

Rhodes Holdings LLC

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Brianchi Stone Corporation ("BSC")

Corporate Info. Beita Brothers, Inc.¹ ("BBI")
9022 Frey Road, Houston, Texas 77034
<http://www.beitabrothers.com/>

Description BSC distributes nature stone countertops (*top 25 colors*), tile and cabinets through its 4,500 SF showroom and 14,000 SF warehouse. Its potential clientele includes the top Houston 200 fabricators/installers and retail traffic. BSC is a "cash and carry" business with the ability to provide 100% 5 year interest free financing to retail clients. BBI operations include installation services but future growth will be distribution.



Ownership ✓ 80% Luis Beita, 20% Frank Beita

Benefits ✓ **4 major tile distribution agreements, including Interceramic, Dal-Tile, Mohawk and EMSER**
✓ Tile manufacturers have Houston hubs, no more inventories required.
✓ Positive operating cash flow

Financials

Revenue:	\$192,000 monthly	\$2,300,000 annually	BBI including BCS
	\$40,000 monthly		BCS only
Gross Margin:	25%		BCS only
EBITDA:	\$19,000 monthly	\$228,000 annually ²	10%
Total debt:	\$500,000		
Current inventory:	\$250,000 BCS + \$200,000 equipment BBI		

Proposed purchase transaction

Transaction ✓ 17,500 SF building on 1.745 acres, 4500 SF showroom, 2,200 SF office
○ \$2,300,000 owner financed with 30% down at 10% interest
✓ \$2,000,000 total for BBI
○ \$600,000 cash
○ \$1,500,000 restricted stock (no less than 25% of outstanding)
✓ \$2,000,000 growth capital required

Employment ✓ Luis Beita – 3 year contract, \$150,000 salary, acquisition(s) bonus
✓ Frank Beita – 3 year contract, \$100,000 salary, 5% profit bonus

Upside

Organic Growth ✓ \$2,000,000 of growth capital used to purchase granite inventory (40 containers) allows BSC to grow to \$1,000,000 monthly revenue.
✓ Same could be done by acquisitions of struggling distributors.

¹ All operations are in Beita Brothers Inc. while agreements in Bianchi Stone Corporation.

² 2007 income of \$7,762 with one time extraordinary expenses, including one of \$165,820.40.