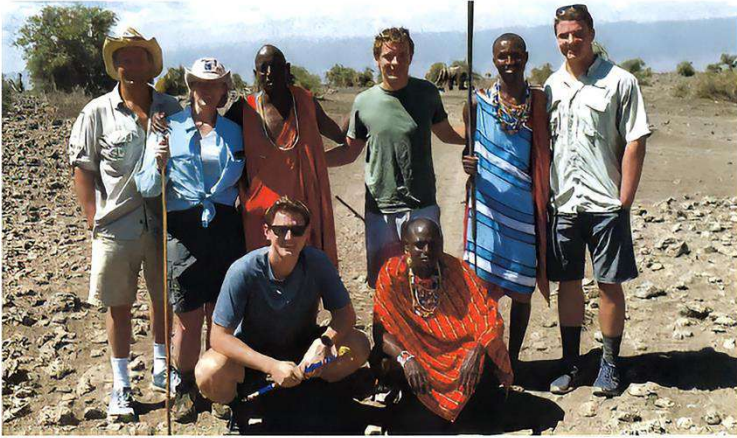
Max celebrating a hole in one in Denver

only did you have to help get the boys dressed in all of their equipment and uniforms, but you also had to tie their skates for the first couple of years. This is truly above and beyond the call of duty for most parents.

I will forever be grateful to my wonderful wife Tiffany for being such a great sport and never complaining about any of the many sacrifices involved in raising young hockey players. I also played on the men's travel hockey team at the club. Many of the players were dads from our boys' teams, and together we created countless memories, both on and off the ice, including traveling to Montreal to compete in regional men's hockey tournaments.

We would travel all around the state to play against other hockey teams. One of the highlights of each hockey season was the regional hockey championships up in Lake Placid, NY. There were four rinks up there, and the kids even got to play in the Herb Brooks Arena, where the USA Men's Hockey Team won the gold medal in 1980. It is still known today as the Miracle on Ice. All three boys had extraordinary competitive experiences at these tournaments. They learned about teamwork and how to compete fair and square with youth hockey teams from all over.

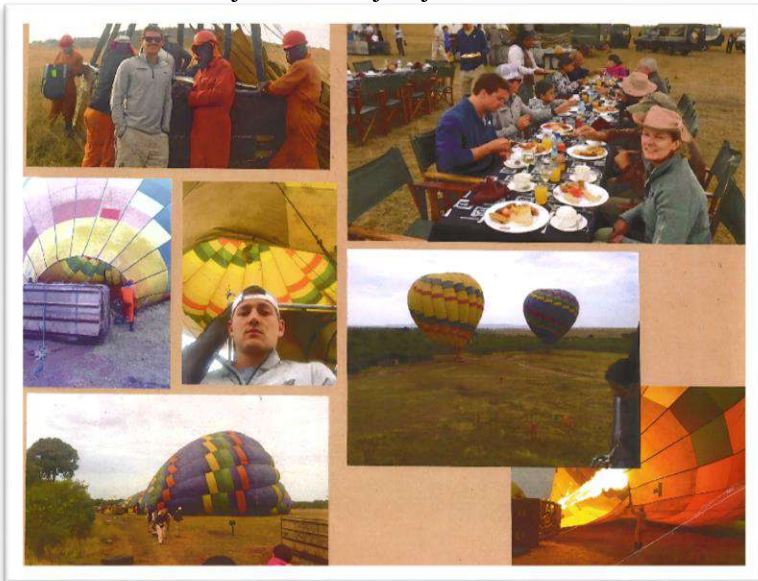
One unforgettable highlight came when our twins, Casey and Max, were just seven years old. Their mite team actually won the gold medal round at the Lake Placid Tournament for their age group, along with all the fanfare and celebrations that came with that unexpected championship. And at such a young age, they also learned the critical lesson of how to win, and how to lose, with dignity.



Summer 2017

THE BEGOON FAMILY

On an African wildlife safari in Tanzania



Hot air balloon ride over the African Serengeti

When we sold the New England Linen company in 2004, we finally had time to breathe and think about what we wanted to do next. I was 50 years old, and for the first time in our lives, we had financial independence. Perhaps by coincidence, or maybe not, it matched the second item on my list of goals. After earning \$100,000 per month by age 46, which happened in 2001, the second was to have enough money to retire by age 50 if we chose, which just happened to be in 2004. Pretty crazy, huh?

A family RV trip across the western USA seemed like a cool adventure to explore. The boys were a bit young at the time, 7, 7, and 10, but since we had no idea if or when we would have several months free again to do whatever we wanted, we figured, “What the hell, let’s go for it anyway.” We planned to start in the spring of 2005 when the boys got out of school. I mapped out the route and the states we would visit, it took me a day or two. Tiffany then enjoyed planning the same trip for the next several weeks, and we ultimately ended up with the same result. Go figure.

We flew to Denver, where our RV was delivered to the airport for us. I had experience driving many trucks over the past twenty years, but even we were surprised by how user-friendly the RV was. Tiffany was behind the wheel later that night with no problem at all. We traveled to all kinds of sites and national parks along the way. We slept in the RV, which was actually very comfortable. About half the time we cooked breakfast, lunch, and dinner inside the RV, and the rest of the time we’d eat at diners, dives, drive-throughs, and occasionally a nice restaurant. And through it all, I found myself looking out the window like Clark Griswold, hoping to spot Christy Brinkley driving by.



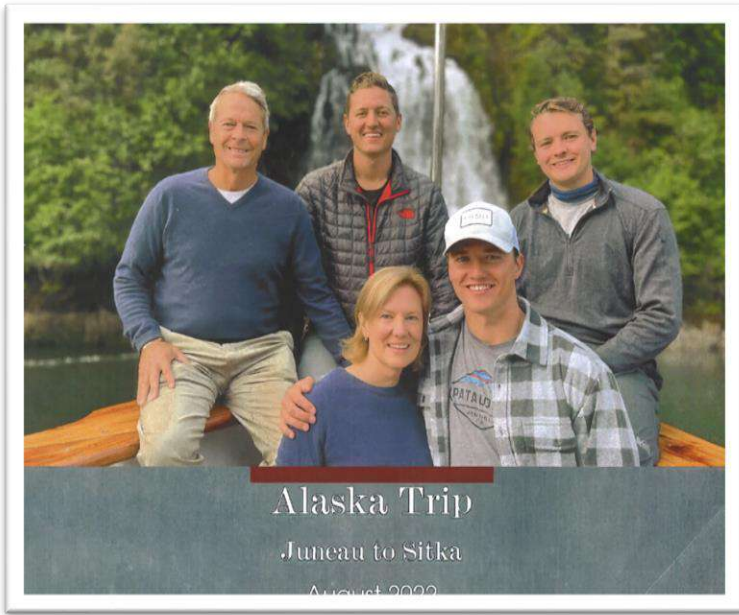
Blessed to be living large on a family adventure



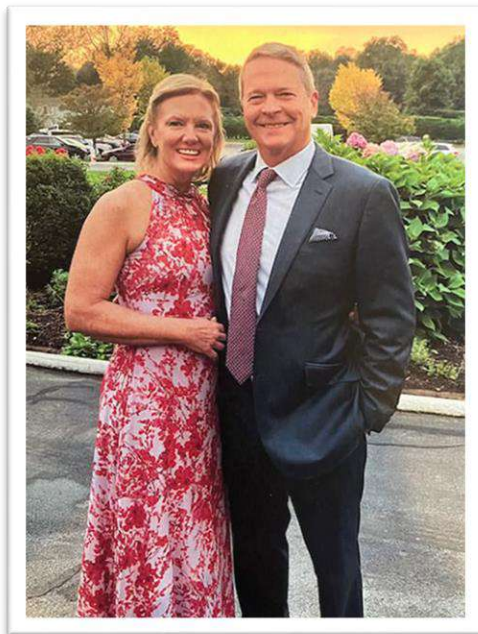
After a couple of days, we arrived at the Four Corners Monument, the only place in the United States where four states intersect simultaneously: Utah, Colorado, Arizona, and New Mexico. From there, we eventually made our way through Nevada, Idaho, Montana, and Wyoming before ending up in Aspen for a friend's wedding. I joked that there was an ordinance forbidding RVs from entering Aspen city limits because they were too tacky. I think it was a joke, but just to be on the safe side, we dropped the RV back in Denver and drove a rental car up to Aspen.

Each of these states had their own unique and spectacular things to see and experience. The Grand Canyon, Yosemite, Death Valley, the Petrified Forest, the canyons and arches of Utah. Two of the most spectacular parks, ones you rarely hear about and which became our favorites, were Bryce and Zion. We went to rodeos, natural water slides, fireworks shows, and had countless other adventures too numerous to list. We would highly recommend fitting an RV trip into your future family plans if possible.

The next family trip was taking the boys to Europe the following year. We wanted them to see some of the historical places they would soon be learning about in school. This time, we chose a guided bus tour through the major countries and capital cities of Europe. It felt like a moving history lesson every day and night, narrated by a guide who was truly an experienced historian. There were several other families with children on the bus, which was nice, we made some good friends, and the kids did too.



Exploring the Alaskan wilderness



We started in England and then moved on to France. The history, stretching back thousands of years, far older than the relatively young United States, at 230 years old, was fascinating. Not only were we hearing historical lessons daily, but we were actually able to visit and see firsthand where these events took place. Next, we traveled through the major cities of Germany, Austria, and Italy. It was an unforgettable and wonderful educational experience.

Other family trips included visits to Jamaica, the Dominican Republic, Las Vegas, Canada, and a Disney Cruise, which we highly recommend. Family reunion trips also took us annually to Crystal Lake, Michigan, and Vero Beach, Florida to visit grandparents and other relatives.

We also traveled as a family to the 2016 Olympics in Rio de Janeiro, Brazil. Max landed an internship with NBC Sports for the summer to cover the Olympics. As luck would have it, he drew the golden assignment: following Bob Costas, the head NBC commentator, around for three weeks in Brazil. Meanwhile, Tiffany, Ryan, Casey, and I traveled around the enormous city taking in as many events as we could. Max would pop in every few days to join us when his schedule allowed. It was another incredible international and athletic experience, one well worth doing if the opportunity ever arises.

The next big family trip was to climb Mt. Kilimanjaro in Africa, which is described in another section of this book.



Full dress hockey game with all the boys at age 65



Tennis on the French coast with Bernie, Tim, Reed

Tiffany had always wanted to get us up to Alaska to explore the amazing wilderness, so in 2022, we made the trip. We boarded a charter boat with about 30 passengers and 30 crew members. The expert guides took us fishing, hiking, and kayaking through the awesome natural beauty almost every day. One day, we took a helicopter ride to the top of the Mendenhall Glacier to see a large camp where sled dogs are raised and trained for various races and purposes. The dogs were mostly Alaskan Malamutes, Siberian Huskies, Samoyeds, and Chinooks. We were even taken on a dog sled ride with one of the guides, which was very cool.

We took boat rides right up to the edge of the humongous glaciers, which was breathtaking. We also went fly fishing, with bears visible down the river from us, which was pretty spooky. The boat and crew were almost luxurious, especially considering how far out in the wilderness we were. The vastness of the mountains, the landscape, the tree formations, and the waterfalls left us in awe every single day. Once again, if at all possible, it is an experience worth having.

Our boys have also arranged memorable extended international trips for groups of their college friends. They have traveled throughout Europe and Asia and created many of their own stories in recent years. I've found that traveling around the world as often as possible and meeting new people from every culture and walk of life is one of the best ways to enrich yourself and create the most interesting life. The last thing on my bucket list is to reach 100 countries before 100 years old, and I'm currently on track at 72.

PUT FAMILY FIRST

***TRAVELING THE WORLD WITH YOUR FAMILY
IS THE BEST***

***EXPERIENCING DIFFERENT CULTURES AND
WAYS OF LIFE IS EDUCATIONAL***

***MEMORIES OF CHALLENGING JOURNEYS WILL
BE CHERISHED FOREVER***

***FAMILY RELATIONSHIPS ARE THE ONLY
THINGS THAT LAST FOREVER***

Part V

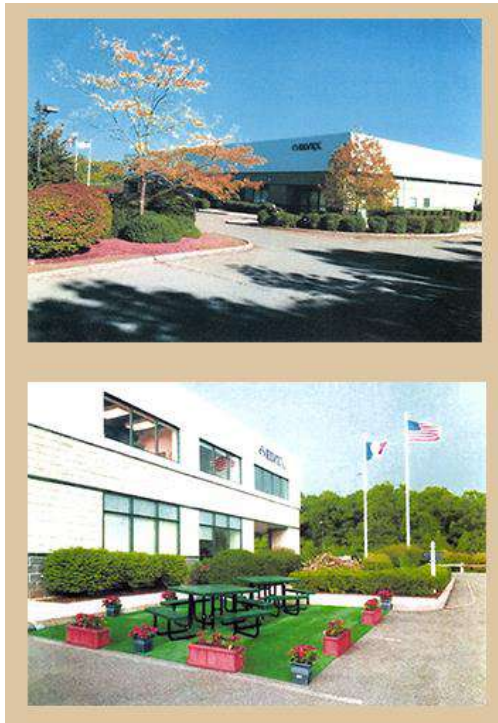
ELVEX-Buying An International Manufacturing Company

Buying the Elvex Corporation became another extremely challenging adventure, one that sent me traveling all over the world to visit our factories and our distributor customers. Even though the company was based in Connecticut, I was required to travel at least once a year to China, Taiwan, South Africa, Germany, Dubai in the UAE, Brazil, Chile, and Argentina; and, not just annually but fairly often, to India, Singapore, Indonesia, Thailand, the Philippines, Peru, Botswana, the Dominican Republic, Canada, Mexico, France, and Turkey. In retrospect, I suppose we have to admit that the traveling became pretty crazy for a while. Once again, my dear wife Tiffany found herself rolling her eyes and wondering, “Why me? What did we do to deserve this?”

After the financial crisis and market crash in 2008, it became necessary for us to reevaluate what we were going to do with our lives. We lost a significant amount of money in the markets like everyone else. Studying theology at Yale Divinity School and working on water projects in various countries in Africa had been a privilege and a deeply rewarding educational experience. I thought it might be interesting if an entrepreneur like me could travel around the country meeting other business owners who had sold their companies for significant amounts of money and were looking for a way to give back after their good fortune. What I learned was that



Elvex company headquarters in Shelton, CT



many of these business owners were only willing to give money if they could also get involved operationally in solving the problems.

With that in mind, I applied for a job at World Vision in California and at Save the Children in Connecticut to pitch this idea, but I didn't receive an offer, or even much enthusiasm. I also learned that these organizations did not want a bunch of entrepreneurial cowboys coming in and telling them how to run their foundations, even if those cowboys were offering millions of dollars in donations. Basically, these were two entirely different animals. We continued providing financial support to these water organizations each year, but we figured it was probably time for our family to move on.

So, in 2008, we decided to try to find another company to buy. (The process of finding a company to buy is described in great detail in PART FIVE – How to Buy a Company, where a 15-step process guides you through each stage.) I had the New England Capital Partners, LLC marketing materials outlining the type of company we wanted to buy, as well as a personal letter to many owners explaining why we wanted to purchase their business. (Examples of these materials appear in the 15-step process, FYI.)

I contacted Dun & Bradstreet to buy a list of businesses, along with the company owners' names and contact information, matching the types of companies we were interested in considering. We told D&B the industry, revenue size, and geographic location we wanted to focus on. They can

generate a list for you in a matter of minutes and email it the same day for a few hundred dollars. From there, you follow the 15-step process of contacting the companies.

We found a number of interesting businesses and began sending letters to the owners. If they were willing to meet with us to discuss the possibility of selling their company, that was the next step. Most initial visits were uneventful. Either the company wasn't a good fit, or the owner wasn't truly looking to sell and simply wanted me to walk him through the process and explain how selling his company would work. This is all fine and part of the journey. I never minded visiting with the owners, because you never know when the diamond in the rough will appear. You have to kiss a lot of frogs along the way, and sometimes you find what you're looking for when and where you least expect it. This is networking, and remember, you're searching for a situation that could potentially change your life.

IMPORTANT LESSON

LEARNING HOW TO DODGE A BULLET:

One company we looked at seemed like a perfect fit. It was a \$4,000,000 business generating about \$600,000 in profit. The company was a wholesale distributor of all kinds of pet foods and pet toys, and wholesale distribution companies are usually solid investments. They typically have a built-in foundation of loyal customers, along with established relationships with manufacturers who supply them with quality products

to sell. In many cases, they also have exclusive distribution territories, meaning they are the only source for those products in a particular region.

We liked wholesale distribution businesses, and we also liked the pet industry. People will spend money on their pets even when times get tight. They will cut back on other expenses long before they cut back on their pet's food and toys. On top of that, the company's main warehouse and main office were located just a few miles from our house, which is very unusual. The owner was in his seventies and ready to retire. He had already saved a lot of money and didn't seem overly concerned with maximizing his selling price. Many of the stars appeared to be lining up, and this one looked like it could be a winner.

I met with the owner a couple of times, and we agreed that we would probably be a good fit to buy his company. We reached an understanding in principle about what the business was worth, assuming everything he told me proved accurate during our investigation. I signed an NDA, Non-Disclosure Agreement, also known as a Confidentiality Agreement. This indicated that I would not disclose any company information except for the purposes of evaluating the business, which included sharing it with my accountants, consultant, or lawyers.

The due diligence research was ready to begin. I collected many of the financial statements as well as customer and supplier information. The company had about ten employees and seven trucks. Compared to running New England Linen, with 145 employees and over 30 trucks, this would

be a walk in the park for me. And unlike a business that operated 24 hours a day, seven days a week, this company ran from about 6:00 a.m. until 5:00 p.m., which was an entirely different lifestyle.

First, I decided to check out the customer base. The company had around 300 pet food store customers throughout the New York tristate area, so I jumped on the trucks with some of their drivers to help make deliveries. This allowed me to discreetly visit the actual pet food clients while also spending ten hours on the road with the drivers, asking every question I could think of about the company, the industry, and the employees and management behind the scenes.

Everything continued to look great. My wife and I even invited the owner and his wife to our home for dinner, hoping to show them that we were good people and had the resources to buy the company. Then I got around to digging into the books. The financial statements all seemed in order at first glance. But when I received a binder of the Accounts Receivable for one month, something jumped out. A large portion, almost 60%, of the sales came from one manufacturer. This happened to be the largest producer of organic natural dog food in the country. The company we were considering buying had exclusive distribution rights to sell this manufacturer's natural products in the entire tristate area. It was a sweet deal, almost like a chain of car dealerships having exclusive rights to sell Lexus vehicles in the region. But it was also a red flag. I needed to dig deeper into the arrangement and contracts.

When you're investigating a potential acquisition, it is always wise to find an industry consultant who can educate you about the company and the broader competitive landscape. Consultants have years of knowledge and can answer the critical questions you may not even know to ask. I called the industry association president and asked for the names of the top three consultants in the field. I found one in Tampa, Florida. I explained my situation and asked what he would charge to advise me on this acquisition. He knew the industry well and even knew the company, and the owner, we were looking to buy. He told me he was flying to Washington, D.C. the following Thursday for a meeting, and if I wanted to meet him at the airport, he could spend four hours with me for \$2,000. That was perfect.

We met at the airport, and he confirmed that the company was solid and that the owner truly did want to retire. Then we began going through the information and customer data. He immediately noticed the same issue I had: that manufacturer accounting for more than half the business. He said this would normally be a major concern under any circumstances. But then he told me something I was not expecting: he knew that the owners of the natural dog food manufacturer, the one responsible for the majority of the company's business, were also considering selling their company.

I said, "Oh my God. No way!"

He explained that if the natural dog food manufacturer sold their company to a private equity investment firm, it wouldn't have a significant impact on the business we were looking to buy. In that scenario, they would still

need our company to distribute their products. However, if they sold their company to one of the major dog food companies, Nestlé Purina, Hill's, Mars Inc., or IAMS owned by Procter and Gamble, everything would change. Those companies already had their own distribution networks and delivery trucks. That meant the 50% of the business tied to that manufacturer would simply disappear overnight. Many of the 300 pet food stores the distributor served might only have been buying other products from them because they needed access to the number one natural dog food brand.

This is what is known as a deal breaker. The company could go bankrupt in the near future simply because of a random event in the marketplace. I was extremely disappointed, but I had no choice. I had to pull the plug on a deal I loved after spending a tremendous amount of time finding it and doing the due diligence. And sure enough, the manufacturer sold to an industry competitor, and the distributor we were looking to buy went broke within two years. That consultation, those couple of thousand dollars, saved us from a disastrous investment and from spending years trying to salvage a dying horse. It may have been some of the best money we ever spent.

Anyway, time to start all over again. We went back to sending out letters and brochures each week, waiting for another business owner who might be ready to sell his company. After many stops and starts, and plenty of dead ends, we finally found an interesting situation. A 72-year-old Swedish gentleman who owned a manufacturing company was ready to

retire and was willing to invite me in to see if I might be a good fit to buy his business. And so, we began the dance.

The company, Elvex Corporation, was a 40-year-old Connecticut business that manufactured safety equipment. The product line consisted primarily of safety glasses, hard hats, hearing protection, and chain saw clothing. The products were designed in Connecticut but were contract manufactured in China and Taiwan. Contract manufacturing meant that we found factories already producing similar products and willing to bid on our projects. We would send over our product design specifications along with our estimated order quantities for the next twelve months, and several specialized factories in China and Taiwan would respond with how much they would charge per item.

The company was doing \$6,000,000 in sales and had a profit of \$1,200,000 in 2007, the most recent full year of financial statements available when I started looking at the business in late 2008. In early 2009, I told the owner I would pay him \$6,000,000 for the company, \$1,200,000 times five, if my due diligence verified the accuracy and legitimacy of his financial statements. I began digging into the company and the industry, and everything checked out. The numbers were solid. The valuation was legitimate. The company was worth \$6,000,000.

But now that the owner knew exactly what his business was worth, he suddenly decided he wanted to milk the cow for a couple more years. He was making \$1,200,000 in profit, plus his salary, plus a salary for his wife,

who didn't really do anything. It's not unusual for small business owners to have family members on the payroll, whether or not they actually provide any services. Regardless, it meant the deal was dead.

This was extremely disappointing for me, yet again, to get so far down the line, ready to buy the company, only for the whole thing to fall apart simply because the owner changed his mind. Unfortunately, this isn't terribly unusual. These negotiations are very personal, and they can shift on a dime for any number of reasons.

So, once again, time to start all over. After kicking a lot of tires, I found a couple of similar companies whose owners did want to sell. These businesses were in the home healthcare industry. They sold various medical supplies and equipment, but most of their income came from renting hospital beds and medical scooters for home use. Another huge revenue source was home oxygen tanks and dispensing equipment for people with respiratory problems or those who simply needed oxygen to survive.

However, the industry had been dealing with Medicare fraud issues, and the government decided to pay all providers 10% less for everything. Many of these companies were only making a 10% profit to begin with, so quite a few owners were ready to throw in the towel. I found three of these businesses and planned to consolidate them, believing I could create enough efficiency through combining operations to make the deal

worthwhile. I had done the research and was preparing bids to buy the three companies.

I remember it was a Saturday morning in February of 2010 when I returned from working out at the gym. Tiffany told me that some accountant guy had just called and said the owner of Elvex, the safety company, was now willing to sell his company to me. His 2008 financial statements had just come in, and he had lost \$1,000,000 in sales during the recession of 2008. He no longer had the energy to keep fighting this battle with the economic crisis still in full swing.

I told him that I was in the middle of bidding on other companies at that very moment, and if he was truly serious about selling his company now, I would prepare a Letter of Intent to buy it that very day, and he would need to sign it by Monday afternoon. The accountant said fine. Send one to him and a copy to me. We executed the Letter of Intent on Monday, and I had to notify the owners of the three medical supply companies that I had to put our deals on hold until I could see whether this acquisition came through. They were shocked and very disappointed that I had pulled out so late in the process, especially after going through all the due diligence.

I had already completed most of the due diligence on the safety company and the industry a year earlier, so now it was mostly a matter of updating the numbers from 2007 to 2009. As it turned out, the company had not only lost \$1,000,000 in sales in 2009 due to the recession, but it had also

lost \$200,000 in profit. The company was now worth \$5,000,000 instead of \$6,000,000 ($\$1,000,000 \times 5 = \$5,000,000$).

I offered the owner the possibility of staying with the company for three years. I would buy 50% of the company immediately, with an option to buy the other 50% in three years. This structure was very similar to my acquisition of New England Linen. I told him he could spend most of his time at his house in Florida while I ran the company for the next three years. He could continue taking his full salary and 50% of the profits during this period, which sounded very attractive to him. It would cost me a little more in the long run, but it allowed me to hedge my bets on the downside. If anything went sideways, or if the recession hit the company or the industry harder than expected, I wouldn't have to buy the remaining 50% unless I wanted to.

We closed the deal on April 1, 2010.

The following structure is very similar to the New England Linen deal with 50% now and 50% in three years:

Total Offer to Purchase 100% Elvex Corporation over 12 years: Oct 31

| | First | Second | Total |
|--|------------|------------|-------------|
| The total of all of these payments is: | 50% of Co. | 50% of Co. | 100% of Co. |

| | | | |
|--------------------------------------|--------------------|--------------------|--------------------|
| Total Company Value Payments: | \$2,500,000 | \$3,200,000 | \$5,700,000 |
|--------------------------------------|--------------------|--------------------|--------------------|

| | | | |
|---------------------------------------|------------|------------|------------|
| Cash Down Payment | \$ 500,000 | \$ 200,000 | \$ 700,000 |
| Cash from the company's bank account* | \$ 300,000 | \$ | \$ 500,000 |

| | | | |
|--------------------------------------|--------------------|--------------------|--------------------|
| Seller Note A payable over 5 years | \$ 500,000 | \$ | \$ 500,000 |
| Seller Note B payable over 5 years** | \$ | \$1,000,000 | \$1,000,000 |
| BNC Loan | \$ | \$1,200,000 | \$1,200,000 |
| WFB Loan | \$ 500,000 | \$ | \$ 500,000 |
| ML Loan 1 | \$ 250,000 | \$ | \$ 250,000 |
| ML Loan 2 | \$ 250,000 | \$ | \$ 250,000 |
| ML Loan 3 | \$ | \$ 300,000 | \$ 300,000 |
| Investor A&B Cash | \$ | \$ 500,000 | \$ 500,000 |
| Total Company Value Payments: | \$2,500,000 | \$3,200,000 | \$5,700,000 |

| | | | |
|--------------------------------|-------------------|------------|-------------|
| Interest on Seller Notes A & B | \$ 90,000 | \$ 180,000 | \$ 270,000 |
| Interest on Bank Loans | \$ 80,000 | \$ 700,000 | \$ 780,000 |
| Total Interest Payments | <u>\$ 170,000</u> | \$ 880,000 | \$1,050,000 |

| | | | |
|---|--------------------|--------------------|--------------------|
| Total Principal & Interest Payments: | \$2,670,000 | \$4,080,000 | \$6,750,000 |
|---|--------------------|--------------------|--------------------|

* This Cash from the company's bank account was because there was \$1,000,000 of cash in the company's bank account when I bought 50% of the stock. My lawyer wisely said you don't need that much cash to run the business. Tell the seller to take out and keep \$500,000 of his own money!!

** This Seller Note B includes an extra \$700,000. This is for the extra \$1 million I had to pay to buy the seller out a year early from my option. Year 2 not year 3. (\$1,000,000 - \$300,000 taxes = \$700,000) It was mentioned earlier that you should not buy a company unless it can pay for itself out of existing cash flow. Therefore, you can see below how the company could pay for itself out of existing cash flow

| | 50% | 50% | 100% |
|---------------------------------------|-------------------|------------|-------------|
| Average Annual Cash Flow Est.: | <u>\$ 500,000</u> | | \$1,200,000 |
| Annual Debt Payments: | | | |
| Average Annual Principal Payments | <u>\$ 100,000</u> | \$ 500,000 | \$ 600,000 |
| Average Annual Interest Payments Est. | <u>\$ 70,000</u> | \$ 100,000 | \$ 170,000 |
| Average Total Annual Debt Payments: | <u>\$ 170,000</u> | \$ 600,000 | \$ 770,000 |
| Average Cash Flow after Debt Service: | \$ 330,000 | | \$ 430,000 |

*The Second 50% #'s were larger than the First 50% because the value of the company had gone up.

Elvex Corporation Financial Summary Approximates for next 8 years in \$ millions (\$000,000)

| Annual per year: | 1 | 2 | 3 | 4 | 5 | 6 | 7 | Value |
|------------------|-----|-----|-----|------|------|------|------|-------|
| Sales: | 5.7 | 7.2 | 8.9 | 10.2 | 12.3 | 13.8 | 15.0 | 15.0 |
| Cost Goods Sold: | 2.7 | 3.5 | 4.6 | 5.3 | 6.9 | 8.0 | 8.4 | 8.4 |
| Gross Profit: | 3.0 | 3.7 | 4.3 | 4.9 | 5.4 | 5.8 | 6.6 | 6.6 |

| | | | | | | | | |
|----------------|-----|-----|-----|-----|-----|-----|-----|----------------------------------|
| Adj. EBITDA | 1.0 | 1.2 | 1.1 | 1.2 | 1.3 | 1.4 | 1.5 | 1.5 |
| Multiple x 5 | | | | | | | | x 10*(Synergistic buyer premium) |
| Company Value: | 5.0 | 6.0 | 5.5 | 6.0 | 6.5 | 7.0 | 7.5 | 15.0 |

* Synergistic buyer premium = A company in the same industry will have many savings by illumination overlapping jobs and sales costs. Also, if a company is public like the company that bought Elvex, public companies usually trade at about 13 times cash flow. Therefore a small company like ours would typically sell for 5 times cash flow of \$1,500,000 x 5 = \$7,500,000; but that same \$1,500,000 of cash flow to a public company could be worth \$1,500,000 x 13 = 19,500,000. If it is at all possible to find a public company to buy your business you should certainly get a higher price for the business. Unfortunately, most public companies don't want to buy \$15,000,000 companies because it is usually too small to bother with.

The company was sold to a private equity company in year 7 for \$15,500,000 in cash.

The total cash invested was \$1,200,000.

The rest of the purchase price was all paid out of the cash flow of the company, therefore paying for itself.

The following are the most important keys to this successful investment:

- The fact that I could get my hands on the wheel of a decent-sized, profitable company with 15 employees at the time for only a \$500,000 cash down payment was extremely desirable. It felt like one of those rare opportunities where the door opens just wide enough for you to step through if you're willing to take the risk.
- The icing on the cake was the structure of the deal itself. I was only committing to acquire 50% of the company upfront, with an option, but not an obligation, to buy the other half later. That flexibility created breathing room, and it allowed me to move forward without betting the entire farm on day one.
- Put together, all of these factors created a kind of magic formula: limited downside, unlimited upside. My total cash invested was \$700,000, and seven years later the company sold for \$15,500,000 in cash, minus debt and taxes. There was no

business broker fee because I found the French public safety company myself, and sold them the company directly.

- There was clearly a great deal of indescribable hell to pay over those seven years, no shortage of stress, pressure, and sleepless nights, but at the end of the day, it was still a pretty solid investment overall.

As was mentioned before, whenever you buy a private company like this, there will inevitably be some very difficult personal issues to contend with, and this transaction was no different. The family members involved were not a problem. The wife would be taken off the payroll on day one. But there were other long-time employee issues that presented significant problems and real obstacles to growth. Employees who had been there for decades had become extremely territorial and were deeply resistant to any changes in how things had always been done. They had their systems, their routines, flawed or not, and anything new felt like a direct threat to their security. People become very insecure when change steps through the door.

One employee in particular had been running much of the company's operations for years. The owner was happy to let her handle the heavy lifting; after all, he was making over a million dollars a year while she quietly kept the engine running. Over time, she had taken on responsibilities the owner no longer had the capability or energy to handle. As a result, she exercised enormous control over almost everything, and she had no intention of letting go of that control. When the owner and I

began getting serious about the sale, he introduced her to me as the glue that held the company together. Without missing a beat, she said, “Call me Elmers.”

She was indeed bright, extremely competent, and fully capable of running the company. But she saw me as a tremendous threat from day one. She knew perfectly well that she had enjoyed near total autonomy for years, with very little oversight from the owner or his wife. My arrival meant the possibility of change, and change meant losing control.

The company’s operations were incredibly complex. We had several factories overseas manufacturing hundreds of products every month. Each product had to meet specific safety standards required by various government agencies. And it wasn’t just U.S. standards, we had distributors in sixty countries. Many of those countries had their own regulations, meaning country-specific safety standards had to be marked somewhere on each product during manufacturing. Managing production and inventory for every product across every country created an enormous maze of challenges, headaches that had to be untangled daily.

In addition to the production challenges, every country had its own currency and language barriers. Receiving products from several factories overseas and then shipping those products to sixty different countries was an extremely complicated process. Each country had its own customs regulations for imports and exports, and many required an additional

safety-equipment examination before goods could enter. On top of that, we had another 300 distributors in the United States alone.

The woman running much of the operation was highly competent, but her entire sense of job security rested on one fact: nobody else in the company had any real understanding of what was going on beyond the specific tasks she assigned them. With all manufacturing done offshore, the Connecticut headquarters operated with only fifteen employees. In many ways, this lean structure was a benefit. The more you can outsource company personnel, the fewer HR headaches you have, less hiring, less training, fewer personnel issues, and fewer insurance complications.

We also outsourced the U.S. sales force by hiring independent sales representatives. These were self-employed safety salespeople located around the country. They called on our distributors and took orders not only for our products but for the products of other safety manufacturers as well. For their efforts, they earned an 8% commission and covered their own expenses. We worked with twelve rep companies, representing around forty total sales reps.

In addition, we had a national sales manager working out of the Connecticut office who oversaw all of these independent reps. Beyond that, we had three full-time international salespeople located in Brazil, South Africa, and Southeast Asia. Our international sales manager also worked out of the Connecticut headquarters, though he practically lived

on an airplane, traveling all over the world, often with me right behind him.

The female operations manager was hell-bent on keeping me in the dark, as well as everyone else in the company. She gave me only what I specifically asked for and nothing more. She had no interest in training me in the complex ordering process, the import–export issues, or the intricacies of inventory control. She was determined to maintain complete, personal control over everything. It was bizarre and extremely frustrating. I had no choice but to go out on my own, visiting all the factories in China and Taiwan directly, and meeting as many of our domestic and international distributors as I could physically reach.

The computer systems were antiquated and inefficient, which only increased her job security because nobody else in the company, not even the previous owner, knew how to operate the software. She was single and worked very long hours. She was also a hoarder. Papers and files were piled so high on her desk that she could almost physically hide behind them. There was absolutely no rhyme or reason to the filing system; only she knew where anything was or how to access it. The only way anyone could get an answer to any question was to ask her and wait. I don't think she had taken a vacation in a very long time.

I started traveling like mad to learn as much as I could, visiting our factories, which were fascinating, and visiting our distributors, who were actually our customers. Seeing these distributors in person was an



Elvex trade show in Dusseldorf Germany

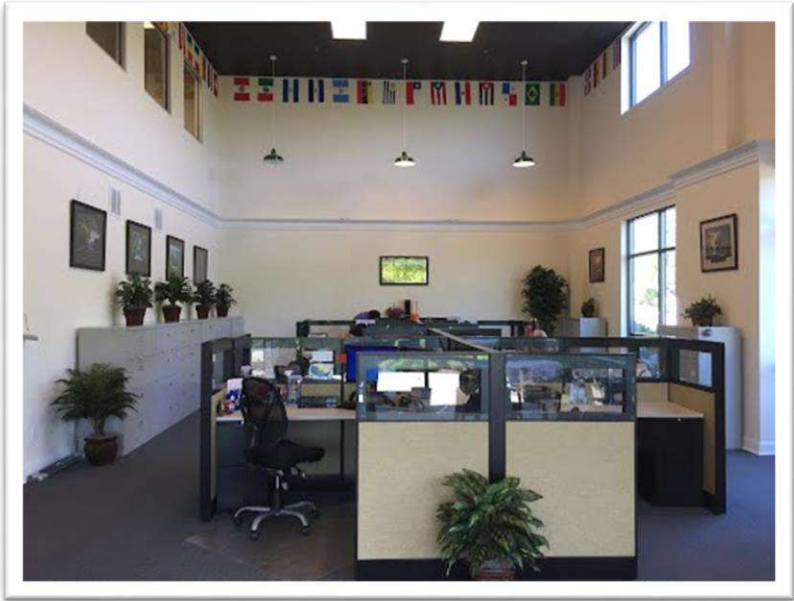


Elvex business meeting in Shanghai China

unbelievable experience. These were the owners of companies in every country we traveled to, and they treated us like gold. They arranged airport pickups, planned our itineraries, and made sure every detail of the week was coordinated.

Our customers were manufacturers of everything imaginable. Every factory in the world required some kind of safety equipment, steel mills, car factories, food production facilities, and countless others. Construction companies and road crews all needed safety gear as well. Anyone working up in trees or even landscapers required safety eyewear and hearing protection. The oil & gas exploration and production industry also used a ton of safety equipment.

We toured all of these factories, trying to convince the owners or safety managers why they should choose our products instead of 3M, Honeywell, or the hundreds of other competitors in the market. Every factory tour was interesting, but the mines were my favorite. Mining operations used massive quantities of safety products. They built entire city-sized camps for thousands of miners who typically lived and worked there for six weeks at a time before going home for a couple of weeks. It was a crazy life. We visited mines of all kinds, copper, iron ore, metals, coal, gravel, potash, gold, and more. Many of our large mining customers were concentrated in Peru, Chile, and Indonesia, as well as South Africa and Botswana, though they were scattered all over the world.



Elvex offices and staff meeting

We stayed in very nice hotels internationally, primarily for safety reasons. The business owners often took us to the finest restaurants and cultural sites in their cities, allowing us to mix business with pleasure. Through these experiences, we not only gained insight into their operations but also built meaningful personal relationships along the way.

Back on the home front, I hired a finance manager to help wrestle some of the control away from the operations manager. The previous owner, now my partner, was perfectly happy having his “girl” in charge, because as long as she remained the gatekeeper, he still effectively controlled everything. She tried to keep the new finance guy at arm’s length, refusing to let him access the computer systems or begin upgrading any software or hardware that would bring even a shred of transparency to the business. She believed that as long as nothing was transparent, she would have job security for life.

This became one of the most frustrating experiences of my career. I would drive home at night screaming at the windshield, absolutely beside myself at how insane the situation had become. The fact that I couldn’t even get my own partner to support my efforts to modernize the systems and make the company more efficient made it all the more bizarre.

I finally took matters into my own hands. While he was in Florida, I took control of the warehouse and installed brand-new, three-tiered pallet racking systems. When he came back and saw what had been done, he was flabbergasted. Overnight, we had tripled the amount of inventory we could

carry and, for the first time ever, could instantly identify where everything was located. It was the most obvious and simplest improvement imaginable, solving multiple problems at relatively low cost. The payback period in labor savings alone was only a few months.

Meanwhile, I was trying to grow the business as aggressively as possible, which, believe it or not, became another point of contention with my partner. As discussed earlier, a company with steady sales spits off far more cash than a growing company, which requires extra capital for inventory, marketing, advertising, new products, and sometimes more employees. I had my foot on the gas, while my partner and his operations manager had their feet planted firmly on the brakes.

After about a year and a half, the tension reached a boiling point. I finally offered my partner an extra million dollars if he would leave the company in two years instead of three, and he agreed. By this time, I had already hired the number one safety glass designer away from Honeywell and offered him the opportunity to buy 10% of the company, half in cash, \$250,000, and half in a \$250,000 promissory note that I and the company would guarantee. I offered our international sales manager the same deal. They both accepted, and together they now owned 20% of the company.

I then had to personally guarantee another \$865,000 note to buy the remaining 50% of the company, a decision my wife was certainly not

pleased about, but I told her it was necessary both to grow the business and for me to keep my sanity.

The first order of business was to hire a strong new CFO, someone capable of taking full command of the computer systems, ordering and inventory controls, and financial reporting practices, pulling all of it away from the operations manager. She had completely sabotaged the first finance manager, whom I unfortunately had to let go after discovering a \$900,000 recording discrepancy that she could easily have prevented. He had three children, and I had no choice but to fire him between Thanksgiving and Christmas. These are among the hardest decisions an executive, or any business owner, must make. But they are necessary, and they must be made swiftly when the need arises.

The new CFO had his hands full taking over all of the company's operations and systems, with the existing manager resisting and fighting him every step of the way. But thank God he was up to the task. Meanwhile, the company was growing like crazy. We landed Walmart as an account through a private-label arrangement, and WW Grainger's business was expanding nicely as well. Our international distributors were also thriving now that we offered them, and their end-user customers, some attractive incentives and volume discounts.

We had grown the company from about \$5 million in sales to about \$10 million in a relatively short period of time. This extraordinary growth, however, demanded a significant amount of additional cash to finance the



Elvex in 2010 when I first bought the company

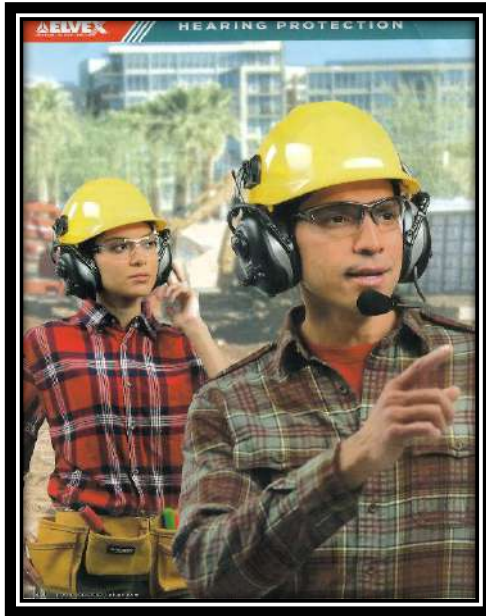


Elvex in 2017 in Shanghai China with Delta Plus

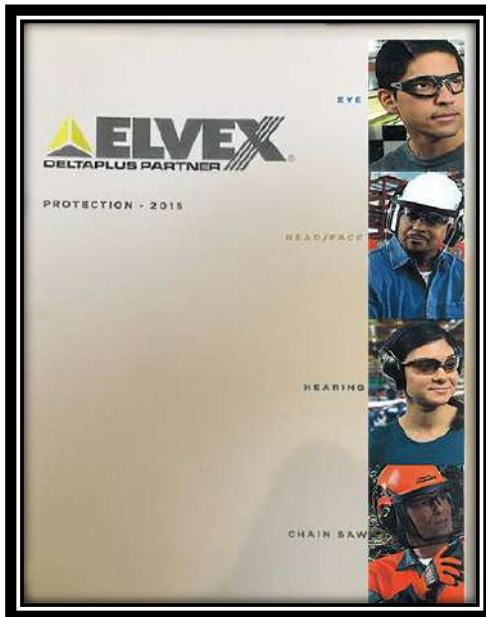
inventory needed to support it. Unfortunately, our loans were maxed out. The purchase of the remaining 50% of the company, combined with the working capital required for this rapid expansion, had pushed us to the breaking point.

The core problem was timing. Our invoices became due the moment products left the factories in Asia. Then it took a couple of months for the ocean shipping containers to reach the United States, plus additional time to clear customs at the various receiving shipping ports and get trucked to our warehouse. From there, the inventory sat until it was sold, hopefully not for long, before being shipped to customers. Many of our international customers had to wait another sixty days to receive the products from us, and then they would ship them to their own end-user manufacturing customers. Only after that would we receive payment, another thirty to forty-five days later.

As you can see, there was a massive time gap between when we owed money to our vendors and when we finally got paid by our customers. We had met with the owners of our factories several times by then and had built a very strong working relationship. They were thrilled to see us growing and sending them more business, but they were not in a position to finance our cash flow problems. Their invoices had thirty-day terms, but our payments started stretching to ninety and even one hundred twenty days. Eventually, the factories began holding up the release of new orders until our overdue invoices were paid. It got so bad that I had to personally guarantee the payments just to get our products released.



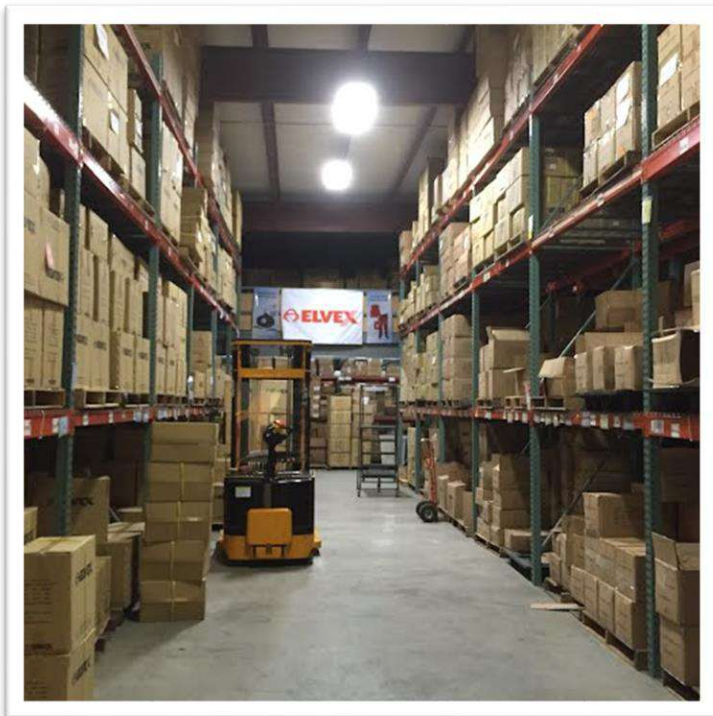
Elvex Safety Products brochure



Eventually, we were able to alleviate some of these cash flow timing issues by shipping full containers of products directly from the factories in Asia to our customers around the world. That helped enormously. We also set up an additional warehouse operation in Taiwan, so we no longer had to ship products to Connecticut before shipping them out again. Many of our customers were in Australia, Indonesia, the Philippines, and other Asian countries, so having a warehouse and distribution center in Asia made a tremendous amount of sense.

At this point, we had completely outgrown our headquarters in Connecticut. Even with the Asia warehouse and the direct container shipments from our factories to customers, we were still bursting at the seams. We needed to move simply to service the business we already had, and we still wanted to keep growing. I began looking at several larger properties to lease, a time-consuming project in its own right, but absolutely critical. There was no other option. Eventually, we found a larger, very accommodating facility about thirty miles away, with plenty of warehouse space, nice offices, and numerous loading docks.

Thank goodness our new CFO was doing an amazing job. We were finally in a position to run the company without the previous operations manager. She eventually became such a pain in the ass after losing her control and authority that I had to move her into an office out in the warehouse. This sent a clear message to her, and to everyone else, that the days of being held hostage were over and that there was a new financial and operational sheriff in town.



Elvex safety products warehouses

Around this time, I received a call from a guy in Vancouver who said he had an investment fund in Toronto that was extremely interested in entering our industry. The formal name for our field was the PPE industry, Personal Protective Equipment. It was a sizable industry worth about \$12 billion in the U.S., and it was highly fragmented. Other than the massive competitors like 3M and Honeywell, most companies were small or midsize privately owned businesses. The industry had been growing steadily, making it very attractive to professional investment firms. They liked to buy a platform company like ours and then expand by acquiring other competitors. In Canada, pension funds were allowed to invest in private companies, something not permitted in the U.S. at the time. He told me these guys were flush with cash and would be willing to pay a premium for a company like ours.

I said, “I hate to tell you this, but we have just been through five years of hell growing and fixing this company, so we certainly don’t want to sell it now that much of the heavy lifting is behind us.” He replied, “Come on up to Toronto for lunch next week to meet these guys and hear what they have to say. You have no obligation and nothing to lose.” I said, “OK, sure, but this idea is probably not going to work at this time.”

We met, and they were very nice. I explained, “We just bought the other half of the company recently, we’re growing nicely, and we have a nice big new facility we’ll soon be moving into. We’ve finally solved a variety of problems over the past five years, and we now have a very bright horizon.



Two of our safety products factories in China



The timing is just not right, maybe in a few years we would be in a position to sell.”

They were persistent. “What would it take for you to sell? There is usually a price for everything.”

I said, “That is probably so, but you wouldn’t want to pay what it would take to get us to sell at this time. We need to retire some more debt before it makes any sense, and this debt is now in place and being retired pretty much on autopilot. Every day that goes by, the value of our equity is increasing as this debt gets paid down.”

They said, “We understand all that, this is not our first rodeo. Why don’t you give us a number and let us be the judge of what we are willing to pay? As the platform for us to get a foothold in this industry, we may be willing to pay a premium.”

I thought about the question for a moment and did a quick calculation in my head. “We would have to walk away with \$10 million in cash after all of the existing debts and liabilities were paid off.” This would require about a \$15 million investment from them. They said, “That doesn’t seem too unreasonable. Here is an executed Confidentiality Agreement. Send us some preliminary numbers to verify what you’ve told us so far. We’ll think about it and have an answer for you next week if we believe we can accept your terms.”

I said, “That sounds fair enough. It was nice meeting you guys, and thanks for lunch.”

Sure enough, the next week they called and said, “We will agree to your price, subject to our due diligence, and we are willing to pay you in an all-cash offer if everything is what you have said it is.” I said, “OK, cool. Let me run it by my minor shareholders, but I have a controlling interest, and I think we will probably be able to make this happen. Send me along your due diligence list. Thanks!”

My minority partners were somewhat surprised, but the price being offered was very attractive, and they could also secure employment agreements to stay with the company.

A while later, I received a three-page list of Accounting Due Diligence Meeting Questions from Deloitte Touche, one of the last four major accounting firms. The list held ninety-five questions, many of them with multiple parts. I stared at it and thought, “You have got to be kidding me. You should be able to do an entire audit of this company in just a few weeks.” Compiling all of that information was going to be a major pain in the ass. You would have thought they were buying an \$800 million corporation; saying it was overkill would be an understatement.

Our new CFO and I rolled up our sleeves and got to work collecting the information. Our answers ultimately turned into several hundred pages. I guessed that if the investment company was borrowing over \$10 million, the bank would require all of this. But the timing was brutal, we were also trying to run the company at the same time, and the whole thing felt like a circus. They flew down from Toronto several times over a few months.

The entire affair became a massive distraction. I finally told them they were making mountains out of molehills and nitpicking every possible discrepancy. Eventually, I snapped: “Listen guys, this level of interrogation is totally ridiculous. If you don’t want to buy this company, then just get out of here and leave us alone. We didn’t want to sell the company; we are doing you a favor by providing all of this information!” They backed off slightly and said, “We are almost done, we just need X, Y, & Z.”

When we signed their Letter of Intent, we had given them an exclusive period of several months in which we were prohibited from discussing a sale with anyone else or making any major business decisions. By mid-December, at the end of that exclusive period, they had the nerve to request an extension of exclusivity for another sixty days. I said, “You must be crazy. You can still finish your due diligence and buy the company if you want, but we are done with all of this frustrating nonsense. You have all the information you are going to get from us. You decide what you want to do, but we most certainly are not going to extend this period of exclusivity.”

That weekend, I was left trying to decide what to do next. We had just spent six months jumping through hoops for these cats, compiling hundreds of pages of current information and over forty multi-page reports. Was all this time and effort going to go down the drain? During the week between Christmas and New Year’s, I picked up the phone and called a safety company in France, a \$200 million public safety company with operations around the world, many in the same major cities we

served. I knew they had no business in the \$12 billion USA safety market yet, and I also knew they were trying to break in.

I asked for a meeting with the CEO in France on January 3rd. Once they realized who I was and what I wanted to discuss, they called back immediately and said, sure, come on over. I explained our situation, that we had a possible buyer, but if they wanted to come in and bid on the company, we would be happy to entertain their offer. I already knew who the CEO was and had seen him several times at the international safety show in Dusseldorf, Germany, where both of our companies had exhibited multiple times. As it turned out, his father had actually tried to buy Elvex about twenty years earlier, but had never succeeded.

They said they were interested and would send a team to the US the following week to explore the opportunity. When they arrived, they liked what they saw and were indeed very interested in making the acquisition. I made it clear that a decision would have to come rather quickly, since we did not want to lose our other acquirer. They didn't bat an eye. "No problem," they said. "We know the industry and the markets very well. Get us all of the information you assembled for the other guys and we will be in a position to make a decision very quickly."

When the Canadian company found out that we were talking to another potential acquirer, they completely freaked out. Suddenly their tune changed. "We can now be ready to close by the end of this week," they insisted. I replied, "That's nice, but we are now going to wait to hear what

the other guys have to offer. They said they will be making an offer in the next couple of days. They also said they will be able to complete the entire due diligence process in less than one month since they know the industry so well. You guys have been doing your ‘paralysis of analysis’ for over six months, and have been unable to make a decision.”

Sure enough, the French company delivered an offer in the next several days. At that point, I proposed a new idea to them: “What would you think about buying 50% of the company now for \$9 million in cash, and the other 50% in five years? We will keep our team in place to work with your team, and we can share the additional value that is created over the next five years.” They said that arrangement would be fine with them, and we closed the deal over the next few weeks. This arrangement also gave us a few years to pay off more of the previous acquisition debts, as well as benefit from five more years of increased sales.

Another benefit was having the big new building we were moving into, perfect for all of the new inventory they would be providing us with. Their company had a complete line of safety products to add to our own. They had safety gloves, safety shoes, a line of high-visibility products, and all kinds of safety clothing for every industry, all of which we could now sell to our customers. It genuinely felt like a win-win: we would get a great value for half the company and potentially create significant additional value in the years to come. It met the critical formula of minimum downside and unlimited upside. It was literally like getting “one in the hand, and one in the bush!”

As it turned out, we had more trouble selling these additional lines of safety products than we anticipated. Several other large overseas companies were also trying to break into the North American safety market at the same time. The pricing competition, aggressive sales promotions, and sheer volume of new products flooding the marketplace put tremendous pressure on profit margins. If you didn't want to essentially give away products and profits just to buy market share, you were left on the sidelines.

A couple of years into our new partnership, I began trying to hire a new President to run our US national sales organization. The French executives were not crazy about this idea. I reminded them that I had 51% of the voting stock in our partnership and could do what I wanted. That created tension, and ultimately they agreed to buy the remainder of my shares early for a very fair price, and I agreed. That marked the end of our endeavor into the safety business.

When people would ask, "What are you going to do now?" my answer became almost automatic. I would simply say, "We are going to quit while we are ahead. When we buy these companies, we have to personally guarantee much of the debt, which puts a whole other level of stress on the companies and on the entire family. We are three for three in our private company acquisition investments so far, so no need to push our luck. We don't need any more money, and we don't really have the hunger and the drive to tackle another alligator."

Life had shifted into an entirely new chapter. We now had three amazing boys in college, two of whom were playing on Division I National Championship–contending teams, and suddenly our travel schedule was filled with trips made purely for enjoyment instead of business. When the reality of actually being retired finally sunk in, Tiffany, never one to mince words, made her position crystal clear, just as she had after we sold the previous company. She looked at me and said, “If you think you are going to be the CEO around here, pal, you have another thing coming!” A spouse has an uncanny way of reducing life to its simplest, most humbling truths. My only logical reply was, “Yes dear.”

***FIND OPPORTUNITIES WITH LITTLE
DOWNSIDE AND UNLIMITED UPSIDE***

***WHEN THE GOING GETS TOUGH THE TOUGH
GET GOING***

***PERSEVERE THROUGH HELL UNTIL YOU SEE
THE LIGHT***

***ENJOY THE RIDE WHILE REACHING FOR THE
BRASS RING***

Looking Back On 70 Years Of Traveling In 70 Countries And “What’s Next?”

SECOND HALF MISSION: NO STRESS - HELP OTHERS - HAVE FUN

Retirement sounds like a bad word for most ambitious people I know, and if you don't stay busy and have goals set for every day, it probably would be boring. Yet my life since selling Elvex has been anything but boring. We have averaged a few international trips every year, along with almost a dozen out-of-state domestic trips as well. It has also given me the time to read about fifty books each year, something that was never even remotely possible in the past. In those days, by the time I got into work around 7:00 am, there were already a couple of fires burning that needed attention. The last thing I could do was be seen reading a newspaper much less reading a book.

When we aren't traveling, most days now begin at 6:30 when we are woken up by our two yellow female Labrador Retrievers reminding us that it is time for breakfast. Being 70 years old with no grandchildren means that these two dogs serve as a bridge-loan to hold us over until, hopefully, real grandchildren arrive. I guess this may be revenge for not getting married until 38 years old. After feeding them, I make coffee and deliver one to Tiffany in bed, then get dressed and head out the door with the dogs for



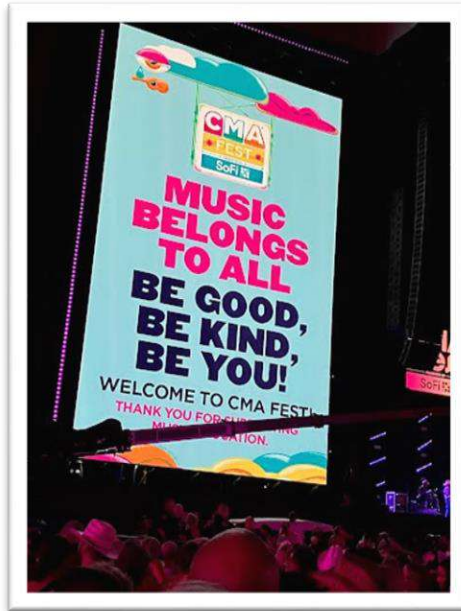
Tiffany insists that Peter Pan will never grow up!

our first hike of the day through the woods. It is my MNM—Morning Nature Meditation—and a wonderful way to start each day, regardless of the weather.

I drop off the dogs at home and head to the gym to take a variety of classes five mornings a week: Body Attack, which is a very tough aerobics class, I like to call it “Simon Says for spastics on steroids” Weight Training, Step classes, and Pilates or Yoga. Then stretch, steam bath, shower, and get a bacon egg and cheese on my way home. Around mid-day, I take the dogs for a second hike. After that, I work, write, or read for a few hours until 4:30 and take a quick nap before preparing for dinner or heading out for the evening. I am also happy to actively participate in chores around the house these days, like laundry, dishes, shopping, cooking, and cleaning.

Going to professional tennis tournaments has been a passion of mine for years, and now, finally having the time, I’ve been able to attend all four Grand Slam tennis tournaments: The Australian Open in Melbourne, the French Open in Paris, Wimbledon in London, and the US Open in NYC, which we attend several days each year. Palm Springs, Miami, Del Ray, and Newport have also become familiar stops, tournaments we visit frequently as part of this long-standing love for the sport. Also traveled to Saudi Arabia and Qatar for the Doha Open tennis tournament in February 2026.

Another passion of mine is music, particularly the new country music which is essentially southern rock ‘n roll. Since 2016 we have attended



Carrie Underwood at CMA music festival



many country music concerts all over the country. Every year we make our way to the CMA Music Festival in Nashville, TN, where the top 100 country artists perform. For 51 years, over 100,000 music fans from all over the world have descended on Nashville for this event. They close the downtown area and set up seven separate simultaneous stages filled with live music from noon to midnight for four days, with the main event at Nissan Stadium every night where the NFL team plays. The positive energy, the love of the fans, the technology, and the absolutely extraordinary talent of these nationally ranked live bands all over town is extremely moving. Our kids and their friends go to CMA with us every year they can. We even went to Wembley Stadium in London to see Taylor Swift's Eras Tour concert in 2025, as well as to see Kenny Chesney at the Sphere in Las Vegas. It is a great way to travel and bond with your wife and kids.

The trip Tiffany and I recently took to Israel and Egypt was quite extraordinary. The history contained in that one small plot of land in Jerusalem—considered the most sacred place on earth for all three major religions—was remarkable to witness firsthand. It is the most sacred land for Christianity and Judaism, and also the second holiest place on earth for Muslims after Mecca in Saudi Arabia, which was the birthplace of the Prophet Muhammad. On this trip, you literally get to visit the actual birthplace of Jesus Christ in Bethlehem, as well as the Sea of Galilee where the Sermon on the Mount was delivered. The extraordinary guide who took us across the country brought us to sites and events that followed



Keith Urban at Nashville music festival Sent from my iPhone

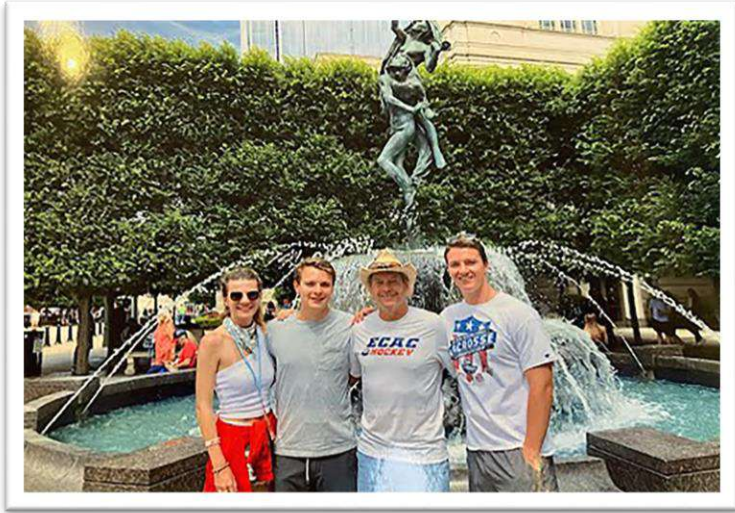


Having a ball at the CMA Music Festival

Jesus's entire life, ending with the cross on the hill where he was crucified, and the grave nearby where he rose from the dead. If you have a religious bone in your body, this trip is literally mind blowing.

Tiffany and I take the "giving back" part of life very seriously. Tiffany volunteers at the local food bank on a weekly basis, and I volunteer for a national organization called FOOD RESCUE US. Food Rescue is an organization that arranges for volunteers daily to pick up all of the unsold food at large local grocery stores throughout the country, and it delivers the food to local homeless shelters and food banks in the local area. It is a service on the web that sends out daily alerts of all of the pick locations, directions, pick-up time of day, and instructions of where the excess food is to be picked up, and the specific location of where to drop off that food immediately thereafter. You must use and drive your own car or SUV and use your own physical labor to load all of the food and unload all the food. The food is waiting on the supermarket loading docks in various 30 pound boxes, and can often total a few hundred pounds. BE THE RESCUE - FIGHT HUNGER – HELP THE PLANET.

We have and continue to support foster children around the world, through a variety of organizations, me since I was in my twenties, and us collectively since we have been married. We also continue to generously support two local churches, as well as several clean water charities around the world. Always keeping in mind that to whom much is given, much is expected in return.



Callie, Casey, Me, and Max in Nashville

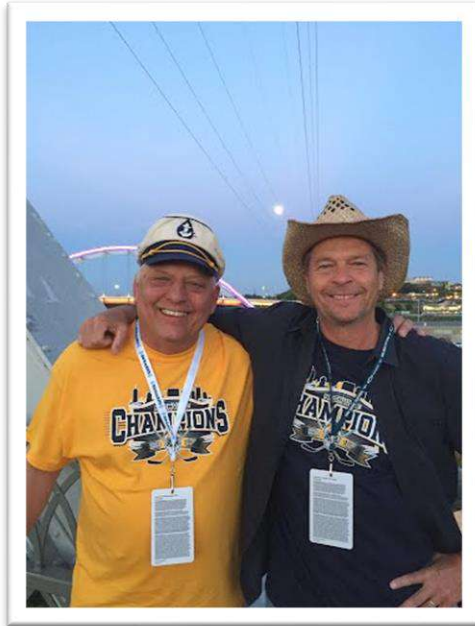


Enjoying Taylor Swift Eras Tour in London



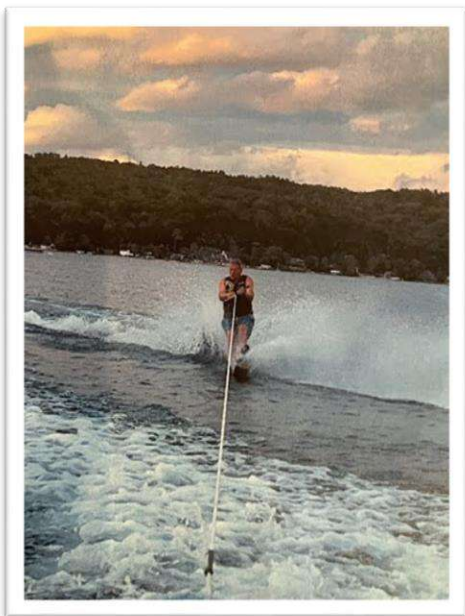
Kenney Chesney concert at the Sphere in Las Vegas





Jim and Country DJ Buzz Brainard in Nashville

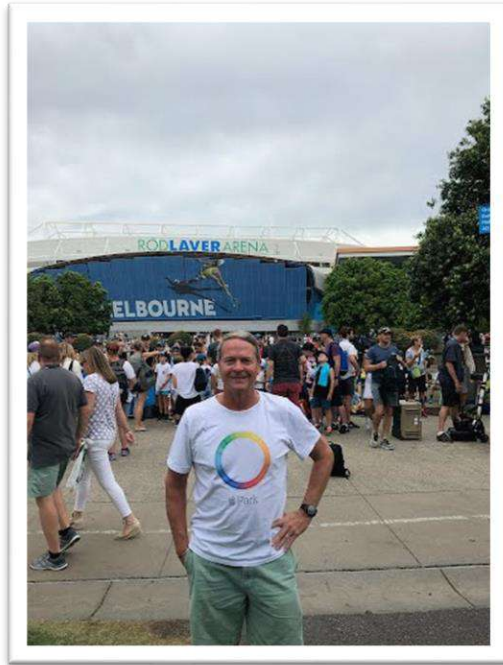




Slalom water skiing age 70 after cocktails?!?



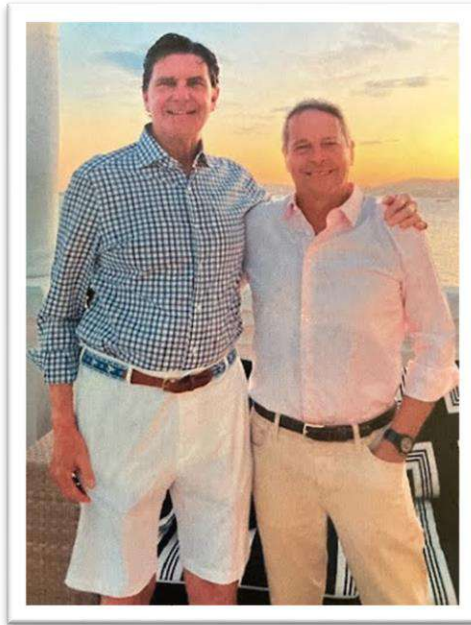
Birthday tennis in the Hamptons with George



Enjoying the Australian Open Grand Slam tennis



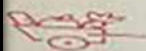




Celebrating Bernie's 70th Birthday in Europe



Sandy and sister Les. Two of my favorite women



FOOD RESCUE US

<https://foodrescue.us/>

**BE THE
RESCUE.**

**FIGHT HUNGER. HELP
THE PLANET.**

BECOME A VOLUNTEER
([HTTPS://APP.FOODRESCUE.US/LOGIN/](https://app.foodrescue.us/login/))

WHAT WE DO

WE RESCUE FOOD



Volunteering delivering food to homeless shelters

The Circle of Life

Create your individualized health plan

- ♦ Assess 12 areas of your life
- ♦ Every aspect of your life can have a positive or a negative impact on every other aspect of your life.
- ♦ What is giving you positive energy in your life right now?
- ♦ What is draining your energy in your life right now?

Keeping balance in life is critical for happiness

NIGHTINGALE COMPANY

Imagine what your life would be like if it were just right...

**check in
at the office**

We love to party and celebrate life every chance we get; usually with our boys and their friends. Every ten years we have hosted a large party at our homes with over a hundred guests. These are tented affairs with dinner and dancing and all kinds of carrying on. Often these parties were to celebrate our birthdays. The 40/50 and 50/60 and 60/70-year birthday parties for Tiffany and me, because we are 10 years apart in age, also serve as an excuse to throw a big bash.

Our three boys all have extraordinary wives and or girlfriends, and we visit them frequently wherever they are. We are also fortunate enough to be invited to most of their friends' weddings, which always serve as another excuse to have fun, dance, and party the nights away. I stopped playing competitive tennis and ice hockey recently when I turned 70, but I still get out there and play with our boys every chance we get. At home in Connecticut, we have a boat at the dock in our backyard, and we take it out with the dogs, the boys, and our friends as often as possible to cruise around and simply enjoy being together.

We have been blessed beyond belief for this life that we have been fortunate enough to live. Perhaps the harder you work, the luckier you get. In any event, any way you slice it, by the grace of God we have enjoyed an extraordinary run so far, and with any luck we will be able to have a few more years of love and laughter with family and friends.

Amen.

***DREAM BIG AND HAVE FAITH - IF YOU THINK
YOU CAN YOU CAN***

***GRATITUDE IS THE MOST IMPORTANT VALUE
FOR A HAPPY SUCCESSFUL LIFE***

***FINDING A COMPETENT AND COMPASSIONATE
LIFE PARTNER IS CRITICAL***

NO STRESS - HELP OTHERS - HAVE FUN

***FAMILY FIRST - WORK ON COOL PROJECTS
WITH COOL PEOPLE***

The Entrepreneur's Wife – A Family's Survival Guide

By Tiffany Begoon

There is no way to separate an entrepreneur and his or her success from the support and compassion given by their spouse. I saw this firsthand from two perspectives: as the child of an entrepreneur and later as the spouse of one. My father left a very successful career on Wall Street in the early 1970s to pursue his own dream. He had a wife, four children, two dogs, and the oldest child was headed off to college in just four years. There is never a perfect time to take the risk of starting your own business, but I could not imagine a more difficult one.

Being the youngest of four, I remember clearly how Christmas went from plenty to slim pickens in just one year. Money was tight. We all got jobs, even my mom, and somehow, we managed to stay in our home through the tough times. All four kids went to college with loans, which turned out to be a blessing in hindsight. Success eventually followed my father's perseverance, ending with the sale of his publishing business to K-III.

Looking back, it seems fitting that when it came time to choose a partner, I ended up with an entrepreneur. For the last 30 years, I have been married to a quintessential entrepreneur. We were both from Rye, NY, and we married in 1992 when I was 28-years-old and Jeff was 38-years-old. Jeff



Toasting Tiffany at our 50th and 60th Birthday Party

bought his company in 1994, shortly after we were married, and just one month before the birth of our first son.

During our marriage, we lived through some brutal business challenges and came close to both financial and emotional bankruptcy. Picture having \$3 million in debt, much of which was personally guaranteed, while my husband's business partner was completely unpredictable—emotionally and financially. We had a 3-year-old boy and 6-month-old twin boys, when we were so broke, we had to ask my parents to help pay for diapers and the mortgage. On top of that, we were running on months of severe sleep deprivation, and my husband was working 12-16 hours a day for years trying to turn the business around. Sound familiar?

Living with an entrepreneur is like climbing onto a rollercoaster for the ride of a lifetime. The only thing you can count on is change. There are difficulties and unexpected turns. It can be exciting and thrilling, and at other times it can feel devastating and consuming. You learn to strap yourself in and remind yourself that at the bottom of every valley there is a hill, and at the top of every mountain there is a view.

For a spouse of an entrepreneur, these kinds of experiences are often standard. Knowing that this is part of the journey and that you can survive and even thrive through it is powerful.

There are Seven Attributes of an Entrepreneur:

They are exciting and passionate people but often difficult to live with.

- 1) Warrior – relentless – lives on the edge and in the extremes.
- 2) Independent
- 3) Energetic
- 4) Myopic – hyper focused
- 5) Optimistic
- 6) CEO – Chief Executive Officer
- 7) Multi-tasker - restless, quick to decide, thrives in chaos, short attention span often with ADHD

There are Seven Attributes of an Entrepreneur's Wife:

Let me begin by saying when I say “wife” I mean partner or spouse. It is not dependent on gender but rather role. My bet is that if you are married to an Entrepreneur you are a saint, but remember you have to take care of yourself. Be mindful of your own needs and your family's, and try to shield them from the shifting tides that come with this life. Being the wife of an entrepreneur is not for the weak of heart. The energy and chaos that surround entrepreneurs and everything they do can be overwhelming. Learning how to handle it and keeping an eye on the bigger priorities is essential.

- 1) **Strength** becomes a requirement, both physically and emotionally. You end up moving, painting, managing shifts in financial resources, and carrying the stress that comes with the entrepreneur's ups and downs.
- 2) **Stability** You learn that you have to be the rock in the family—able to take the hits without breaking. It feels like living in a tidal basin, where daily, weekly, and yearly waves of crisis keep rolling in. Over time, you use those waves to transform, the same way glass

with sharp edges turns into smooth, colorful sea glass that people admire.

- 3) **Flexibility** is essential. Income and the entrepreneur's physical availability can shift suddenly. You have to know what you and your family need financially and be ready to help provide for those needs, preferably outside the business if possible.
- 4) **Resourcefulness and self-reliance** become part of the job. Entrepreneurs are often absent for some or most of the journey. They may not see themselves as unavailable, but they are—even when they are physically home for a few hours at night. Finding another person who is also married to an entrepreneur can make a huge difference. You will find comfort and common ground. Very few people understand this life unless they have lived it. The empathy and insight you gain from others in the same situation is incredibly valuable.
- 5) **Empathy**

Eye of the storm from the spouse perspective:

“Just had the twins and had not returned to work. Business is a wreck, money and sleep are in short supply. Friends of Jeff’s, who also happen to be entrepreneurs, visit and bring lavish gifts and incredible insight. “You can always sell the house.” Not what I wanted to hear but the truth and something I needed to consider as a real possibility.

Friends often can’t help them out of it but can be available to share and laugh at the hardships and stories. A fellow entrepreneur’s wife can give encouragement, remind you of your priorities, realize possibilities, and provide hope, and support. “It may not be the ideal time to go back to work but you could try, the income could help with insurance costs and living expenses.” What’s the worst that can happen? You quit.

Friendships are one of the real joys of life and a resource you will rely on for support. An entrepreneur may treat friendships like a luxury, but you know better—they are a necessity. Friends pull you into activities and organizations that give you the break you need.

I once had a boss who insisted that as you move up the corporate ladder, you should still take a lunch hour a few times a month. It was a way to network and to give yourself a mental reset during the day. The same idea applies to the wife of an entrepreneur.

Develop a network of resources that can help you care for your family. Many times, you have to think and operate like a single parent. The tighter the financial resources, the more creative you have to be to take care of yourself and your family. I leaned on newcomers' groups, free play dates, and new friendships. I used the high school track, letting the kids play on the inside field while I ran laps around the outside. And the nearby mothers-of-multiples group was invaluable. They helped me manage the early stages of raising twins and showed me ways to buy inexpensive and used clothing for them and for our older child.

- 6) **Selflessness** can be both a blessing and a curse. You will be pushed to your limits if you let it happen. It is important to stay mindful of others, especially your children's needs, but this is one of the biggest pitfalls for most entrepreneur's spouses. Your partner is off on a mission, and if you sit around waiting for their attention, you may end up exhausted or even on the road to divorce. A spouse's selflessness can easily be taken for granted, and eventually that neglect will surface. Give yourself time. Give yourself a break. Give yourself a small treat now and then so you can refill your own well.
- 7) **Independent** – Get a Life: Entrepreneurs often see the world entirely through their own eyes, and their focus can overshadow everyone else's. That is why it is important to get a life—your own life. Many times, your dreams and personal goals will move to the

back seat behind your partner's ambitions and your family's demands. Do not let go of them completely. And if you do step away for a while, make sure to get back on track after a few years.

The same drive that pushes entrepreneurs to succeed also leaves a huge amount of responsibility on the spouse, especially when there are kids and extended family members who need care. It is not that the entrepreneur wants to relinquish all responsibilities, but many of their actions unintentionally lead to that outcome. Taking care of "everyone and everything else" can derail your own interests. That may be fine for a period of time, but do not let it stretch into a lifetime.

Unless you are part of the entrepreneur's work from the start, it will never truly be yours. Find your own work or passion. It matters because it helps keep you balanced. These pursuits can be interests, hobbies, or work. They can be school, jobs, a career, or an athletic goal you set for yourself. What the pursuit is does not matter. What matters is making time for it and giving yourself permission to follow it with energy and enthusiasm.

Entrepreneurs are often very good CEOs. They know how to wear many hats at the office and tell people what to do. But at home, it is important to make something very clear to your husband: "If you think you are going to be the CEO around here, you have another thing coming!" If there is going to be a CEO on the home front, it needs to be you.

Fending for yourself every day can be a chore and sometimes draining, but it is important. One helpful approach is to give your entrepreneur a few specific responsibilities related to the house or the family. It might be cooking, the cars, grocery shopping, or the kids' weekend sports. Whatever it is, give your spouse ownership—and don't become the safety net who constantly bails them out when tasks aren't done.

Keeping them involved and accountable to the family is a long-term discipline. It may not be possible at certain stages, but it should be revisited each year to encourage a more balanced contribution.

The Relationship Journey: A business owned and operated by a husband and wife brings a whole different set of challenges that I am not able to comment on.

A relationship with an entrepreneur is predictably unpredictable. The relationship has to withstand sudden shifts in emotions and finances.

Unfortunately, because of the emotional and financial extremes that come with this life, divorce is common. There is no fixed pattern for how a relationship with an entrepreneur evolves, but it helps to understand the possibilities. There are many different types of relationships that an entrepreneur and their spouse can experience, that experts can go into great detail about. Here are three that we experienced over the past 34 years.

The Partner – In the beginning, there is usually a sense of partnership. In many cases, the entrepreneur found you and brought you into their life with more intention than you might have realized. They saw in you someone who could help support their dream. You are likely the stabilizing force, the one who keeps things steady. You are the accountable one and the nurturer in the relationship.

You might look back and say, “But I was successful in my own right before all of this,” and you would be correct. It’s just that the entrepreneur probably noticed qualities in you that you didn’t fully recognize in yourself. You are selfless. You are reliable. You are the safety net they need in place so they can chase their dreams.

In the early stages of an entrepreneurial relationship, it often feels like a true partnership. They will ask for your opinions, your ideas, and your input, and they will draw you into their work. It is important to share your perspective, but it is just as important to remember that no matter how much you contribute, it will always be their effort and their endeavor.

There are also many times when the spouse may disagree with the entrepreneur's pursuits. That is where things become complicated. Not understanding or believing in what they are trying to do is a recipe for disaster.

The Island—At some point, whether things are going very well or very badly, the entrepreneur will become an Island. What does that mean? Picture an actual island: separate, standing alone, even if surrounded by others. Entrepreneurs often see themselves this way. They may have a team of employees or a huge business enterprise, but they still feel alone. They might even be a Beautiful Island—successful and impressive—but the isolation is still there. They spend their time trying to stay ahead in their industry, constantly focused on what they need to do to sustain and grow the business. This is the stage when the spouse has to lean heavily on her own independence and find small but important ways to keep the entrepreneur connected to the family.

The Team – The best phase of the relationship is the team phase. Sharing both the work and the rewards is the ideal. In many relationships, this phase appears either between major business pursuits or after the entrepreneur finally reaches financial success and independence. Over time, the entrepreneur begins to truly appreciate the support and effort of the spouse—especially when they benefit from the relationships, stability, and family life that the spouse has held together for years. The old saying “behind every great man is an even

greater woman” holds true. Behind every great entrepreneur is an even greater Entrepreneur’s Wife.

Retirement – Entrepreneurs never really retire—they evolve. Do not expect them to be hanging around for long stretches of time. Retirement? What retirement? Most successful entrepreneurs do not shut down; they shift. They start using their skills and talents to help others in new and interesting ways. They may buy businesses, start foundations, or create organizations that match their beliefs or passions—whether nonprofits, sports teams, or other ventures. Their passions and commitments remain strong, even if they work harder to maintain a better sense of balance in their lives.

Advice and Counsel:

Helpful hints to hang on to and identify with.

They will never change.

Ask yourself, *what is the worst thing that can happen?*

Live in the moment.

– Stay focused on what’s really important when things are bad.

– Remember to enjoy it when things are good.

Keep your friends close.

Maintain a strong sense of self, independence, and stability.

Give yourself a break.

Find another entrepreneur’s wife to talk to.

***BE PREPARED TO BE MARRIED TO YOUR
SPOUSE AND HIS COMPANY***

***TRY TO ISOLATE YOUR CHILDREN FROM THE
INEVITABLE CHAOS***

***HAVE THE PATIENCE OF A SAINT AND KEEP
HOPING FOR THE BEST***

Part VI

How To Buy A Company – 15 Step Process

Any company and/or investment philosophy can be basically broken down to three primary components:

PROJECTS * MONEY * PEOPLE

PROJECTS: A project is any enterprise built around a business or company that sells products or services with the goal of generating a profit. It is, at its core, an organized effort to create something of value that people are willing to pay for.

MONEY: Every business enterprise needs money, investment capital, to get off the ground. Whether it's to start operations, keep the business running, fuel growth, or acquire another company, that financial foundation is essential.

PEOPLE: And of course, no business can function without people. Every company needs individuals to run and operate it, forming a structure that typically includes ownership, management, and employees, all working together to keep the enterprise moving forward.

15 STEPS REQUIRED TO BUY YOUR OWN COMPANY:

1. Decide that you want to buy a company for yourself and why
2. Try and find a source of income while you do your search for a company to buy

3. Try and establish yourself as a qualified buyer
4. Decide what kind of company you would like to buy, industry, size, geography, etc.
5. Put together a marketing brochure to explain who you are and what you are looking for
6. Begin your search for a company to buy
7. Identify a potential target company that may be for sale
8. Meet with the owner of the company and discuss the possibility of buying his company
9. If he is open to the idea prepare a Confidentiality Agreement to see company information
10. Begin doing Due Diligence on the Company, Industry, Competition, etc.
11. Decide what you think the value of the company is and why it is worth that amount
12. Prepare a Letter of Intent to buy the company for a certain purchase price
13. If you and the seller agree to purchase price outline the structure and terms of the sale
14. Hire an M&A lawyer to prepare a Purchase Agreement to buy the company
15. Close the deal and start running your new company!

1st. Decide That You Want to Buy A Company for Yourself and Why

When it comes to buying a business, it can be difficult to know where to begin. Deciding whether to work with a business broker, and figuring out what kind of business you want to buy, can sometimes feel overwhelming. Business brokers work much like real estate brokers, they take a fee for helping people find buyers and sellers of private companies. They can help you locate businesses for sale in your area and even narrow the search to a particular industry.

After we sold API, the hydroponic farm, my goal was to try and find a company to buy for myself. As mentioned earlier, “If I am prepared to work like a dog day and night, I may as well be working for myself instead of making money for these other owners.” And, “Nobody is going to pay me a million dollars a year except for me, so I better get my own company.”

One thing I had that you may not have was ten years of experience running the API company. This was undoubtedly a pretty big advantage, but it shouldn't be a deal breaker for you. You probably have some decent business experience from your current job and a basic understanding of how the company runs. This is not rocket science, and most companies have a lot of similar departments and functions. Also keep in mind that most companies already have management teams in place, for better or worse, and you can always find excellent industry executives and managers from the competition that you may be able to hire away.

Furthermore, if you want some inspiration for jumping in without any experience, look no further than Richard Branson. He was only 20 years old when he founded Virgin Records and had absolutely no experience. Yet he made a huge impact on the music industry. Despite people telling him his plan was neither practical nor feasible, he took a chance and went ahead with it. Richard Branson is often remembered as the person who started young and never looked back, eventually building an empire of over two hundred companies. He believes it is our dreams that make us who we are, and that if we do not dream, we're giving up on our own happiness. Branson encourages finding happiness in every moment and dedicating each day to discovering something positive. Happiness, he says, isn't the result of success, it is a state of mind that allows you to focus on the good in life. When success comes, happiness should come from within and act as a support system as you reach new milestones. Contrary to popular belief, Branson insists that wealth and success did not bring him happiness; rather, he gained success and wealth because he found his happiness from within. Sorry, that may be too much information, but his is an extremely motivating story that can inspire any new entrepreneur.

Behind a paycheck, the largest source of income for the top 1% of earners in the U.S. isn't being a partner at an investment bank or launching a one-in-a-million tech startup. It comes from owning a medium-sized regional business. Many companies may seem boring, but they are extremely lucrative.

2nd. Try and Find A Source of Income While You Do Your Search for A Company to Buy

One of the obstacles to finding a company to buy is that it can be both time-consuming and expensive. The process of locating a company takes a considerable amount of time, and once you finally find a business you want to buy, you'll need to spend money on accountants, lawyers, and perhaps industry consultants. Their job is to make sure the company's finances are accurate, the industry and competitive environment offer a favorable growth opportunity for the future, and that there are no legal or environmental obstacles lurking beneath the surface of the information you've been given.

This process costs money and can often take many months, finding a good company to buy, negotiating a favorable transaction, and paying all the professional fees along the way. If you have money saved up to support yourself during this period, that's great. But keep in mind that you'll also need funds available for the down payment. If you're fortunate enough to work remotely or have flexibility in your schedule to conduct research and attend the in-person meetings that will inevitably be required during business hours, that can be a major advantage. If you have a full time job that requires you to be in the office every day, this may be difficult to overcome.

Finding a situation that provides a regular income during this process is extremely helpful. I was fortunate enough to have a friend who owned several companies. He employed me to do some operating consultation for

his existing businesses while I was also looking for additional companies for him to buy. Hopefully, I would have been able to get some equity in the companies we eventually acquired, but since he was the primary source of the capital, I would have been left with a minority position at best. He was paying me a salary for my management and research services, so there was never any guarantee that I would receive an ownership position at all.

This arrangement did, however, give me the time to look for a smaller company to buy, one that I might actually be able to afford for myself, while I searched for bigger opportunities for him. One benefit of working for my friend and earning a living at the same time was that I didn't have to drain my savings to cover regular monthly bills during my search for a company to buy. Another advantage I had at the time was that I was single and owned my own home. I had a nice three-bedroom house in Connecticut, which allowed me to rent out the other two bedrooms to a couple of friends. Those rent payments pretty much covered the entire monthly mortgage, which also allowed me to save more money throughout The Search Process.

3rd. Try and Establish Yourself as A Qualified Buyer

When you're looking for a company to buy, you will very often have to show that you have the available capital to invest. This demonstrates that you are a qualified buyer, someone who has the necessary cash or investments to afford purchasing a company. Working for my friend allowed me to appear as a qualified buyer because it looked like I had money to invest, even if the money wasn't actually mine.

This can be a tricky part of the process. Sometimes you have to “fake it until you make it.” You may have to appear as though you have more financial resources than you actually do, without ever misrepresenting your true financial picture. It becomes a bit of a “Catch-22.” You can’t find a company without the money, and you can’t get the money without the company. As you can see in my New England Capital Partners LLC brochure in Step 5, you can posture your situation creatively enough to say you have access to financial resources when, in reality, you may simply have investors on deck who are willing to look at your deals and possibly co-invest with you if they like the opportunity. These “qualified buyer” requirements are often a bit wishy-washy, and if you have a good story and present yourself well, you can usually get access to deal flow. This simply means you’ll be able to review the companies available for sale and determine whether any are worth pursuing further.

It’s always wise to have a few people lined up who might be willing to invest in you or your project, as long as you can show them the potential for a strong return on investment. You’ll need to present a well-thought-out business plan with enough detail to answer their questions and demonstrate that there is a very good chance they’ll see a return on their investment. And it will need to be a high return, because no matter how good your business plan looks, private investments always carry risk. Preparing this business plan will also force you to answer a lot of questions about the opportunity, not only for an investor, but for yourself as well. If done properly, this exercise can avoid making careless investments of both time and money.

That being said, there are plenty of successful entrepreneurs out there who are happy to help new business owners and support them in pursuing their dreams. At the very least, they might review your plan, offer recommendations for improvement, or even refer you to a friend who might be interested in investing, even if they aren't.

In any event, you are going to have to come up with some serious cash on your own for the down payment to purchase a company. You may have to beg, borrow, and steal to gather that cash, but if you're determined, "where there is a will, there is a way!" You may have money saved in the bank, stocks you can sell for cash, or equity in your house you can tap through a second mortgage. You might use credit cards for a cash advance. And more than likely, you may have to borrow money from family and friends. This is hazardous territory for many reasons, but if you believe in yourself, it may be the last resort.

We desperately scraped together the \$300,000 cash down payment to buy our first company using all of the methods mentioned above. But at the end of the day, we sold that company for \$12,500,000. It was a treacherous ten-year journey for our family, but thanks to hard work, no shortage of luck, and the grace of God to save our ass, it had a happy ending for us, and for everyone who had faith and invested with us.

*4th. Decide What Kind of Company You Would Like to Buy,
Industry, Size, Geography, Etc.*

The first thing you need to do if you want to buy a company is figure out what kind of company you might like to own and operate. This becomes your investment criteria. Your investment criteria outline what industry the business is in, the size of the company, where it's located, and so on. The example below is what I used at my own investment company:

| New England Capital Partners, LLC | |
|--|---|
| <u>Sample NECP investment criteria</u> | |
| Company Size: | Revenues of \$1 million to \$20 million |
| Location: | CT, NY, NJ, RI, MA (sort by zip code) |
| Industries: | manufacturing, distribution, service (sort by sic code)* |
| Management: | prefer management team in place |
| Market: | a company leader in its industry |
| Performance: | a history of profitable growth |
| Reputation: | well respected in its community |

The SIC code is the Standard Industrial Classification, which breaks down each industry category. Once you have determined these features, you can contact Dun & Bradstreet. They maintain records of all private companies and know the industry, size, address, number of employees, and even the owner's name, title, and contact information, and they will sell you this information for about 50 cents per company.

Next, you work with a representative from Dun & Bradstreet to narrow your search to a manageable level, let's say 200 companies at a time. If your initial results come back with 600 companies, you can tighten the criteria: choose only companies with sales revenue between \$1–\$5 million, limit the search to one state, or reduce the SIC codes from ten to three, and so

on. They will then email you the revised list. You may need to reformat the list into Excel to make it easier to sort and manipulate according to your priorities.

Once you've narrowed the list down to 200 companies, you prepare a personalized letter to the owner of each business, telling him or her that you are interested in buying their company. A sample of this cover letter can be found in Step 6.

You would be surprised how many small business owners don't have a plan, or even an easy way, to retire. If they don't have children being groomed and ready to take over the business, they often haven't thought through a logical succession plan to transfer ownership. As a result, many may be willing to discuss a program to teach you the business and allow you to eventually buy the company.

*5th. Put Together A Marketing Brochure to Explain Who
You Are and What You Are Looking For*

You may want to put together a marketing brochure outlining who you are and what kind of company you are looking to buy. This lets business brokers and potential sellers know exactly what you're about and what you're searching for, without having to explain it over and over again. It also gives them an idea of what funds you have available to pay for a company. While this can be very helpful, it's certainly not necessary.

Below, you will find the marketing brochure I used for New England Capital Partners –NECP. There are hundreds of private equity firms in the U.S., and they all have documents similar to the one I compiled for NECP. They're all pretty much the same, they describe the types of investments the firm is interested in buying, outline the firm's investment philosophy, and provide some biographical information about the partners. You can likely create a similar document for yourself using some of the generic language, as long as you don't stretch the truth too much. Once complete, you can have the tri-fold brochures printed at any print shop like FedEx.

New England Capital Partners, LLC
Sample Marketing Document

The Company

New England Capital Partners, LLC (NEC) is a privately-owned investment company operated by business executives with extensive experience in acquiring and operating private companies.

New England Capital is owned and managed by its principals and operating partners who have in past years invested in several private companies in a broad range of industries. NEC and its affiliates have invested several million dollars in equity capital and have current resources available to make additional investments. Our long-term approach and successful track record allow us to attract additional investment funds from other sources. Thus, capital is available on a continuing basis for internal growth and add on acquisitions.

Our philosophy

We are a relationship driven company dedicated to the creation of mutually beneficial long-term arrangements with business owners, operating managers, investors, lenders, and referral sources. Our objective is to identify promising middle-market businesses with proven management and to structure investments to optimize company growth and profitability.

Acquisition characteristics

NEC seeks to acquire companies located in the northeastern United States with revenues between \$1 million and \$20 million. These businesses will preferably be manufacturing, distribution, or service industries, strategically positioned with a sustainable market niche. Ideal investments are in companies with a leadership position in their industry with superior prospects for future growth. We prefer to invest in businesses that have stable gross margins and consistent strong operating profits, however we will entertain turnaround situations that have good future prospects.

Selling shareholder concerns

New England Capital understands that business owners sell for a variety of reasons. Among them may be the desire for liquidity or the need for estate planning or family recapitalization. Our process is disciplined but flexible and accommodating in finding ways to structure transactions to achieve each seller's objectives. We work efficiently and discreetly to complete investments in a quiet and timely manner. We realize the importance of maintaining the company's position, integrity, and reputation within its community and industry.

Investment approach

In considering acquisition candidates, we recognize and value talented, proven management as the critical component in long-term success. Top management is given a great deal of autonomy in operating the company and is afforded significant equity participation in the company. Upon completing an acquisition, we provide strategic and financial input on an ongoing basis. Our objective is to help companies grow and prosper by supporting management's plan for growth. NEC's experienced group of professionals is a valuable resource to growing businesses and is available to consult and advise management but leaves the day-to-day operations to the company's management team. We are careful to preserve the confidentiality of all information and approach each situation in a discreet manner. As a long-term investor, New England Capital structures transactions conservatively to allow companies the flexibility and financial resources to prosper through economic cycles. We favor equity investments and limit balance sheet debt to readily manageable levels. We will consider only friendly acquisitions.

Biography

Jeffrey A. Begoon Chairman

Mr. Begoon has over twenty-five years of banking and operational experience in the Connecticut and New York areas. He has acquired, operated, and sold several successful mid-size companies in a broad range of industries. His primary strengths are his strong entrepreneurial instincts and sound business judgement.

Mr. Begoon oversees the investments and management of the New England Capital portfolio of companies. In addition, he was the chairman and CEO of New England Linen, the leading supplier of industrial uniforms to the fortune 500 corporate foodservice industry. New England Linen employed 145 associates at its three northeast locations. Most recently, Jeff was the president and CEO of Elvex Corporation. Elvex is a CT based manufacturer of industrial safety equipment provided to companies large and small in the us and also sold to distributors forty international countries.

A native of Rye, NY, Jeff now lives in New Canaan, CT with his wife and three sons. He has been fortunate to travel to over 60 countries with his business and philanthropic endeavors. Jeff has been a member of the NASD, Who's Who of business professional, as well as several boards and CEO organizations. Mr. Begoon was educated at Rye High School, Rochester Institute of Technology, Harvard Business School, and Yale Divinity School.

6th. Begin Your Search for A Company to Buy

As mentioned earlier, deciding whether to work with a business broker, and determining what kind of business you want to buy, can be challenging. Business brokers operate much like real estate brokers: they take a fee for helping connect buyers and sellers of private companies. They can help you locate businesses for sale in your area and even narrow the search to a specific industry. They can also assist with valuing a company and negotiating with the seller, which can be incredibly helpful for a first-time buyer.

Once you decide you're ready to find a company to buy, you'll need to begin searching for businesses that may be for sale. The first place most people start is the internet. There are several websites where business owners and brokers list companies available for purchase. You can sort them by geography and then review the companies that match your interests.

BizBuySell.com is a site that features businesses from a wide variety of industries and at many different price ranges. You can search your local area for independent businesses and even find brokers who can guide you through the process. BizBuySell also has a partner network that includes the Wall Street Journal and other small-business periodicals.

BusinessBroker.net helps you find businesses to buy and brokers to work with. You can narrow your search by state, price range, and industry. The site will also show company asking prices, cash flow, and revenue information. If you're not yet sure what kind of business you want to buy, this is a good place to browse and get a feel for how the process works. Don't be afraid to ask as many questions as you want. It may even help to write your questions down so you can apply them to different opportunities, this becomes a great learning exercise.

BusinessesForSale.com is a bit smaller than BizBuySell, but it still lists around 60,000 businesses in its marketplace. The site is especially popular for smaller businesses like retail stores, gas stations/convenience stores, and restaurants. I personally prefer not to buy these very small companies because there is no leverage to apply. You have to be there all the time, and it's hard to get other people to do the work, unlike at New England Linen, where we had 145 employees and competent managers who eventually ran the company whether I was physically on-site every day or not.

BusinessMart.com stands out because of its wealth of resources, brokers, funding options, investment opportunities, in addition to its catalog of businesses for sale.

ACTUAL REAL-LIFE SUCCESS STORY:

“Sometimes losing your job can be the best thing that ever happened to you!”

Many successful entrepreneurs have an independent streak. They often don't like taking orders from others, especially within a large corporation. They tend to be self-confident, sometimes to a fault. They believe they can do things better than their bosses, and in many cases, they're right. If they refuse to fall in line and obey orders from above, even when they don't believe in them, they may find themselves out of a job. Just as often, they quit in frustration. These traits can be both a blessing and a curse. For one reason or another, many entrepreneurs end up owning their own companies simply because they didn't fit in, or because they wanted to strike out on their own.

One real success story that comes to mind is that of a good friend of my wife. She had built a very nice career over many years working for a Fortune 500 company in the Midwest. Then she was laid off in a corporate downsizing that had nothing to do with her performance. She was shocked and devastated. Her husband had a decent job, but certainly not enough income to support the house and family. “What am I going to do now? I have two young children at home to support and no job?” Sometimes shit just happens.

In any event, I said to her, “Perhaps you should try and buy a company.” I explained that she was smart, resourceful, honest, and had a great work ethic. Buying a company isn't rocket science. If you find someone who owns a business and wants to retire, they might be more than happy to sell it to you for a fair price. They will also train you for a while, show you how the company works, and on top of that, there's already a staff in place, people who have been helping run the business for years.

She thought I was nuts, and she arguably could have made a pretty good case for that, but I digress. I sent her a FedEx package with some New England Capital brochures and the other information that I had just described for you in the following.

*•Put Together A Marketing to Explain Who You Are and What You Are
Looking to Buy*

She said, “OK, what do I have to lose?” She contacted a local business broker in her town, and within a couple of weeks, she found a woman who was trying to sell her business. It was a relatively small company, but it occupied a nice niche with very little competition. It also operated in a unique industry, one that no large company would likely be interested in entering. The business provided licenses and permits for tractor-trailer trucking companies that traveled across all the states in the U.S. Each state required different licenses for the trucks. These licenses and permits were a pain in the neck for the trucking companies, but compliance was mandatory, and they were more than happy to pay someone else to take care of it.

She met with the owner, who turned out to be extremely helpful and easy to work with. The owner even said she would be willing to provide a seller note for most of the purchase price and laid out the terms she would accept. She essentially handed our friend a deal that was already packaged and ready to go, very unusual, but it does happen.

Our friend called me with the good news. I said, “Wow. That is almost too good to be true. I have to go overseas tomorrow, so if I were you, I would not do anything until I get back and have a chance to look at the deal for you.” I don’t recall exactly what she said, but by the time I returned a couple of weeks later, they had already closed the deal. It was crazy.

Sometimes buying a company is really buying yourself a job, but with the potential to make a couple of million dollars in the process. If I recall correctly, the company had around \$1,000,000 in sales and \$200,000 in profit or cash flow. The seller wanted four times cash flow, or \$800,000 for the entire business. She was willing to take a \$200,000 cash down payment and a \$600,000 seller note to be paid over several years at a 6% interest rate. If the note was structured over five years, the annual payment would be \$120,000 plus interest. That meant our friend would get to keep the remaining \$80,000 in profit each year ($\$200,000 - \$120,000 = \$80,000$), in addition to the \$60,000 salary the owner had been paying herself.

So, our friend could make \$140,000 per year while also building equity by paying down the seller note. In five years, she would own the company outright. She and her husband improved sales and profit each year. By the end of the five years, the company was doing \$2,000,000 in sales and making \$400,000 in profit. They could now sell the company for \$2,000,000 if they wanted to ($\$400,000 \times 5 = \$2,000,000$).

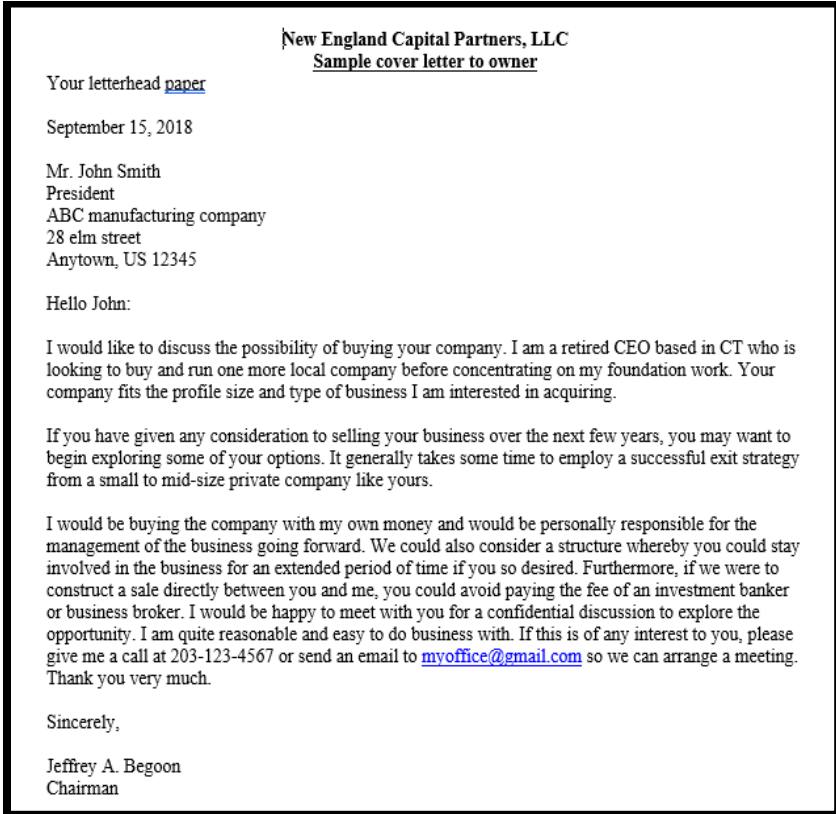
Over the next few years, both husband and wife had very nice-paying jobs at the company, and they had built enough equity that they could sell the business for \$2,000,000 in cash if they chose to. Not bad for a \$200,000 cash investment, especially considering they were going to go to work every day anyway. They may as well be in a position to make a few million bucks at the end of the day.

7th. Identify A Potential Target Company That May Be for Sale

Once you decide what kind of company you may want to buy and write down your acquisition criteria as described in Step 4, you can use Dun & Bradstreet to identify those specific companies. From there, you can reach

out directly to the business owners and simply ask if they are interested in selling their company.

A sample letter you can send to the owner of the company is as follows:



8th. Meet with The Owner of The Company and Discuss the Possibility of Buying His Company

After you buy the list of companies from Dun & Bradstreet, indicating the states, industries, size of the company, and so on, you take the letter to the owner from Step 7, along with the marketing brochure from Step 5, and

personalize a letter for each business owner you want to approach. You then sign each one by hand in blue ink. This shows the owner that you're not some fly-by-night operator sending out a generic direct mail campaign.

This personalized step takes a lot of work, but if you can find a company directly, without involving a broker, it can save you hundreds of thousands of dollars. I would typically buy a list of around 200 companies at a time. From there, I'd prepare about 40 letters and brochures each week and then wait to see what happened. On average, I would receive a response call from about 2 out of those 40 letters, business owners willing to at least meet for an initial discussion about selling their company.

I would set up a meeting with each positive response. Many of these initial meetings turn out to be duds, similar to a blind date where you know after the first encounter that it just isn't going to work. The owner may not be ready to sell, or the company may not be worth pursuing for any number of reasons.

9th. If He Is Open to The Idea Prepare A Confidentiality Agreement to See Company Information

If the owner seems like a good guy and open to the idea of a sale, and the company sounds like an interesting investment, your next step is to prepare a simple Confidentiality Agreement similar to the one below. You then ask if you can visit the company and take a look at his financial statements. After a brief review, you try to arrive at a ballpark figure of what you believe the company is worth. If he is reasonable and feels your valuation is close to what he had in mind for a sale, you can execute the Confidentiality Agreement and then ask him to provide all the necessary documents so you can begin your due diligence and truly investigate the company.

Sample Confidentiality Agreement:

This is a reciprocal agreement between (your name _____) and _____ Company, (the company's name) otherwise known as "the Parties" or individually as the "Party", dated _____.

In consideration of the opportunity to gain access to the Party's proprietary, financial information; it's general business and marketing strategy; it's product development plans; the design and manufacture of its products ("Confidential Information"), each Party agrees to retain in confidence all such Confidential Information; not to disclose any such Confidential Information to anyone except the other party's employees authorized to receive it and not to use each other's Confidential Information for any purposes other than that for evaluating subject matter indicated above.

Confidential Information (as defined above) includes all unpublished information owned or controlled that relates to technical, manufacturing, marketing, sales and financial operation of the Parties and their subsidiaries, and that is not generally disclosed to the public. Examples of such information include, without limitation, processes and designs, trade secrets, know-how, inventions (whether or not patentable,) formulas, technical drawings, and data, research subjects, methods and results, computer software, unpublished product specifications and characteristics, manufacturing processes, production techniques, plans for future projects, marketing plans and strategies, pricing policies, cost and profit information, customer lists, supplier identities and the like, whether disclosed orally, in writing, or by inspection.

The obligations imposed by the Agreement shall not apply to any Confidential Information that is already known to the other Party as evidenced by documentation bearing a date prior to the date of disclosure; or is publically available or becomes so without breach of the Agreement; or is rightfully received from a third party without accompanying disclosure or use restriction; or is independently developed; or is approved for release in writing by the other Party; and shall terminate two (2) years from the date of disclosure of the effective date of this Agreement, whichever is later in time.

Upon request or upon completion of the business dealing related to the Confidential Information, each Party shall promptly return or, if requested, destroy all tangible material that discloses or relates to any of the Confidential Information and provide written confirmation of this by the Party.

The Parties agree that this Agreement shall be binding upon all of its agents, contractors, employees or associates and that it will comply with the terms and conditions of this Agreement. This Agreement embodies the entire understanding and agreement between the Parties with respect to Confidential Information, and supersedes any prior understandings and agreements relating thereto.

This is agreed and accepted by:

(your Name) _____ date

(Company Name) _____ date

10th. Begin doing Due Diligence on the Company, Industry, Competition, etc.

Once you have convinced the owner that you are a legitimate potential buyer for his company, you will need to provide him or her with a list of

the information you'll need to review. Essentially, there are ten key areas of the business that you will need to examine.

Ten Items Required from the Company to begin the Due Diligence Process:

1. Company Overview
2. Products and Services
3. Customers
4. Management & Staff
5. Financial History Summary
6. Industry – Competition & Market
7. Marketing plan
8. Financial Pro Forma
9. Legal
10. Miscellaneous

Due Diligence Process:

1) Company Overview:

Company Summary – Business History, Company founded, Products, Services, Customers
SWOT: Strengths, Weaknesses, Opportunities, Threats

2) Products and Services:

Top 10 Products Sales for the past 10 years. % of Revenue, % of Profit

Example: 50% of our sales come from top 6 customers... (Does 80% - 20% Rule Apply?)
30% of our profits come from top 4 customers

3) Customers:

We have _____ # customers. _____ % have contracts for _____ years.

Top 10 Customers Sales for past 10 years. _____ % Revenue, _____ % Profit

4) Management & Staff:

We have _____ # of employees. Average with the company _____ # years.

Titles, Job descriptions, years of service, education & experience, compensation history, Benefits

5) Financial History Summary:

5 year history of Income Statements & Balance Sheets with percentages

6) Industry – Competition & Market

Total Market size, Total number of Competitors. List Top 20 companies in the industry with sales and market % and location of each, SWOT for each, Barriers to entry etc.

7) Marketing plan

How are we going to double the company in the next ten years?

Who are the top 10 customers we are going to get and how & why? Locations and SWOT

What competitors are we going to take the business from and how & why? Locations and SWOT

M&A. What competitors can we acquire and how & why. Locations and SWOT

What potential new products and services can we offer to existing customers?

What are some other potential non-related growth opportunities?

8) Financial Pro Forma

Projections for next 5 years. Income Statements, Balance Sheets, Cash Flow Statements-EBITDA

Probable case, best case, worst case & SWOT

9) Legal

Any litigation, pending law suits, EPA liabilities

10) Miscellaneous

Insurance, health plans, 401k plans, etc.

11th. Decide What You Think the Value of The Company Is and Why It Is Worth That Amount

This may be one of the biggest decisions you ever make in your life. Not only will it likely be the largest financial decision you have made so far, but it also represents a total commitment of your life for at least the next five to ten years. The quality of your future, and your day-to-day life to a large extent, may hinge on the quality of this single decision. The only decision more important will be choosing whom you marry. I've seen information suggesting that 90% of your happiness can be tied to that one choice: choosing a lifelong partner. If you want to become an entrepreneur, you are going to need a partner who is willing to stand by you through thick and thin, because there will be moments of extreme stress. Every marriage has its challenges, but the spouse of an entrepreneur will likely face financial and emotional pressures far beyond the normal ups and downs of family life.

Next, you must decide what you think the company is worth. The most basic valuation method is to take the EBITDA cash flow figure and multiply it by five. So if a company is doing \$2,000,000 in sales and has EBITDA of \$200,000, that business should be worth about \$1,000,000.

Since this is such a major decision, I would strongly suggest hiring an advisor to help you determine the value of the company and to offer insight into the industry and its competitive landscape. Every industry has a national association. You need to identify that association, contact its

president, and ask for the names and contact information of the top three consultants who specialize in that particular field. Once you contact one of them, explain that you are considering buying a company in that industry and ask whether they can help you determine if it would be a good investment. If they agree to work with you, they will need to sign a non-disclosure agreement, since they will be reviewing the confidential information you have received about the company.

The consultant will charge you a few thousand dollars, but if he is any good at what he does, it may be the best investment you ever make. Even if he tells you that the company isn't great or that the industry is headed for trouble, that information is worth a fortune. Buying a bad company, or buying into an industry becoming obsolete due to new technology or any other factor, can cost you your life savings and waste the next few years of your life trying to revive a dying horse.

12th. Prepare A Letter of Intent to Buy the Company for A Certain Purchase Price

A Letter of Intent is a non-binding agreement between you and the seller of the company. It lays out what you are willing to pay for the business and the terms under which you plan to purchase it. This agreement is always subject to further due diligence, as well as the guidance of your consultant, your accountant, and your lawyer.

Date:

Your sender name and address

Recipient name and address

RE: Purchase of a Business Entity

The Business Purchase Letter of Intent (the "Letter") sets forth the proposed terms and conditions of the Purchase described hereunder and shall govern the relationship between the Buyer and Seller (the "Parties") until replaced by a definitive, formal agreement addressing the same purchase and subject matter (the "Definitive Agreement"). The Purchase considered in the Letter and in the Definitive Agreement is subject in all respects to the following:

1. **THE BUYER.** (BUYER NAME) (the "Buyer") with mailing address and contact information.
2. **THE SELLER.** (SELLER NAME) (the "Seller") with mailing address and contact information.
3. **THE BUSINESS.** (BUSINESS NAME) (the "Business")
4. **THE PURCHASE.** Unless otherwise agreed to by the Parties, the Buyer agrees to pay to the Seller the amount of \$(PURCHASE PRICE) \$_____ (the "Purchase Price") in exchange for (PERCENTAGE) % _____ ownership interest in the Business (the "Purchase").
5. **PAYMENT.** Payment shall be made as follows: (DESCRIBE MANNER OF PAYMENT)
6. **DEPOSIT.** The Parties agree that a deposit is: (REQUIRED/NOT REQUIRED)
7. **FINANCING.** The Buyer has made it known this Letter is (CONDITIONAL/NOT CONDITIONAL) upon financing.
8. **SELLER'S CONDUCT.** Until the closing date of the Purchase, the Seller must continue to fulfill their responsibilities in the best interests of the Business and shall not engage in any conduct that would adversely affect the Business and its respective operations.
9. **ACCESS TO INFORMATION.** The Buyer and their advisors shall have full access to the Business information, and they will be held to a fiduciary duty of confidentiality and must not misappropriate or disclose the information to any third (3rd) parties without the Seller's authorization.
10. **CONFIDENTIALITY.** The Seller and Buyer shall maintain the negotiations and pertinent information confidential and limited only to the parties' advisors, internal staff, or other necessary third (3rd) parties. Press or public releases are prohibited without prior mutual written authorization from the parties or as required by law.
11. **GOOD FAITH NEGOTIATIONS.** The Buyer and Seller are expected to negotiate the terms of the Purchase in good faith.
12. **EXCLUSIVE OPPORTUNITY.** The Buyer and Seller shall refrain from entering into negotiations or discussions concerning the Business with any other party unless another agreement (e.g., option to purchase, first right of refusal, etc.) is already in place.
13. **INTENTION OF THE PARTIES.** This Letter sets forth the intentions of the Parties to use reasonable efforts to negotiate, in good faith, a Definitive Agreement with respect to all matters herein. Notwithstanding paragraphs 6, 7, and 8 through 15, which shall be legally binding, any legal obligations with respect to all other matters shall only arise if and when the Parties execute and deliver a Definitive Agreement.
14. **GOVERNING LAW.** This Letter shall be governed under the laws of the (STATE NAME).
15. **SIGNATURES.**

*13th.If You and The Seller Agree to The Purchase Price
Outline the Structure & Terms of The Sale*

Total Offer to Purchase 100% New England Linen over 12 years:

| The total of all of these payments is: | First 50% of Co. | Second 50% of Co. | Total 100% of Co. |
|--|---------------------|----------------------|----------------------|
| Total Payments: | \$1,806,324 | \$2,322,324 | \$4,128,648 |
| Cash Down Payment | \$300,000 | \$315,000* | \$615,000 |
| Seller Note payable over 12 years | \$200,000 | \$200,000 | \$400,000 |
| Interest 6% on the seller Note | <u>\$ 79,647</u> | <u>\$ 79,647</u> | <u>\$159,294</u> |
| Total Seller Note with interest | \$279,647 | \$279,647 | \$559,294 |
| Non-Compete Agreement | \$250,000 | \$250,000 | \$500,000 |
| Deferred Compensation Agreement | <u>\$976,677</u> | <u>\$1,176,677*</u> | <u>\$2,153,354</u> |
| New Extra | N/A | \$301,000* | \$301,000 |
| Total Payments: | \$1,806,324 | \$2,322,324 | \$4,128,648 |

It was mentioned earlier that you should not buy a company unless it can pay for itself out of existing cash flow. Therefore, you can see below how the company could pay for itself out of existing cash flow.

| | | | |
|-------------------------------------|------------------|------------------|------------------|
| Annual Cash Flow: | \$600,000 | | \$800,000 |
| Annual Debt Payments: | | | |
| Seller Note with Interest: 12 Years | <u>\$ 23,304</u> | \$ 23,304 | \$ 46,608 |
| Non-Compete Agreement: 7 Years | <u>\$ 35,715</u> | \$ 35,715 | \$ 71,430 |
| Deferred Compensation: 12 Years | <u>\$ 84,000</u> | \$100,000* | \$184,000 |
| Total Annual Debt Payments: | <u>\$143,019</u> | <u>\$159,019</u> | <u>\$302,038</u> |

Cash Flow after Debt Service: \$456,981 \$497,962

*The Second 50% #'s were larger than the First 50% because the value of the company had gone up

New England Linen Financial Summary Approximates for next 11 years in \$ millions (\$000,000)

| Annual per year: | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
|-----------------------|------------|------------|------------|------------|------------|------------|------------|------------|-------------|-------------|-------------|
| Sales: | 5.7 | 6.4 | 6.6 | 7.9 | 8.4 | 8.6 | 9.4 | 9.9 | 10.5 | 11.2 | 12.1 |
| Cost Goods Sold: | 3.6 | 3.9 | 4.1 | 5.4 | 5.7 | 5.7 | 6.3 | 6.5 | 6.9 | 7.3 | 7.9 |
| Gross Profit: | 2.1 | 2.5 | 2.5 | 2.7 | 2.9 | 2.7 | 3.1 | 3.4 | 3.6 | 3.9 | 4.2 |
| Adj. EBITDA | 0.7 | 0.9 | 1.0 | 1.3 | 1.5 | 1.6 | 1.8 | 1.9 | 2.1 | 2.3 | 2.5 |
| Multiple x 5 | | | | | | | | | | | |
| Company Value: | 3.5 | 4.5 | 5.0 | 6.5 | 7.5 | 8.0 | 9.0 | 9.5 | 10.5 | 11.5 | 12.5 |

The company was sold to a private equity company in year 11 for \$12,500,000 in cash.

The total cash invested was \$615,000.

The rest of the purchase price was all paid out of the cash flow of the company, therefore paying for itself.

14th. Hire An M&A Lawyer to Prepare A Purchase Agreement to Buy the Company

If everything is going great and all the information you gather confirms that the company will be a good investment of your money and time, your next step is to prepare a formal agreement to buy the company. This can be a lengthy document, and it may cost several thousand dollars for your lawyer to draft. Once you provide the seller with the Purchase Agreement, he will hand it over to his lawyers for review. They will definitely come back with questions and issues they want changed. From there, a negotiation begins between your lawyer and their lawyer. Attorneys often try to justify their existence by making mountains out of molehills, because the more they negotiate, the more they get paid. This is another necessary expense if you want to play in this game, but it can get expensive, so try to tell your lawyer to fight only for the issues that truly matter to you.

15th. Close the Deal and Start Running Your New Company!

If you've gotten this far, you're probably going to be able to close the deal. The seller wouldn't have gone through the trouble and expense of paying his lawyer to negotiate the transaction unless he was truly serious about selling the company to you. "Let's go!"

| Book 100% Purchase of Company | | MASTER \$4,000,000 Company | | | | | | | | | | Revised Nov 12, 2025 | |
|-------------------------------|-------------|----------------------------|-------------|-------------|-------------|----------------|---------------|---------------|---------------|---------------|---------------|----------------------|--------|
| Co. Internal Financials | Actual 2021 | Actual 2022 | Actual 2023 | Actual 2024 | Actual 2025 | Base Year 2026 | Budget Year 1 | Budget Year 2 | Budget Year 3 | Budget Year 4 | Budget Year 5 | Budget Year 6 | |
| Total Revenue | 3,000,000 | 3,250,000 | 3,500,000 | 3,750,000 | 4,000,000 | 4,250,000 | 4,500,000 | 4,750,000 | 5,000,000 | 5,500,000 | 6,000,000 | 7,000,000 | |
| Total Cost of Goods Sold | 1,350,000 | 1,462,500 | 1,575,000 | 1,687,500 | 1,800,000 | 1,912,500 | 2,025,000 | 2,137,500 | 2,250,000 | 2,475,000 | 2,700,000 | 3,150,000 | 45.00% |
| GPM after Manufacturing | 1,650,000 | 1,787,500 | 1,925,000 | 2,062,500 | 2,200,000 | 2,337,500 | 2,475,000 | 2,612,500 | 2,750,000 | 3,025,000 | 3,300,000 | 3,850,000 | 55.00% |
| | 55.0% | 55.0% | 55.0% | 55.0% | 55.0% | 55.0% | 55.0% | 55.0% | 55.0% | 55.0% | 55.0% | 55.0% | |
| Variable Expenses: | | | | | | | | | | | | | |
| Warehouse Labor | 90,000 | 97,500 | 105,000 | 112,500 | 120,000 | 127,500 | 135,000 | 142,500 | 150,000 | 165,000 | 180,000 | 210,000 | 3.00% |
| Supplies & Other Misc. | 60,000 | 65,000 | 70,000 | 75,000 | 80,000 | 85,000 | 90,000 | 95,000 | 100,000 | 110,000 | 120,000 | 140,000 | 2.00% |
| Freight Out Paid | 60,000 | 65,000 | 70,000 | 75,000 | 80,000 | 85,000 | 90,000 | 95,000 | 100,000 | 110,000 | 120,000 | 140,000 | 2.00% |
| Rep Commissions | 90,000 | 97,500 | 105,000 | 112,500 | 120,000 | 127,500 | 135,000 | 142,500 | 150,000 | 165,000 | 180,000 | 210,000 | 3.00% |
| Total Variable Expenses | 300,000 | 325,000 | 350,000 | 375,000 | 400,000 | 425,000 | 450,000 | 475,000 | 500,000 | 550,000 | 600,000 | 700,000 | 10.00% |
| Gross Profit | 1,350,000 | 1,462,500 | 1,575,000 | 1,687,500 | 1,800,000 | 1,912,500 | 2,025,000 | 2,137,500 | 2,250,000 | 2,475,000 | 2,700,000 | 3,150,000 | 45.00% |
| Sales & Marketing Exp: | | | | | | | | | | | | | |
| Salaries | 185,000 | 178,750 | 192,500 | 206,250 | 220,000 | 233,750 | 247,500 | 261,250 | 275,000 | 302,500 | 330,000 | 385,000 | 5.50% |
| Auto Expense | 30,000 | 32,500 | 35,000 | 37,500 | 40,000 | 42,500 | 45,000 | 47,500 | 50,000 | 55,000 | 60,000 | 70,000 | 1.00% |
| Travel & Promo | 60,000 | 65,000 | 70,000 | 75,000 | 80,000 | 85,000 | 90,000 | 95,000 | 100,000 | 110,000 | 120,000 | 140,000 | 2.00% |
| Meals | 30,000 | 32,500 | 35,000 | 37,500 | 40,000 | 42,500 | 45,000 | 47,500 | 50,000 | 55,000 | 60,000 | 70,000 | 1.00% |
| Telephone | 30,000 | 32,500 | 35,000 | 37,500 | 40,000 | 42,500 | 45,000 | 47,500 | 50,000 | 55,000 | 60,000 | 70,000 | 1.00% |
| Postage-Sales Mailing | 30,000 | 32,500 | 35,000 | 37,500 | 40,000 | 42,500 | 45,000 | 47,500 | 50,000 | 55,000 | 60,000 | 70,000 | 1.00% |
| Advertising & Promo | 30,000 | 32,500 | 35,000 | 37,500 | 40,000 | 42,500 | 45,000 | 47,500 | 50,000 | 55,000 | 60,000 | 70,000 | 1.00% |
| Brochures-Price Lists | 15,000 | 16,250 | 17,500 | 18,750 | 20,000 | 21,250 | 22,500 | 23,750 | 25,000 | 27,500 | 30,000 | 35,000 | 0.50% |
| Trade Shows | 30,000 | 32,500 | 35,000 | 37,500 | 40,000 | 42,500 | 45,000 | 47,500 | 50,000 | 55,000 | 60,000 | 70,000 | 1.00% |
| Total Sales Expense | 420,000 | 455,000 | 490,000 | 525,000 | 560,000 | 595,000 | 630,000 | 665,000 | 700,000 | 770,000 | 840,000 | 980,000 | 14.00% |
| Gen & Admin Exp: | | | | | | | | | | | | | |
| Administration Salaries | 195,000 | 211,250 | 227,500 | 243,750 | 260,000 | 276,250 | 292,500 | 308,750 | 325,000 | 357,500 | 390,000 | 455,000 | 6.50% |
| Rent | 60,000 | 65,000 | 70,000 | 75,000 | 80,000 | 85,000 | 90,000 | 95,000 | 100,000 | 110,000 | 120,000 | 140,000 | 2.00% |
| Utilities Heat-Light etc | 6,000 | 6,500 | 7,000 | 7,500 | 8,000 | 8,500 | 9,000 | 9,500 | 10,000 | 11,000 | 12,000 | 14,000 | 0.20% |
| Medical Insurance | 27,000 | 29,250 | 31,500 | 33,750 | 36,000 | 38,250 | 40,500 | 42,750 | 45,000 | 49,500 | 54,000 | 63,000 | 0.90% |
| Insurance | 21,000 | 22,750 | 24,500 | 26,250 | 28,000 | 29,750 | 31,500 | 33,250 | 35,000 | 38,500 | 42,000 | 49,000 | 0.70% |
| Outside Svc-Computer | 12,000 | 13,000 | 14,000 | 15,000 | 16,000 | 17,000 | 18,000 | 19,000 | 20,000 | 22,000 | 24,000 | 28,000 | 0.40% |
| Postage | 3,000 | 3,250 | 3,500 | 3,750 | 4,000 | 4,250 | 4,500 | 4,750 | 5,000 | 5,500 | 6,000 | 7,000 | 0.10% |
| Pro Fees-CPA & Attys | 6,000 | 6,500 | 7,000 | 7,500 | 8,000 | 8,500 | 9,000 | 9,500 | 10,000 | 11,000 | 12,000 | 14,000 | 0.20% |
| Employer FICA | 6,000 | 6,500 | 7,000 | 7,500 | 8,000 | 8,500 | 9,000 | 9,500 | 10,000 | 11,000 | 12,000 | 14,000 | 0.20% |
| Employer 401K Exp | 6,000 | 6,500 | 7,000 | 7,500 | 8,000 | 8,500 | 9,000 | 9,500 | 10,000 | 11,000 | 12,000 | 14,000 | 0.20% |
| Depreciation | 24,000 | 26,000 | 28,000 | 30,000 | 32,000 | 34,000 | 36,000 | 38,000 | 40,000 | 44,000 | 48,000 | 56,000 | 0.80% |
| Interest Expense | 60,000 | 65,000 | 70,000 | 75,000 | 80,000 | 85,000 | 90,000 | 95,000 | 100,000 | 110,000 | 120,000 | 140,000 | 2.00% |
| Misc Expense | 54,000 | 58,500 | 63,000 | 67,500 | 72,000 | 76,500 | 81,000 | 85,500 | 90,000 | 99,000 | 108,000 | 126,000 | 1.80% |
| Total SG&A | 480,000 | 520,000 | 560,000 | 600,000 | 640,000 | 680,000 | 720,000 | 760,000 | 800,000 | 880,000 | 960,000 | 1,120,000 | 16.00% |
| Operating Income | 450,000 | 487,500 | 525,000 | 562,500 | 600,000 | 637,500 | 675,000 | 712,500 | 750,000 | 825,000 | 900,000 | 1,050,000 | 15.00% |
| Income Taxes-25% | 112,500 | 121,875 | 131,250 | 140,625 | 150,000 | 159,375 | 168,750 | 178,125 | 187,500 | 206,250 | 225,000 | 262,500 | 3.75% |
| Net Income | 337,500 | 365,625 | 393,750 | 421,875 | 450,000 | 478,125 | 506,250 | 534,375 | 562,500 | 618,750 | 675,000 | 787,500 | 11.25% |
| Add Backs: | | | | | | | | | | | | | |
| Excess Owners Comp | 66,000 | 71,500 | 77,000 | 82,500 | 88,000 | 93,500 | 99,000 | 104,500 | 110,000 | 121,000 | 132,000 | 154,000 | 2.20% |
| Depreciation | 24,000 | 26,000 | 28,000 | 30,000 | 32,000 | 34,000 | 36,000 | 38,000 | 40,000 | 44,000 | 48,000 | 56,000 | |
| Interest | 60,000 | 65,000 | 70,000 | 75,000 | 80,000 | 85,000 | 90,000 | 95,000 | 100,000 | 110,000 | 120,000 | 140,000 | |
| Income Taxes-25% | 112,500 | 121,875 | 131,250 | 140,625 | 150,000 | 159,375 | 168,750 | 178,125 | 187,500 | 206,250 | 225,000 | 262,500 | |
| EBITDA | 600,000 | 650,000 | 700,000 | 750,000 | 800,000 | 850,000 | 900,000 | 950,000 | 1,000,000 | 1,100,000 | 1,200,000 | 1,400,000 | |
| | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | |

| EBITDA Multiple x5 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 |
|-----------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|----------------------------|-----------|-----------|
| Purchase Price | 3,000,000 | 3,250,000 | 3,500,000 | 3,750,000 | 4,000,000 | 4,250,000 | 4,500,000 | 4,750,000 | 5,000,000 | 5,500,000 | 6,000,000 | 7,000,000 |
| No Option | | | | | | | | | | | | |
| Price for 100% Company | 3,000,000 | 3,250,000 | 3,500,000 | 3,750,000 | 4,000,000 | 4,250,000 | 4,500,000 | 4,750,000 | 5,000,000 | 5,500,000 | 6,000,000 | 7,000,000 |
| Down Payment 20% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% |
| Cash Investment | 600,000 | 650,000 | 700,000 | 750,000 | 800,000 | 850,000 | 900,000 | 950,000 | 1,000,000 | 1,100,000 | 1,200,000 | 1,400,000 |
| Bank Loan 20% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% |
| Bank Loan Principal | 600,000 | 650,000 | 700,000 | 750,000 | 800,000 | 850,000 | 900,000 | 950,000 | 1,000,000 | 1,100,000 | 1,200,000 | 1,400,000 |
| Seller Loan 60% | 60.0% | 60.0% | 60.0% | 60.0% | 60.0% | 60.0% | 60.0% | 60.0% | 60.0% | 60.0% | 60.0% | 60.0% |
| Seller Loan Principal | 1,800,000 | 1,950,000 | 2,100,000 | 2,250,000 | 2,400,000 | 2,550,000 | 2,700,000 | 2,850,000 | 3,000,000 | 3,300,000 | 3,600,000 | 4,200,000 |
| Total \$ for 100% of Co. | 3,000,000 | 3,250,000 | 3,500,000 | 3,750,000 | 4,000,000 | 4,250,000 | 4,500,000 | 4,750,000 | 5,000,000 | 5,500,000 | 6,000,000 | 7,000,000 |
| | | | | | | | | | | \$800,000 investment now = | | 7,000,000 |
| DEBT SERVICE: | | | | | | | | | | | | |
| Bank Loan Balance | | | | | 800,000 | 640,000 | 480,000 | 320,000 | 160,000 | - | - | - |
| Bank Interest 6% | | | | | 48,000 | 38,400 | 28,800 | 19,200 | 9,600 | - | - | - |
| Bank Principal Paid 5 yrs | | | | | 160,000 | 160,000 | 160,000 | 160,000 | 160,000 | - | - | - |
| Bank Payments per year | | | | | 208,000 | 198,400 | 188,800 | 179,200 | 169,600 | - | - | - |
| Bank Loan Balance YE | | | | | 640,000 | 480,000 | 320,000 | 160,000 | - | - | - | - |
| Seller Loan Balance | | | | | 2,400,000 | 1,920,000 | 1,440,000 | 960,000 | 480,000 | - | - | - |
| Seller Interest 6% | | | | | 144,000 | 115,200 | 86,400 | 57,600 | 28,800 | - | - | - |
| Seller Principal Paid 5 yrs | | | | | 480,000 | 480,000 | 480,000 | 480,000 | 480,000 | - | - | - |
| Seller Payments per year | | | | | 624,000 | 595,200 | 566,400 | 537,600 | 508,800 | - | - | - |
| Seller Loan Balance YE | | | | | 1,920,000 | 1,440,000 | 960,000 | 480,000 | - | - | - | - |
| Total Annual Debt Service | | | | | 832,000 | 793,600 | 755,200 | 716,800 | 678,400 | - | - | - |

| Book 50% Purchase of Company | | MASTER \$4,000,000 Company | | | | | | | | | | Revised Nov 12, 2023 | | |
|--------------------------------|-----------|----------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|----------------------|--------|--|
| Co. Internal Financials | Actual | Actual | Actual | Actual | Actual | Base Year | Budget | Budget | Budget | Budget | Budget | Budget | | |
| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | | |
| Total Revenue | 3,000,000 | 3,250,000 | 3,500,000 | 3,750,000 | 4,000,000 | 4,250,000 | 4,500,000 | 4,750,000 | 5,000,000 | 5,500,000 | 6,000,000 | 7,000,000 | | |
| Total Cost of Goods Sold | 1,350,000 | 1,462,500 | 1,575,000 | 1,687,500 | 1,800,000 | 1,912,500 | 2,025,000 | 2,137,500 | 2,250,000 | 2,475,000 | 2,700,000 | 3,150,000 | 45.00% | |
| GPM after Manufacturing | 1,650,000 | 1,787,500 | 1,925,000 | 2,062,500 | 2,200,000 | 2,337,500 | 2,475,000 | 2,612,500 | 2,750,000 | 3,025,000 | 3,300,000 | 3,850,000 | 55.00% | |
| | 55.0% | 55.0% | 55.0% | 55.0% | 55.0% | 55.0% | 55.0% | 55.0% | 55.0% | 55.0% | 55.0% | 55.0% | | |
| Variable Expenses: | | | | | | | | | | | | | | |
| Warehouse Labor | 90,000 | 97,500 | 105,000 | 112,500 | 120,000 | 127,500 | 135,000 | 142,500 | 150,000 | 165,000 | 180,000 | 210,000 | 3.00% | |
| Supplies & Other Misc. | 60,000 | 65,000 | 70,000 | 75,000 | 80,000 | 85,000 | 90,000 | 95,000 | 100,000 | 110,000 | 120,000 | 140,000 | 2.00% | |
| Freight Out Paid | 60,000 | 65,000 | 70,000 | 75,000 | 80,000 | 85,000 | 90,000 | 95,000 | 100,000 | 110,000 | 120,000 | 140,000 | 2.00% | |
| Rep Commissions | 90,000 | 97,500 | 105,000 | 112,500 | 120,000 | 127,500 | 135,000 | 142,500 | 150,000 | 165,000 | 180,000 | 210,000 | 3.00% | |
| Total Variable Expenses | 300,000 | 325,000 | 350,000 | 375,000 | 400,000 | 425,000 | 450,000 | 475,000 | 500,000 | 550,000 | 600,000 | 700,000 | 10.00% | |
| Gross Profit | 1,350,000 | 1,462,500 | 1,575,000 | 1,687,500 | 1,800,000 | 1,912,500 | 2,025,000 | 2,137,500 | 2,250,000 | 2,475,000 | 2,700,000 | 3,150,000 | 45.00% | |
| Sales & Marketing Exp: | | | | | | | | | | | | | | |
| Salaries | 165,000 | 178,750 | 192,500 | 206,250 | 220,000 | 233,750 | 247,500 | 261,250 | 275,000 | 302,500 | 330,000 | 385,000 | 5.50% | |
| Auto Expense | 30,000 | 32,500 | 35,000 | 37,500 | 40,000 | 42,500 | 45,000 | 47,500 | 50,000 | 55,000 | 60,000 | 70,000 | 1.00% | |
| Travel & Promo | 60,000 | 65,000 | 70,000 | 75,000 | 80,000 | 85,000 | 90,000 | 95,000 | 100,000 | 110,000 | 120,000 | 140,000 | 2.00% | |
| Meals | 30,000 | 32,500 | 35,000 | 37,500 | 40,000 | 42,500 | 45,000 | 47,500 | 50,000 | 55,000 | 60,000 | 70,000 | 1.00% | |
| Telephone | 30,000 | 32,500 | 35,000 | 37,500 | 40,000 | 42,500 | 45,000 | 47,500 | 50,000 | 55,000 | 60,000 | 70,000 | 1.00% | |
| Postage-Sales Mailing | 30,000 | 32,500 | 35,000 | 37,500 | 40,000 | 42,500 | 45,000 | 47,500 | 50,000 | 55,000 | 60,000 | 70,000 | 1.00% | |
| Advertising & Promo | 30,000 | 32,500 | 35,000 | 37,500 | 40,000 | 42,500 | 45,000 | 47,500 | 50,000 | 55,000 | 60,000 | 70,000 | 1.00% | |
| Brochures-Price Lists | 15,000 | 16,250 | 17,500 | 18,750 | 20,000 | 21,250 | 22,500 | 23,750 | 25,000 | 27,500 | 30,000 | 35,000 | 0.50% | |
| Trade Shows | 30,000 | 32,500 | 35,000 | 37,500 | 40,000 | 42,500 | 45,000 | 47,500 | 50,000 | 55,000 | 60,000 | 70,000 | 1.00% | |
| Total Sales Expense | 420,000 | 455,000 | 490,000 | 525,000 | 560,000 | 595,000 | 630,000 | 665,000 | 700,000 | 770,000 | 840,000 | 980,000 | 14.00% | |
| Gen & Admin Exp: | | | | | | | | | | | | | | |
| Administration Salaries | 195,000 | 211,250 | 227,500 | 243,750 | 260,000 | 276,250 | 292,500 | 308,750 | 325,000 | 357,500 | 390,000 | 455,000 | 6.50% | |
| Rent | 60,000 | 65,000 | 70,000 | 75,000 | 80,000 | 85,000 | 90,000 | 95,000 | 100,000 | 110,000 | 120,000 | 140,000 | 2.00% | |
| Utilities Heat-Light etc | 6,000 | 6,500 | 7,000 | 7,500 | 8,000 | 8,500 | 9,000 | 9,500 | 10,000 | 11,000 | 12,000 | 14,000 | 0.20% | |
| Medical Insurance | 27,000 | 29,250 | 31,500 | 33,750 | 36,000 | 38,250 | 40,500 | 42,750 | 45,000 | 49,500 | 54,000 | 63,000 | 0.90% | |
| Insurance | 21,000 | 22,750 | 24,500 | 26,250 | 28,000 | 29,750 | 31,500 | 33,250 | 35,000 | 38,500 | 42,000 | 49,000 | 0.70% | |
| Outside Svc-Computer | 12,000 | 13,000 | 14,000 | 15,000 | 16,000 | 17,000 | 18,000 | 19,000 | 20,000 | 22,000 | 24,000 | 28,000 | 0.40% | |
| Postage | 3,000 | 3,250 | 3,500 | 3,750 | 4,000 | 4,250 | 4,500 | 4,750 | 5,000 | 5,500 | 6,000 | 7,000 | 0.10% | |
| Pro Fees-CPA & Attys | 6,000 | 6,500 | 7,000 | 7,500 | 8,000 | 8,500 | 9,000 | 9,500 | 10,000 | 11,000 | 12,000 | 14,000 | 0.20% | |
| Employer FICA | 6,000 | 6,500 | 7,000 | 7,500 | 8,000 | 8,500 | 9,000 | 9,500 | 10,000 | 11,000 | 12,000 | 14,000 | 0.20% | |
| Employer 401K Exp | 6,000 | 6,500 | 7,000 | 7,500 | 8,000 | 8,500 | 9,000 | 9,500 | 10,000 | 11,000 | 12,000 | 14,000 | 0.20% | |
| Depreciation | 24,000 | 26,000 | 28,000 | 30,000 | 32,000 | 34,000 | 36,000 | 38,000 | 40,000 | 44,000 | 48,000 | 56,000 | 0.80% | |
| Interest Expense | 60,000 | 65,000 | 70,000 | 75,000 | 80,000 | 85,000 | 90,000 | 95,000 | 100,000 | 110,000 | 120,000 | 140,000 | 2.00% | |
| Misc. Expense | 54,000 | 58,500 | 63,000 | 67,500 | 72,000 | 76,500 | 81,000 | 85,500 | 90,000 | 99,000 | 108,000 | 126,000 | 1.80% | |
| Total SG&A | 480,000 | 520,000 | 560,000 | 600,000 | 640,000 | 680,000 | 720,000 | 760,000 | 800,000 | 880,000 | 960,000 | 1,120,000 | 16.00% | |
| Operating Income | 450,000 | 487,500 | 525,000 | 562,500 | 600,000 | 637,500 | 675,000 | 712,500 | 750,000 | 825,000 | 900,000 | 1,050,000 | 15.00% | |
| Income Taxes-25% | 112,500 | 121,875 | 131,250 | 140,625 | 150,000 | 159,375 | 168,750 | 178,125 | 187,500 | 206,250 | 225,000 | 262,500 | 3.75% | |
| Net Income | 337,500 | 365,625 | 393,750 | 421,875 | 450,000 | 478,125 | 506,250 | 534,375 | 562,500 | 618,750 | 675,000 | 787,500 | 11.25% | |
| Add Backs: | | | | | | | | | | | | | | |
| Excess Owners Comp | 66,000 | 71,500 | 77,000 | 82,500 | 88,000 | 93,500 | 99,000 | 104,500 | 110,000 | 121,000 | 132,000 | 154,000 | 2.20% | |
| Depreciation | 24,000 | 26,000 | 28,000 | 30,000 | 32,000 | 34,000 | 36,000 | 38,000 | 40,000 | 44,000 | 48,000 | 56,000 | | |
| Interest | 60,000 | 65,000 | 70,000 | 75,000 | 80,000 | 85,000 | 90,000 | 95,000 | 100,000 | 110,000 | 120,000 | 140,000 | | |
| Income Taxes-25% | 112,500 | 121,875 | 131,250 | 140,625 | 150,000 | 159,375 | 168,750 | 178,125 | 187,500 | 206,250 | 225,000 | 262,500 | | |
| EBITDA | 600,000 | 650,000 | 700,000 | 750,000 | 800,000 | 850,000 | 900,000 | 950,000 | 1,000,000 | 1,100,000 | 1,200,000 | 1,400,000 | | |
| | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | | |

| EBITDA Multiple x5 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 |
|-----------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|----------------------------|-----------|-----------|-----------|
| Purchase Price | 3,000,000 | 3,250,000 | 3,500,000 | 3,750,000 | 4,000,000 | 4,250,000 | 4,500,000 | 4,750,000 | 5,000,000 | 5,500,000 | 6,000,000 | 7,000,000 |
| 50% Now 50% Option | 50.0% | 50.0% | 50.0% | 50.0% | 50.0% | 50.0% | 50.0% | 50.0% | 50.0% | 50.0% | 50.0% | 50.0% |
| Price for 50% Company | 1,500,000 | 1,625,000 | 1,750,000 | 1,875,000 | 2,000,000 | 2,125,000 | 2,250,000 | 2,375,000 | 2,500,000 | 2,750,000 | 3,000,000 | 3,500,000 |
| Down Payment 20% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% |
| Cash Investment | 300,000 | 325,000 | 350,000 | 375,000 | 400,000 | 425,000 | 450,000 | 475,000 | 500,000 | 550,000 | 600,000 | 700,000 |
| Bank Loan 20% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% |
| Bank Loan Principal | 300,000 | 325,000 | 350,000 | 375,000 | 400,000 | 425,000 | 450,000 | 475,000 | 500,000 | 550,000 | 600,000 | 700,000 |
| Seller Loan 60% | 60.0% | 60.0% | 60.0% | 60.0% | 60.0% | 60.0% | 60.0% | 60.0% | 60.0% | 60.0% | 60.0% | 60.0% |
| Seller Loan Principal | 900,000 | 975,000 | 1,050,000 | 1,125,000 | 1,200,000 | 1,275,000 | 1,350,000 | 1,425,000 | 1,500,000 | 1,650,000 | 1,800,000 | 2,100,000 |
| Total \$ for 50% of Co. | 1,500,000 | 1,625,000 | 1,750,000 | 1,875,000 | 2,000,000 | 2,125,000 | 2,250,000 | 2,375,000 | 2,500,000 | 2,750,000 | 3,000,000 | 3,500,000 |
| | | | | | | | | | \$400,000 investment now = | | | 3,500,000 |
| | | | | | 1st 50% | 1st 50% | 1st 50% | 1st 50% | 1st 50% | 2nd 50% | 2nd 50% | 2nd 50% |
| Bank Loan Balance | | | | | 400,000 | 320,000 | 240,000 | 160,000 | 80,000 | 400,000 | 320,000 | 240,000 |
| Bank Interest 6% | | | | | 24,000 | 19,200 | 14,400 | 9,600 | 4,800 | 24,000 | 19,200 | 14,400 |
| Bank Principal Paid 5 yrs | | | | | 80,000 | 80,000 | 80,000 | 80,000 | 80,000 | 80,000 | 80,000 | 80,000 |
| Bank Payments per year | | | | | 104,000 | 99,200 | 94,400 | 89,600 | 84,800 | 104,000 | 99,200 | 94,400 |
| Bank Loan Balance YE | | | | | 320,000 | 240,000 | 160,000 | 80,000 | - | 320,000 | 240,000 | 160,000 |
| Seller Loan Balance | | | | | 1,200,000 | 960,000 | 720,000 | 480,000 | 240,000 | 1,200,000 | 960,000 | 720,000 |
| Seller Interest 6% | | | | | 72,000 | 57,600 | 43,200 | 28,800 | 14,400 | 72,000 | 57,600 | 43,200 |
| Seller Principal Paid 5 yrs | | | | | 240,000 | 240,000 | 240,000 | 240,000 | 240,000 | 240,000 | 240,000 | 240,000 |
| Seller Payments per year | | | | | 312,000 | 297,600 | 283,200 | 268,800 | 254,400 | 312,000 | 297,600 | 283,200 |
| Seller Loan Balance YE | | | | | 960,000 | 720,000 | 480,000 | 240,000 | - | 960,000 | 720,000 | 480,000 |
| Total Annual Debt Service | | | | | 416,000 | 396,800 | 377,600 | 358,400 | 339,200 | 416,000 | 396,800 | 377,600 |

- STEP 1) Decide that you want to buy company for yourself and why**
- STEP 2) Try and find a source of income while you do a search for a company to buy**
- STEP 3) Try and establish yourself as a qualified buyer**
- STEP 4) Decide what kind of company you would like to buy**
- STEP 5) Put together a marketing brochure to explain who you are and what you are looking for**
- STEP 6) Begin your search for a company to buy**
- STEP 7) Identify a potential target company that may be for sale**
- STEP 8) Meet with the owner of the company that may be for sale**
- STEP 9) If he is open to the idea prepare a Confidentiality Agreement to see company information**
- STEP 10) Begin doing Due Diligence on the Company, Industry, Competition, etc.**
- STEP 11) Decide what you think the value of the company is worth and why it is worth that amount**
- STEP 12) Prepare a Letter Of Intent to buy the company for a certain purchase price**
- STEP 13) If you and the seller agree to purchase price, outline the structure and terms of the sale**
- STEP 14) Hire and M&A lawyer to prepare a Purchase Agreement to buy the company**
- STEP 15) Close the deal and start running your new company!**

LOOK INSIDE

Version
2.0

How To
**BUY A BUSINESS
USING ITS
OWN CASH™**




**FREE Audio
Version Inside!**

By: Mike Warren
Business Maverick
#1 International Best Seller
Venture Capitalist